

U-HAUL HOLDING CO /NV/

FORM 10-K (Annual Report)

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

Form 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the fiscal year ended March 31, 2016

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the transition period from _____ to _____

<u>Commission File Number</u>	<u>Registrant , State of Incorporation Address and Telephone Number</u>	<u>I.R.S. Employer Identification No.</u>
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AMERCO

1-11255

AMERCO

88-0106815

(A Nevada Corporation)

5555 Kietzke Lane, Ste. 100

Reno, Nevada 89511

Telephone (775) 688-6300

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Name of each exchange on which registered</u>
Common stock, \$0.25 par value	NASDAQ Global Selection Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Securities Act. Yes No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files .) Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definition s of a "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of AMERCO common stock held by non-affiliates on September 30, 20 15 was \$ 2,392 , 872 , 853 . The aggregate market value was computed using the closing price for the common stock trading on NASDAQ on such date. Shares held by executive officers, directors and persons owning directly or indirectly more than 5% of the outstanding common stock have been excluded from the preceding number b ecause such persons may be deemed to be affiliates of the registrant. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

19,607,788 shares of AMERCO Common Stock, \$0.25 par value, were outstanding at May 20, 2016.

Documents incorporated by reference: portions of AMERCO's definitive proxy statement for the 201 6 annual meeting of stockholders, to be filed within 120 days after AMERCO's fiscal year ended March 31, 2016 , are incorporated by reference into Part III of this report.

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PART I

Item 1. Business

Company Overview

We are North America's largest "do-it-yourself" moving and storage operator through our subsidiary U-Haul International, Inc. ("U-Haul"). U-Haul is synonymous with "do-it-yourself" moving and storage and is a leader in supplying products and services to help people move and store their household and commercial goods. Our primary service objective is to provide a better and better product or service to more and more people at a lower and lower cost. Unless the context otherwise requires, the term "AMERCO," "Company," "we," "us," or "our" refers to AMERCO, a Nevada corporation, and all of its legal subsidiaries, on a consolidated basis.

We were founded in 1945 as a sole proprietorship under the name "U-Haul Trailer Rental Company" and have rented trailers ever since. Starting in 1959, we rented trucks on a one-way and in-town basis exclusively through independent U-Haul dealers. In 1974, we began developing our network of U-Haul managed retail stores, through which we rent our trucks and trailers, self-storage rooms and portable moving and storage units and sell moving and self-storage products and services to complement our independent dealer network.

We rent our distinctive orange and white U-Haul trucks and trailers as well as offer self-storage rooms through a network of approximately 1,700 Company operated retail moving stores and approximately 19,500 independent U-Haul dealers. We also sell U-Haul brand boxes, tape and other moving and self-storage products and services to "do-it-yourself" moving and storage customers at all of our distribution outlets and through our uhaul.com and eMove[®] web sites.

We believe U-Haul is the most convenient supplier of products and services addressing the needs of North America's "do-it-yourself" moving and storage market. Our broad geographic coverage throughout the United States and Canada and our extensive selection of U-Haul brand moving equipment rentals, self-storage rooms, portable moving and storage units and related moving and storage products and services provide our customers with convenient "one-stop" shopping.

Since 1945 U-Haul has incorporated sustainable practices into its everyday operations. We believe that our basic business premise of equipment sharing helps reduce greenhouse gas emissions and reduces the inventory of total large capacity vehicles. We continue to look for ways to reduce waste within our business and are dedicated to manufacturing reusable components and recyclable products. We believe that our commitment to sustainability, through our products and services and everyday operations has helped us to reduce our impact on the environment.

Through Repwest Insurance Company ("Repwest") and ARCOA Risk Retention Group ("ARCOA"), our property and casualty insurance subsidiaries, we manage the property, liability and related insurance claims processing for U-Haul. Oxford Life Insurance Company ("Oxford"), our life insurance subsidiary, sells life insurance, Medicare supplement insurance, annuities and other related products to the senior market.

Available Information

AMERCO and U-Haul are each incorporated in Nevada. U-Haul's internet address is uhaul.com. On AMERCO's investor relations web site, amerco.com, we post the following filings as soon as practicable after they are electronically filed with or furnished to the United States Securities and Exchange Commission ("SEC"): our Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q, our Current Reports on Form 8-K, our proxy statement related to our annual meeting of stockholders, and any amendments to those reports or statements filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). We also use our investor relations web site as a means of disclosing material non-public information and for complying with our disclosure obligations under Regulation FD. All such filings on our web site are available free of charge. Additionally, you will find these materials on the SEC's website at sec.gov.

Products and Rental Equipment

Our customers are primarily "do-it-yourself" household movers. U-Haul moving equipment is specifically designed, engineered and manufactured for the "do-it-yourself" household mover. These "do-it-yourself" movers include individuals and families moving their belongings from one home to another, college students moving their belongings, vacationers and sports enthusiasts needing extra space or having special towing needs, people trying to save on home furniture and home appliance delivery costs, and "do-it-yourself" home remodeling and gardening enthusiasts who need to transport materials.

As of March 31, 2016, our rental fleet consisted of approximately 139,000 trucks, 108,000 trailers and 38,000 towing devices. This equipment and our U-Haul brand of self-moving products and services are available through our network of managed retail moving stores and independent U-Haul dealers. Independent U-Haul dealers receive rental equipment from the Company, act as rental agents and are paid a commission based on gross revenues generated from their U-Haul rentals.

Our rental truck chassis are engineered by domestic truck manufacturers. These chassis are joined with the U-Haul designed and manufactured van boxes primarily at U-Haul operated manufacturing and assembly facilities strategically located throughout the United States. U-Haul rental trucks feature our proprietary Lowest DeckSM, which provides our customers with extra ease of loading. The loading ramps on our trucks are the widest in the industry, which reduce the effort needed to move belongings. Our trucks are fitted with convenient, padded rub rails with tie downs on every interior wall. Our Gentle Ride SuspensionSM helps our customers safely move delicate and prized possessions. Also, the engineers at our U-Haul Technical Center determined that the softest ride in our trucks was at the front of the van box. Consequently, we designed the part of the van box that hangs over the front cab of the truck to be the location for our customers to place their most fragile items during their move. We call this area Mom's AtticSM.

Our distinctive trailers are also manufactured at these same U-Haul operated manufacturing and assembly facilities. These trailers are well suited to the low profile of many of today's newly manufactured automobiles. Our engineering staff is committed to making our trailers easy to tow, safe, aerodynamic and fuel efficient.

To provide our self-move customers with added value, our rental trucks and trailers are designed with fuel efficiency in mind. Many of our trucks are fitted with fuel economy gauges, another tool that assists our customers in conserving fuel. To help make our rental equipment more reliable, we routinely perform extensive preventive maintenance and repairs.

We also provide customers with equipment to transport their vehicles. We provide two towing options; auto transport, in which all four wheels are off the ground, and a tow dolly, in which the front wheels of the towed vehicle are off the ground.

To help our customers load their boxes and larger household appliances and furniture, we offer several accessory rental items. Our utility dolly has a lightweight design and is easy to maneuver. Another rental accessory is our four wheel dolly, which provides a large, flat surface for moving dressers, wall units, pianos and other large household items. U-Haul appliance dollies provide the leverage needed to move refrigerators, freezers, washers and dryers easily and safely. These utility, furniture and appliance dollies, along with the low decks and the wide loading ramps on U-Haul trucks and trailers, are designed for easy loading and unloading of our customers' belongings.

The total package U-Haul offers to the "do-it-yourself" household mover doesn't end with trucks, trailers and accessory rental items. Our moving supplies include a wide array of affordably priced U-Haul brand boxes, tape and packing materials. We also provide specialty boxes for dishes, computers and sensitive electronic equipment, as well as tape, security locks, and packing supplies. U-Haul brand boxes are specifically sized to make loading easier.

We estimate that U-Haul is North America's largest seller and installer of hitches and towing systems. In addition to towing U-Haul equipment, these hitching and towing systems can tow jet skis, motorcycles, boats, campers and horse trailers. Each year, more than one million customers visit our locations for expertise on complete towing systems, trailer rentals and the latest in towing accessories.

U-Haul has one of North America's largest propane refilling networks, with over 1,100 locations providing this convenient service. We employ trained, certified personnel to refill propane cylinders and alternative fuel vehicles. Our network of propane dispensing locations is one of the largest automobile alternative refueling networks in North America.

Our self-storage business was a natural outgrowth of our self-moving operations. Conveniently located U-Haul self-storage rental facilities provide clean, dry and secure space for storage of household and commercial goods. Storage units range in size from 6 square feet to over 1,000 square feet. As of March 31, 2016, we operate nearly 1,360 self-storage locations in North America, with over 536,000 rentable rooms comprising 47.9 million square feet of rentable storage space. Our self-storage centers feature a wide array of security measures, ranging from electronic property access control gates to individually alarmed storage units. At many centers, we offer climate controlled storage rooms to protect temperature sensitive goods such as video tapes, albums, photographs and precious wood furniture.

Another extension of our strategy to make "do-it-yourself" moving and storage easier is our U-Box[®] program. A U-Box portable moving and storage unit is delivered to a location of our customer's choosing either by the customers themselves through the use of a U-Box trailer, with the assistance of a Moving Helper or by Company personnel. Once the U-Box portable moving and storage unit is filled, it can be stored at the customer's location, or taken to one of our Company operated locations, a participating independent dealer, or moved to a location of the customer's choice.

Additionally, we offer moving and storage protection packages such as Safemove and Safetow. These programs provide moving and towing customers with a damage waiver, cargo protection and medical and life insurance coverage. Safestor provides protection for storage customers from loss on their goods in storage. Safestor Mobile provides protection for customers stored belongings when using our U-Box portable and moving storage units. For our customers who desire additional coverage over and above the standard Safemove protection, we also offer our Safemove Plus product. This package provides the rental customer with a layer of primary liability protection.

We believe that through our web site, uhaul.com, we have aggregated the largest network of customers and independent businesses in the self-moving and self-storage industry. In particular, our Moving Helper program connects "do-it-yourself" movers with thousands of independent service providers across North America to assist our customers in packing, loading, unloading, cleaning, driving and performing other services.

Through the U-Haul Storage Affiliate Program, independent storage businesses can join the world's largest self-storage reservation system. Self-storage customers making a reservation through uhaul.com can access all of the U-Haul self-storage centers and all of our independent storage affiliate partners for even greater convenience to meet their self-storage needs. For the independent storage operator, our network gives them access to products and services allowing them to compete with larger operators more cost effectively.

We own the registered trademarks or service marks "U-Haul[®]", "AMERCO[®]", "In-Town[®]", "eMove[®]", "C.A.R.D.[®]", "Safemove[®]", "WebSelfStorage[®]", "webselfstorage.com (SM)", "uhaul.com[®]", "Lowest Decks (SM)", "Gentle Ride Suspension (SM)", "Mom's Attic[®]", "U-Box[®]", "Moving Help[®]", "Safestor[®]", "U-Haul Investors Club[™]", "uhaulinvestorsclub.com (SM)", "U-Note[™]", among others, for use in connection with the moving and storage business.

Description of Operating Segments

AMERCO's three reportable segments are:

- Moving and Storage, comprised of AMERCO, U-Haul, and Real Estate and the subsidiaries of U-Haul and Real Estate,
- Property and Casualty Insurance, comprised of Repwest and its subsidiaries and ARCOA, and
- Life Insurance, comprised of Oxford and its subsidiaries.

Financial information for each of our operating segments is included in the Notes to Consolidated Financial Statements as part of Item 8: Financial Statements and Supplementary Data of this Annual Report on Form 10-K.

Moving and Storage Operating Segment

Moving and Storage operating segment ("Moving and Storage") consists of the rental of trucks, trailers, portable moving and storage units, specialty rental items and self-storage spaces primarily to the household mover as well as sales of moving supplies, towing accessories and propane. Operations are conducted under the registered trade name U-Haul® throughout the United States and Canada.

Net revenue from Moving and Storage was approximately 91.0 % , 91.0 % and 90.6 % of consolidated net revenue in fiscal 2016 , 2015 and 2014, respectively.

During fiscal 2016 , the Company placed over 38,000 new trucks in service. These additions and replacements to the fleet were a combination of U-Haul manufactured vehicles and purchases. Typically as new trucks are added to the fleet the Company removes older trucks from the fleet . The total number of rental trucks in the fleet increased during fiscal 2016 as the pace of new additions was greater than those trucks removed for retirement and sale .

Within our truck and trailer rental operation we are focused on expanding our independent dealer network to provide added convenience for our customers. U-Haul maximizes vehicle utilization by managing distribution of the truck and trailer fleets among the approximately 1,700 Company operated stores and approximately 19,500 independent dealers. Utilizing its proprietary reservations management system, the Company's centers and dealers electronically report their inventory in real-time, which facilitates matching equipment to customer demand. Approximately 53 % of all U-Move rental revenue originates from the Company operated centers.

At our owned and operated retail stores we are implementing new initiatives to improve customer service. These initiatives include improving management of our rental equipment to provide our retail centers with the right type of rental equipment, at the right time and at the most convenient location for our customers, effective marketing of our broad line of self-moving related products and services, expanding accessibility to provide more convenience to our customers, and enhancing our ability to properly staff locations during our peak hours of operations by attracting and retaining "moonlighters" (part-time U-Haul employees with full-time jobs elsewhere) during our peak hours of operation.

Our self-moving related products and services, such as boxes, pads and insurance, help our customers have a better moving experience and help them to protect their belongings from potential damage during the moving process. We are committed to providing a complete line of products selected with the "do-it-yourself" moving and storage customer in mind.

Our self-storage business operations consist of the rental of self-storage rooms, portable moving and storage units, sales of self-storage related products, the facilitation of sales of services, and the management of self-storage facilities owned by others.

U-Haul is one of the largest North American operators of self-storage and has been a leader in the self-storage industry since 1974. U-Haul operates over 536,000 storage rooms, comprising 47.9 million square feet of storage space with locations in 49 states and 10 Canadian provinces. U-Haul's owned and managed self-storage facility locations range in size up to 172,000 square feet of storage space, with individual storage units in sizes ranging from 6 square feet to over 1,000 square feet.

The primary market for storage rooms is the storage of household goods. We believe that our self-storage services provide a competitive advantage through such things as Max Security, an electronic system that monitors the storage facility 24 hours a day, climate control in select units , individually alarmed rooms, extended hours access, and an internet-based customer reservation and account management system.

Moving Help and U-Haul Storage Affiliates on uhaul.com are online marketplaces that connect consumers to independent Moving Help™ service providers and thousands of independent Self-Storage Affiliates. Our network of customer-rated Moving Help and affiliates provide pack and load help, cleaning help, self-storage and similar services all over North America . Our goal is to further utilize our web-based technology platform to increase service to consumers and businesses in the moving and storage market.

Moving and Storage business is seasonal and our results of operations and cash flows fluctuate significantly from quarter to quarter. Historically, revenues have been stronger in the first and second fiscal quarters due to the overall increase in moving activity during the spring and summer months. The fourth fiscal quarter is generally our weakest.

Property and Casualty Insurance Operating Segment

Our Property and Casualty Insurance operating segment ("Property and Casualty Insurance") provides loss adjusting and claims handling for U-Haul through regional offices across North America. Property and Casualty Insurance also underwrites components of the Safemove, Safetow, Safemove Plus, Safestore Mobile and Safestor protection packages to U-Haul customers. We attempt to price our products to be a good value to our customers. The business plan for Property and Casualty Insurance includes offering property and casualty products in other U-Haul related programs.

Net revenue from Property and Casualty Insurance was approximately 2.0%, 1.9% and 1.8 % of consolidated net revenue in fiscal 2016 , 2015 and 2014 , respectively.

Life Insurance Operating Segment

Life Insurance provides life and health insurance products primarily to the senior market through the direct writing and reinsuring of life insurance, Medicare supplement and annuity policies.

Net revenue from Life Insurance was approximately 7.0 %, 7.1 % and 7.6 % of consolidated net revenue in fiscal 2016, 2015 and 2014 , respectively.

Employees

As of March 31, 2016 , we employed nearly 26,400 people throughout North America with approximately 98% of these employees working within Moving and Storage and approximately 55% of these employees working on a part-time basis.

Sales and Marketing

We promote U-Haul brand awareness through direct and co-marketing arrangements. Our direct marketing activities consist of web based initiatives , print and social media as well as trade events, movie cameos of our rental fleet and boxes, and industry and consumer communications. We believe that our rental equipment is our best form of advertisement. We support our independent U-Haul dealers through marketing U-Haul moving and self-storage rentals, products and services.

Our marketing plan focuses on maintaining our leadership position in the "do-it-yourself" moving and storage industry by continually improving the ease of use and economy of our rental equipment, by providing added convenience to our retail centers , through independent U-Haul dealers, and by expanding the capabilities of our U-Haul web sites.

A significant driver of U-Haul's rental transaction volume is our utilization of an online reservation and sales system, through uhaul.com and our 24-hour 1-800-GO-U-HAUL telephone reservations system. These points of contact are prominently featured and are a major driver of customer lead sources.

Competition

Moving and Storage Operating Segment

The truck rental industry is highly competitive and includes a number of significant national, regional and local competitors. Generally speaking, we consider there to be two distinct users of rental trucks: commercial and "do-it-yourself" residential users. We primarily focus on the "do-it-yourself" residential user. Within this segment, we believe the principal competitive factors are convenience of rental locations, availability of quality rental moving equipment, breadth of essential products and services, and total cost to the user . Our major national competitors in both the In-Town and one-way moving equipment rental market are Avis Budget Group, Inc. and Penske Truck Leasing. Additionally, we have numerous competitors throughout North America who compete with us in the In-Town market.

The self-storage market is large and very fragmented. We believe the principal competitive factors in this industry are convenience of storage rental locations, cleanliness, security and price. Our largest competitors in the self-storage market are Public Storage Inc., Extra Space Storage, Inc., Cubesmart and Sovran Self-Storage Inc.

Insurance Operating Segments

The insurance industry is highly competitive. In addition, the marketplace includes financial services firms offering both insurance and financial products. Some of the insurance companies are owned by stockholders and others are owned by policyholders. Many competitors have been in business for a longer period of time or possess substantially greater financial resources and broader product portfolios than our insurance companies. We compete in the insurance business based upon price, product design, and services rendered to agents and policyholders.

Financial Data of Segment and Geographic Areas

For financial data of our segments and geographic areas please see Note 21, Financial Information by Geographic Area and Note 21A, Consolidating Financial Information by Industry Segment to our Notes to Consolidated Financial Statements.

Cautionary Statement Regarding Forward-Looking Statements

This Annual Report on Form 10-K ("Annual Report") , contains "forward-looking statements" regarding future events and our future results of operations. We may make additional written or oral forward-looking statements from time to time in filings with the SEC or otherwise. We believe such forward-looking statements are within the meaning of the safe-harbor provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act. Such statements may include, but are not limited to, estimates of capital expenditures, plans for future operations, products or services, financing needs and plans , our perceptions of our legal positions and anticipated outcomes of government investigations and pending litigation against us, liquidity, goals and strategies, plans for new business, storage occupancy, growth rate assumptions, pricing, costs, and access to capital and leasing markets the impact of our compliance with environmental laws and cleanup costs, our used vehicle disposition strategy, the sources and availability of funds for our rental equipment and self-storage expansion and replacement strategies and plans, our plan to expand our U-Haul storage affiliate program, that additional leverage can be supported by our operations and business, the availability of alternative vehicle manufacturers, our estimates of the residual values of our equipment fleet, our plans with respect to off-balance sheet arrangements, our plans to continue to invest in the U-Box program, the impact of interest rate and foreign currency exchange rate changes on our operations, the sufficiency of our capital resources and the sufficiency of capital of our insurance subsidiaries as well as assumptions relating to the foregoing. The words "believe," "expect," "anticipate," "plan," "may," "will," "could," "estimate," "project" and similar expressions identify forward-looking statements, which speak only as of the date the statement was made.

Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. Factors that could significantly affect results include, without limitation, the risk factors enumerated below under the heading "Risk Factors" and other factors described in this Annual Report or the other documents we file with the SEC. These factors, the following disclosures, as well as other statements in this Annual Report and in the Notes to Consolidated Financial Statements, could contribute to or cause such risks or uncertainties, or could cause our stock price to fluctuate dramatically. Consequently, the forward-looking statements should not be regarded as representations or warranties by us that such matters will be realized. We assume no obligation to update or revise any of the forward-looking statements, whether in response to new information, unforeseen events, changed circumstances or otherwise.

Item 1A. Risk Factors

The following discussion of risk factors should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") and the Consolidated Financial Statements and related notes. These risk factors may be important in understanding this Annual Report or elsewhere.

We operate in a highly competitive industry.

The truck rental industry is highly competitive and includes a number of significant national, regional and local competitors. We believe the principal competitive factors in this industry are convenience of rental locations, availability of quality rental moving equipment, breadth of essential services and products and total cost. Financial results for the Company can be adversely impacted by aggressive pricing from our competitors. Some of our competitors may have greater financial resources than we have. We cannot assure you that we will be able to maintain existing rental prices or implement price increases. Moreover, if our competitors reduce prices and we are not able or willing to do so as well, we may lose rental volume, which would likely have a materially adverse effect on our results of operations.

The self-storage industry is large and highly fragmented. We believe the principal competitive factors in this industry are convenience of storage rental locations, cleanliness, security and price. Competition in the market areas in which we operate is significant and affects the occupancy levels, rental rates and operating expenses of our facilities. Competition might cause us to experience a decrease in occupancy levels, limit our ability to raise rental rates or require us to offer discounted rates that would have a material effect on results of operations and financial condition. Entry into the self-storage business may be accomplished through the acquisition of existing facilities by persons or institutions with the required initial capital. Development of new self-storage facilities is more difficult however, due to land use, zoning, environmental and other regulatory requirements. The self-storage industry has in the past experienced overbuilding in response to perceived increases in demand. We cannot assure you that we will be able to successfully compete in existing markets or expand into new markets.

We are highly leveraged.

As of March 31, 2016, we had total debt outstanding of \$ 2,688.8 million and total undiscounted operating lease commitments of \$ 157.0 million. Although we believe, based on existing information, that additional leverage can be supported by our operations and revenues, our existing debt could impact us in the following ways among other considerations:

- require us to allocate a considerable portion of cash flows from operations to debt service and operating lease payments;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- limit our ability to obtain additional financing; and
- place us at a disadvantage compared to our competitors who may have less debt.

Our ability to make payments on our debt and operating leases depends upon our ability to maintain and improve our operating performance and generate cash flow. To some extent, this is subject to prevailing economic and competitive conditions and to certain financial, business and other factors, some of which are beyond our control. If we are unable to generate sufficient cash flow from operations to service our debt and meet our other cash needs, including our operating leases, we may be forced to reduce or delay capital expenditures, sell assets, seek additional capital or restructure or refinance our indebtedness. If we must sell our assets, it may negatively affect our ability to generate revenue. In addition, we may incur additional debt or leases that would exacerbate the risks associated with our indebtedness.

Economic conditions, including those related to the credit markets, may adversely affect our industry, business and results of operations.

Consumer and commercial spending is generally affected by the health of the economy, which places some of the factors affecting the success of our business beyond our control. Our businesses, although not as traditionally cyclical as some, could experience significant downturns in connection with or in anticipation of, declines, or sustained lack of recovery, in general economic conditions. In times of declining consumer spending we may be driven, along with our competitors, to reduce pricing which would have a negative impact on gross profit. We cannot predict if another downturn, or sustained lack of recovery, in the economy will occur, which could result in reduced revenues and working capital.

Should credit markets in the United States tighten or if interest rates increase significantly, we may not be able to refinance existing debt or find additional financing on favorable terms, if at all. If one or more of the financial institutions that support our existing credit facilities fails, we may not be able to find a replacement, which would negatively impact our ability to borrow under credit facilities. If our operating results were to worsen significantly and our cash flows or capital resources prove inadequate, or if interest rates increase significantly, we could face liquidity problems that could materially and adversely affect our results of operations and financial condition.

Our fleet rotation program can be adversely affected by financial market conditions.

To meet the needs of our customers, U-Haul maintains a large fleet of rental equipment. Our rental truck fleet rotation program is funded internally through operations and externally from debt and lease financing. Our ability to fund our routine fleet rotation program could be adversely affected if financial market conditions limit the general availability of external financing. This could lead us to operate trucks longer than initially planned and /or reduce the size of the fleet, either of which could materially and negatively affect our results of operations.

Another important aspect of our fleet rotation program is the sale of used rental equipment. The sale of used equipment provides us with funds that can be used to purchase new equipment. Conditions may arise that could lead to the decrease in demand and/or resale values for our used equipment. This could have a material adverse effect on our financial results, which could result in substantial losses on the sale of equipment and decreases in cash flows from the sales of equipment.

We obtain our rental trucks from a limited number of manufacturers.

Over the last twenty years, we purchased the majority of our rental trucks from Ford Motor Company and General Motors Corporation. Our fleet can be negatively affected by issues our manufacturers may face within their own supply chain. Also, it is possible that our suppliers may face financial difficulties or organizational changes which could negatively impact their ability to accept future orders or fulfill existing orders. The cost of acquiring new rental trucks could increase materially and negatively affect our ability to rotate new equipment into the fleet. Although we believe that we could contract with alternative manufacturers for our rental trucks, we cannot guarantee or predict how long that would take. In addition, termination of our existing relationship with these suppliers could have a material adverse effect on our business, financial condition or results of operations for an indefinite period of time.

We may not be able to effectively hedge against interest rate changes in our variable debt.

In certain instances, the Company seeks to manage its exposure to interest rate risk through the use of hedging instruments including interest rate swap agreements and forward swaps. We enter into these arrangements with counterparties that are significant financial institutions with whom we generally have other financial arrangements. We are exposed to credit risk should these counterparties not be able to perform on their obligations. Additionally, a failure on our part to effectively hedge against interest rate changes may adversely affect our financial condition and results of operations. We are required to record these financial instruments at their fair value. Changes in interest rates can significantly impact the valuation of the instruments resulting in non-cash changes to our financial position.

A substantial amount of our shares is owned by a small contingent of stockholders.

Willow Grove Holdings LP, James P. Shoen, David L. Holmes as trustee, Rose Marie T. Donovan as trustee, Mark V. Shoen and Edward J. Shoen, directly and through controlled entities as applicable (collectively, the "Reporting Persons") are parties to a stockholder agreement (the "Stockholder Agreement") in which the Reporting Persons have agreed to vote their collective 10,898,124 shares (approximately 55.6%) of AMERCO common stock as one group, as provided in the Stockholder Agreement. Pursuant to the Stockholder Agreement, all such 10,898,124 shares are required to be voted at the direction of a majority in interest of the Reporting Persons. For additional information, refer to the Schedule 13Ds filed on July 13, 2006, March 9, 2007, June 26, 2009, May 1, 2013, December 17, 2015 and on February 12, 2016 with the SEC.

In December 2015, each of James P. Shoen, Rosemarie Donovan as trustee, and David L. Holmes as trustee provided written notice that they intend to withdraw their shares, constituting a total of 2,538,622 shares, from the Stockholder Agreement on June 30, 2016. James P. Shoen, Rosemarie T. Donovan and David L. Holmes shall remain subject to the Stockholder Agreement until the effective date of such withdrawal, which is expected to occur before our next annual meeting of stockholders. The withdrawal of such shares from the Stockholder Agreement will result in us no longer being a "controlled company" pursuant to the Nasdaq listing rules as of July 1, 2016. However, Willow Grove Holdings, LP, directly and through controlled entities, owns 8,307,584 shares of AMERCO common stock, and together with Edward J. Shoen and Mark V. Shoen, owns 8,359,502 shares (approximately 42.6%) of AMERCO common stock. Accordingly, Edward J. Shoen and Mark V. Shoen, brothers, are in a position to significantly influence our business and policies, including the approval of certain significant transactions, the election of the members of our Board of Directors and other matters submitted to our stockholders. There can be no assurance that their interests will not conflict with the interests of our other stockholders.

In addition, 1,232,753 shares (approximately 6.3%) of AMERCO common stock is owned under our Employee Stock Ownership Plan ("ESOP"). Each ESOP participant is entitled to vote the shares allocated to himself or herself in their discretion. In the event an ESOP participant does not vote his or her shares, such shares shall be voted by the ESOP trustee, in the ESOP trustee's discretion.

We bear certain risks related to our notes receivable from SAC Holding.

At March 31, 2016, we held a \$49.3 million note receivable from SAC Holding, which consists of a junior unsecured note. This entity is highly leveraged with significant indebtedness to others. If SAC Holding is unable to meet its obligations to its senior lenders, it could trigger a default of its obligation to us. In such an event of default, we could suffer a loss to the extent the value of the underlying collateral of SAC Holding is inadequate to repay its senior lenders and our junior unsecured note. We cannot assure you that SAC Holding will not default on its loans to their senior lenders or that the value of its assets upon liquidation would be sufficient to repay us in full.

Our quarterly results of operations fluctuate due to seasonality and other factors associated with our industry.

Our business is seasonal and our results of operations and cash flows fluctuate significantly from quarter to quarter. Historically, revenues have been stronger in the first and second fiscal quarters due to the overall increase in moving activity during the spring and summer months. The fourth fiscal quarter is generally weakest, due to a greater potential for adverse weather conditions and other factors that are not necessarily seasonal. As a result, our operating results for any given quarterly period are not necessarily indicative of operating results for an entire year.

Our operations subject us to numerous environmental regulations and the possibility that environmental liability in the future could adversely affect our operations.

Compliance with environmental requirements of federal, state and local governments significantly affects our business. Among other things, these requirements regulate the discharge of materials into the air, land and water and govern the use and disposal of hazardous substances. Under environmental laws or common law principles, we can be held liable for hazardous substances that are found on real property we have owned or operated. We are aware of issues regarding hazardous substances on some of our real estate and we have put in place a remediation plan at each site where we believe such a plan is necessary. See Note 18, Contingencies of the Notes to Consolidated Financial Statements. We regularly make capital and operating expenditures to stay in compliance with environmental laws. In particular, we have managed a testing and removal program since 1988 for our underground storage tanks. Despite these compliance efforts, we believe that risk of environmental liability is part of the nature of our business.

Environmental laws and regulations are complex, change frequently and could become more stringent in the future. We cannot assure you that future compliance with these regulations, future environmental liabilities, the cost of defending environmental claims, conducting any environmental remediation or generally resolving liabilities caused by us or related third parties will not have a material adverse effect on our business, financial condition or results of operations.

We operate in a highly regulated industry and changes in existing regulations or violations of existing or future regulations could have a material adverse effect on our operations and profitability.

Our truck and trailer rental business is subject to regulation by various federal, state and foreign governmental entities. Specifically, the U.S. Department of Transportation and various state, federal and Canadian agencies exercise broad powers over our motor carrier operations, safety, and the generation, handling, storage, treatment and disposal of waste materials. In addition, our storage business is also subject to federal, state and local laws and regulations relating to environmental protection and human health and safety. The failure to adhere to these laws and regulations may adversely affect our ability to sell or rent such property or to use the property as collateral for future borrowings. Compliance with changing regulations could substantially impair real property and equipment productivity and increase our costs. In addition, the Federal government may institute some regulation that limits carbon emissions by setting a maximum amount of carbon entities can emit without penalty. This would likely affect everyone who uses fossil fuels and would disproportionately affect users in the highway transportation industries. While there are too many variables at this time to assess the impact of the various proposed federal and state regulations that could affect carbon emissions, many experts believe these proposed rules could significantly affect the way companies operate in their industries.

Our operations can be limited by land-use regulations. Zoning choices enacted by individual municipalities across North America may limit our ability to serve certain markets with our products and services.

Our insurance companies are heavily regulated by state insurance departments and the NAIC. These insurance regulations are primarily in place to protect the interests of our policyholders and not our investors. Changes in these laws and regulations could increase our costs, inhibit new sales, or limit our ability to implement rate increases.

A significant portion of our revenues are generated through third-parties.

Our business plan relies upon a network of independent dealers strategically placed throughout North America. As of March 31, 2016 we had approximately 19,500 independent equipment rental dealers. In fiscal 2016, approximately 47% of our equipment rental revenues were generated through this network.

Our inability to maintain this network or its current cost structure could inhibit our ability to adequately serve our customers and may negatively affect our results of operations and financial position.

We face liability risks associated with the operation of our rental fleet.

The business of renting moving and storage equipment to customers exposes us to liability claims including property damage, personal injury and even death. We seek to limit the occurrence of such events through the design of our equipment, communication of its proper use and exhaustive repair and maintenance schedules. Regardless, accidents still occur and we manage the financial risk of these events through third party insurance carriers. While these excess loss insurance policies are available today at reasonable costs, this could change and could negatively affect our results of operations and financial position.

Our ability to attract and retain qualified employees, and changes in laws or other labor issues could adversely affect our business and our results of operations.

The success of our business is predicated upon our workforce providing excellent customer service. Our ability to attract and retain this employee base may be inhibited due to prevailing wage rates, benefit costs and the adoption of new or revised employment and labor laws and regulations. Should this occur we may be unable to provide service in certain areas or we may experience significantly increased costs of labor that could adversely affect our results of operations and financial condition.

We are highly dependent upon our automated systems and the Internet for managing our business.

Our information systems are largely Internet-based, including our point-of-sale reservation system, payment processing and telephone systems. While our reliance on this technology lowers our cost of providing service and expands our abilities to better serve customers, it exposes us to various risks including natural and man-made disasters and cyber-attacks. We have put into place extensive security protocols, backup systems and alternative procedures to mitigate these risks. However, disruptions or

breaches, detected or undetected by us, for any period of time in any portion of these systems could adversely affect our results of operations and financial condition, inflict reputational damage and result in litigation with third parties.

A.M. Best financial strength ratings are crucial to our life insurance business.

In May 2015, A.M. Best affirmed the financial strength rating for Oxford and Christian Fidelity Life Insurance Company ("CFLIC") to A- with a stable outlook and affirmed the financial strength rating for North American Insurance Company ("NAI") of B++ with a stable outlook. Financial strength ratings are important external factors that can affect the success of Oxford's business plans. Accordingly, if Oxford's ratings, relative to its competitors, are not maintained or do not continue to improve, Oxford may not be able to retain and attract business as currently planned, which could adversely affect our results of operations and financial condition.

We may incur losses due to our reinsurers' or counterparties' failure to perform under existing contracts or we may be unable to secure sufficient reinsurance or hedging protection in the future.

We use reinsurance and derivative contracts to mitigate our risk of loss in various circumstances; primarily at Repwest and for Moving and Storage . These agreements do not release us from our primary obligations and therefore we remain ultimately responsible for these potential costs. We cannot provide assurance that these reinsurers or counterparties will fulfill their obligations. Their inability or unwillingness to make payments to us under the terms of the contracts may have a material adverse effect on our financial condition and results of operation s .

At December 31, 2015 , Repwest reported \$1.7 million of reinsurance recoverables, net of allowances and \$ 107.3 million of reserves and liabilities ceded to reinsurers. Of this, Repwest's largest exposure to a single reinsurer was \$ 60.5 million.

Item 1B. Unresolved Staff Comments

To our knowledge, w e have no unresolved staff comments a s of March 31, 201 6 .

Item 2. Properties

The Company, through its legal subsidiaries, owns property, plant and equipment that are utilized in the manufacturing, repair and rental of U-Haul equipment and storage space, as well as providing office space for us . Such facilities exist throughout the United States and Canada. We also manage storage facilities owned by others. We operate approximately 1,700 U-Haul retail centers of which approximately 48 0 are managed for other owners, and 11 manufacturing and assembly facilities. We also operate over 13 0 fixed-site repair facilities located throughout the United States and Canada. These facilities are used primarily for the benefit of Moving and Storage .

Item 3. Legal Proceedings

PODS Enterprises, Inc. v. U-Haul International, Inc.

On July 3, 2012, PODS Enterprises, Inc. ("PEI"), filed a lawsuit against U-Haul International, Inc. ("U-Haul"), in the United States District Court for the Middle District of Florida, Tampa Division, alleging (1) Federal Trademark Infringement under Section 32 of the Lanham Act, (2) Federal Unfair Competition under Section 43(a) of the Lanham Act, (3) Federal Trademark dilution by blurring in violation of Section 43(c) of the Lanham Act, (4) common law trademark infringement under Florida law, (5) violation of the Florida Dilution; Injury to Business Reputation statute, (6) unfair competition and trade practices, false advertising and passing off under Florida common law, (7) violation of the Florida Deceptive and Unfair Trade Practices Act, and (8) unjust enrichment under Florida law.

The claims arose from U-Haul's use of the word "pod" and "pods" as a generic term for its U-Box moving and storage product. PEI alleged that such use is an inappropriate use of its PODS mark. Under the claims alleged in its Complaint, PEI sought a Court Order permanently enjoining U-Haul from: (1) the use of the PODS mark, or any other trade name or trademark confusingly similar to the mark; and (2) the use of any false descriptions or representations or committing any acts of unfair competition by using the PODS mark or any trade name or trademark confusingly similar to the mark. PEI also sought a Court Order (1) finding all of PEI's trademarks valid and enforceable and (2) requiring U-Haul to alter all web pages to promptly remove the PODS mark from all websites owned or operated on behalf of U-Haul. Finally, PEI sought an award of damages in an amount to be proven at trial, but which are alleged to be approximately \$70 million. PEI also sought pre-judgment interest, trebled damages, and punitive damages.

U-Haul does not believe that PEI's claims have merit and vigorously defended the lawsuit. On September 17, 2012, U-Haul filed its Counterclaims, seeking a Court Order declaring that: (1) U-Haul's use of the term "pods" or "pod" does not infringe or dilute PEI's purported trademarks or violate any of PEI's purported rights; (2) the purported mark "PODS" is not a valid, protectable, or registrable trademark; and (3) the purported mark "PODS PORTABLE ON DEMAND STORAGE" is not a valid, protectable, or registrable trademark. U-Haul also sought a Court Order cancelling the marks at issue in the case.

The case was tried to a jury, beginning on September 8, 2014. On September 19, 2014, the Court granted U-Haul's motion for directed verdict on the issue of punitive damages. The Court deferred ruling on U-Haul's motion for directed verdict on its defense that the words "pod" and "pods" were generic terms for a container used for the moving and storage of goods at the time PEI obtained its trademark ("genericness defense"). Closing arguments were on September 22, 2014.

On September 25, 2014, the jury returned a unanimous verdict, finding in favor of PEI and against U-Haul on all claims and counterclaims. The jury awarded PEI \$45 million in actual damages and \$15.7 million in U-Haul's alleged profits attributable to its use of the term "pod" or "pods."

On October 1, 2014, the Court ordered briefing on U-Haul's oral motion for directed verdict on its genericness defense, the motion on which the Court had deferred ruling during trial. Pursuant to the Court's order, the parties' briefing on that motion was completed by October 21, 2014.

On March 11, 2015, the Court denied U-Haul's Renewed Motion for Directed Verdict, For Judgment as a Matter of Law, Or in the Alternative, Motion for a New Trial. Also on March 11, 2015, the Court entered Judgment on the jury verdict in favor of PEI and against U-Haul in the amount of \$60.7 million. This was recorded as an accrual in our financial statements.

The parties have filed a series of post-Judgment motions:

On March 25, 2015, PEI filed a motion for an award of attorneys' fees and expenses in the amount of \$6.5 million. On April 27, 2015, U-Haul filed its opposition brief to that motion.

On March 25, 2015, PEI filed a Proposed Bill of Costs in the amount of \$186,411. On April 14, 2015, U-Haul filed an opposition to PEI's Proposed Bill of Costs. On May 1, 2015, PEI filed an amended bill of costs in the amount of \$196,133.

On April 6, 2015, U-Haul filed, with PEI's consent, a motion to stay execution of the Judgment, pending the trial court's rulings on U-Haul's post-Judgment motions. That motion was supported by a supersedeas bond in the amount of \$60.9 million, which represents 100% of the Judgment plus post-Judgment interest at the rate of 0.25% per year for 18 months. PEI and U-Haul both reserved the right to modify the amount of the bond in the event the Judgment is modified by the Court's rulings on the parties' post-Judgment motions (described below). On April 7, 2015, the Court granted U-Haul's motion on consent, staying the Judgment pending rulings on U-Haul's post-Judgment motions.

On April 8, 2015, U-Haul filed its Renewed Motion for Judgment As Matter of Law, or in the Alternative, Motion for New Trial, or to Alter the Judgment. U-Haul argued that it is entitled to judgment as a matter of law because even when all evidence is viewed in PEI's favor, it was legally insufficient for the jury to find for PEI. Alternatively, U-Haul argued that it is entitled to a new trial because the verdict is against the weight of the evidence. Alternatively, U-Haul argued that the Court should reduce the damages and profits award under principles of equity. On April, 27, 2015, PEI filed its opposition brief.

On April 8, 2015, PEI filed a Motion to Amend the Judgment pursuant to Fed. R. Civ. P. 59(e), in which it asked that the Judgment be amended to include (i) the entry of a permanent injunction; (ii) an award of pre-Judgment interest in the amount of \$4.9 million; (iii) an award of post-Judgment interest in the amount of \$11,441 and continuing to accrue at the rate of 0.25% while the case proceeds; (iv) doubling of the damages award to \$121.4 million; and (v) the entry of an order directing the Patent and Trademark Office to dismiss the cancellation proceedings that U-Haul filed, which sought cancellation of the PODS trademarks. On April 27, 2015, U-Haul filed its opposition brief arguing, among other things, that (1) PEI is not entitled to recover double the windfall the jury incorrectly awarded it; (2) PEI is not entitled to the overreaching injunction it seeks; (3) PEI is not entitled to pre-judgment interest; (4) PEI has overstated the amount of post-Judgment interest to which it is entitled; and (5) PEI's request that the Court order the Trademark Trial and Appeal Board to dismiss U-Haul's cancellation proceeding is premature.

On April 9, 2015, U-Haul filed a protective Notice of Appeal. We expect that this notice of appeal will be automatically stayed and will become effective upon the disposition of (1) U-Haul's renewed motion for judgment or a new trial or alteration of the Judgment or (2) PEI's motion to alter or amend the Judgment, whichever comes later.

On August 24, 2015, the trial court entered two orders resolving the parties' post-trial motions. In short, U-Haul's efforts at setting aside the judgment, getting a new trial or reducing the amount of the jury award were denied, PEI's motions to enhance (i.e., double) the jury award and receive an award for attorneys' fees were denied, but the Court entered a permanent injunction, and awarded PEI \$4.9 million in pre-judgment interest, \$82,727 in costs, and post-judgment interest at the rate of 0.25%, beginning March 11, 2015, computed daily and compounded annually. This was recorded as an accrual of \$5.0 million in our financial statements during fiscal 2016.

On September 4, 2015, U-Haul filed in the trial court its (i) amended notice of appeal, (ii) motion on consent of PEI to approve the bond and stay execution of the judgment pending appeal, and (iii) motion to stay or modify the injunction.

On September 8, 2015, the trial court entered an Order granting U-Haul's Motion on Consent to Approve Bond and Stay Execution of Judgment. The Judgment, as amended by the trial court's orders adding an award of costs and pre-judgment interest, is stayed pending resolution of appeals.

On October 15, 2015, the trial court denied U-Haul's motion to modify or stay the injunction pending appeal. But in the process, the Court clarified that (i) the reach of the injunction is limited to "advertising, promoting, marketing, or describing any products or services" and (ii) use of the terms "pod" and "pods" in comparative advertising is not prohibited, thereby allowing "nominative fair use" and truthful communications in customer dialogue and making clear that "nothing in the injunction mandates censorship with respect to consumer comments."

PEI's deadline for filing a notice of cross-appeal was September 23, 2015, and PEI did not file a notice of cross-appeal.

On September 23, 2015, the Eleventh Circuit Court of Appeals granted the parties' joint motion for an extension of time for filing their respective briefs on appeal. U-Haul's initial brief was due on December 17, 2015, PEI's response brief was due on March 16, 2016, and U-Haul's reply was due on April 29, 2016.

On September 24, 2015, the Eleventh Circuit Court of Appeals issued a Notice setting a telephonic mediation for November 16, 2015, beginning at 2:00 p.m., Eastern Time. The mediation was unsuccessful.

U-Haul filed its opening brief on appeal with the Eleventh Circuit Court of Appeals on December 17, 2015. PEI filed its response brief on March 16, 2016. U-Haul filed its reply brief on April 29, 2016. U-Haul has requested oral argument, PEI did not oppose that request, and the Eleventh Circuit Court of Appeals has not yet acted on that request.

Environmental

Compliance with environmental requirements of federal, state and local governments may significantly affect Real Estate's business operations. Among other things, these requirements regulate the discharge of materials into the air, land and water and govern the use and disposal of hazardous substances. Real Estate is aware of issues regarding hazardous substances on some of its properties. Real Estate regularly makes capital and operating expenditures to stay in compliance with environmental laws and has put in place a remedial plan at each site where it believes such a plan is necessary. Since 1988, Real Estate has managed a testing and removal program for underground storage tanks.

Based upon the information currently available to Real Estate, compliance with the environmental laws and its share of the costs of investigation and cleanup of known hazardous waste sites are not expected to result in a material adverse effect on AMERCO's financial position or results of operations.

Other

We are named as a defendant in various other litigation and claims arising out of the normal course of business. In management's opinion, none of these other matters will have a material effect on our financial position and results of operations.

Item 4. Mine Safety Disclosure

Not applicable.

PART II

Item 5. Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

As of May 2, 2016, there were approximately 2,900 holders of record of our common stock. We derived the number of our stockholders using internal stock ledgers and utilizing Mellon Investor Services Stockholder listings. AMERCO's common stock is listed on the NASDAQ Global Select Market under the trading symbol "UHAL".

The following table sets forth the high and the low sales price of the common stock of AMERCO for the periods indicated:

	Years Ended March 31,			
	2016		2015	
	High	Low	High	Low
First quarter	\$ 338.41	\$ 318.55	\$ 297.08	\$ 224.71
Second quarter	414.13	321.47	294.45	255.97
Third quarter	436.89	375.00	291.54	231.53
Fourth quarter	389.00	305.66	335.00	266.26

Dividends

AMERCO does not have a formal dividend policy. The Board periodically considers the advisability of declaring and paying dividends to common stockholders in light of existing circumstances.

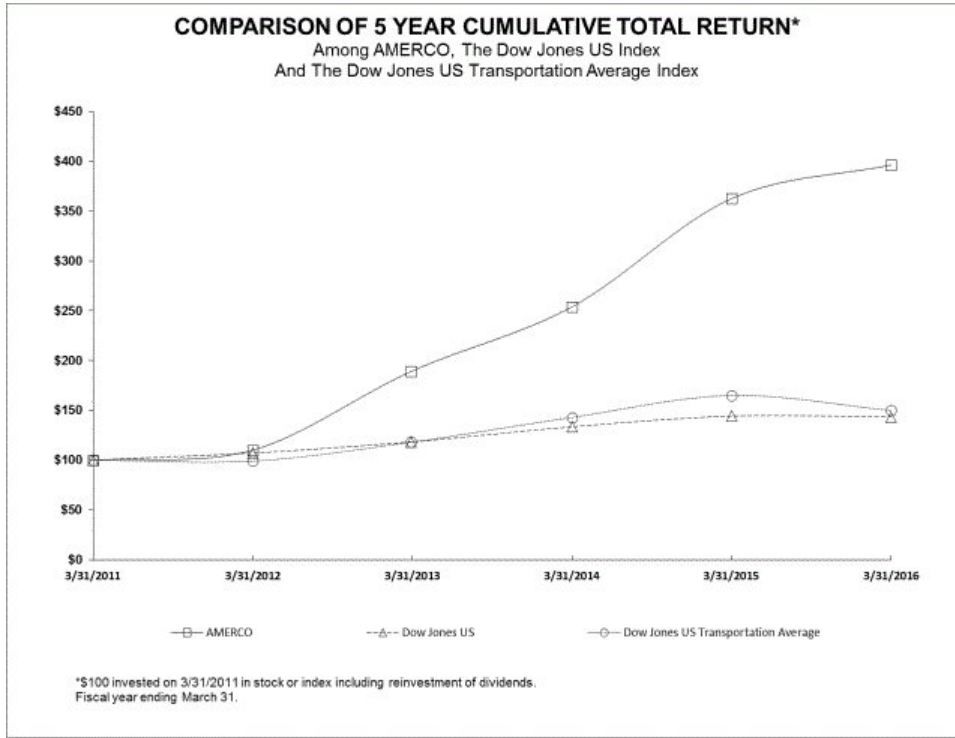
Common Stock Dividends

Declared Date	Per Share Amount	Record Date	Dividend Date
March 15, 2016	\$ 1.00	April 5, 2016	April 21, 2016
August 28, 2015	3.00	September 16, 2015	October 2, 2015
June 4, 2015	1.00	June 19, 2015	July 1, 2015
February 4, 2015	1.00	March 6, 2015	March 17, 2015
December 4, 2013	1.00	January 10, 2014	February 14, 2014

See Note 20, Statutory Financial Information of Insurance Subsidiaries of the Notes to Consolidated Financial Statements for a discussion of certain statutory restrictions on the ability of the insurance subsidiaries to pay dividends to AMERCO.

Performance Graph

The following graph compares the cumulative total stockholder return on the Company's common stock for the period March 31, 2011 through March 31, 2016 with the cumulative total return on the Dow Jones US Total Market and the Dow Jones US Transportation Average. The comparison assumes that \$100 was invested on March 31, 2011 in the Company's common stock and in each of the comparison indices. The graph reflects the value of the investment based on the closing price of the common stock trading on NASDAQ on March 31, 2012, 2013, 2014, 2015 and 2016.



Fiscal years ended March 31:

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
AMERCO	\$ 100	\$ 110	\$ 189	\$ 254	\$ 363	\$ 396
Dow Jones US Total Market	100	107	118	134	144	144
Dow Jones US Transportation Average	100	99	118	143	165	150

Item 6. Selected Financial Data

The following selected financial data should be read in conjunction with the MD&A, and the Consolidated Financial Statements and related notes in this Annual Report.

Listed below is selected financial data for AMERCO and consolidated subsidiaries for each of the last five years:

	Years Ended March 31,				
	2016	2015	2014	2013	2012
	(In thousands, except share and per share data)				
<i>Summary of Operations:</i>					
Self-moving equipment rentals	\$ 2,297,980	\$ 2,146,391	\$ 1,955,423	\$ 1,767,520	\$ 1,678,256
Self-storage revenues	247,944	211,136	181,794	152,660	134,376
Self-moving and self-storage products and service sales	251,541	244,177	234,187	221,117	213,854
Property management fees	26,533	25,341	24,493	24,378	23,266
Life insurance premiums	162,662	156,103	157,919	178,115	277,562
Property and casualty insurance premiums	50,020	46,456	41,052	34,342	32,631
Net investment and interest income	86,805	84,728	79,591	82,903	73,552
Other revenue	152,171	160,199	160,793	97,552	78,530
Total revenues	<u>3,275,656</u>	<u>3,074,531</u>	<u>2,835,252</u>	<u>2,558,587</u>	<u>2,512,027</u>
Operating expenses	1,470,047	1,479,409	1,313,674	1,193,934	1,115,126
Commission expenses	262,627	249,642	227,332	204,758	190,254
Cost of sales	144,990	146,072	127,270	107,216	116,542
Benefits and losses	167,436	158,760	156,702	180,676	320,191
Amortization of deferred policy acquisition costs	23,272	19,661	19,982	17,376	13,791
Lease expense	49,780	79,798	100,466	117,448	131,215
Depreciation, net of (gains) losses on disposals (b)	290,690	278,165	259,612	237,996	208,901
Total costs and expenses	<u>2,408,842</u>	<u>2,411,507</u>	<u>2,205,038</u>	<u>2,059,404</u>	<u>2,096,020</u>
Earnings from operations	866,814	663,024	630,214	499,183	416,007
Interest expense	(97,903)	(97,525)	(92,692)	(90,696)	(90,371)
Fees and amortization on early extinguishment of debt	—	(4,081)	—	—	—
Pretax earnings	768,911	561,418	537,522	408,487	325,636
Income tax expense	(279,910)	(204,677)	(195,131)	(143,779)	(120,269)
Net earnings	489,001	356,741	342,391	264,708	205,367
Less: Excess of redemption value over carrying value of preferred shares redeemed	—	—	—	—	(5,908)
Less: Preferred stock dividends (a)	—	—	—	—	(2,913)
Earnings available to common shareholders	<u>\$ 489,001</u>	<u>\$ 356,741</u>	<u>\$ 342,391</u>	<u>\$ 264,708</u>	<u>\$ 196,546</u>
Basic and diluted earnings per common share	\$ 24.95	\$ 18.21	\$ 17.51	\$ 13.56	\$ 10.09
Weighted average common shares outstanding: Basic and diluted	19,596,110	19,586,633	19,558,758	19,518,779	19,476,187
Cash dividends declared and accrued Preferred stock (a)	\$ —	\$ —	\$ —	\$ —	\$ 2,913
Cash dividends declared and accrued Common stock	97,960	19,594	19,568	97,421	—
<i>Balance Sheet Data:</i>					
Property, plant and equipment, net	\$ 5,017,511	\$ 4,107,637	\$ 3,409,211	\$ 2,755,054	\$ 2,372,365
Total assets	8,150,725	6,872,175	5,998,978	5,306,601	4,654,051
Notes, loans and leases payable	2,688,758	2,190,869	1,942,359	1,661,845	1,486,211
Stockholders' equity	2,251,406	1,884,359	1,527,368	1,229,259	1,035,820

(a) Fiscal 2012 reflects the elimination of \$0.3 million paid to affiliates.

(b) (Gains) losses were (\$98.7) million, (\$74.6) million, (\$33.6) million, (\$22.5) million and (\$20.9) million for fiscal 2016, 2015, 2014, 2013 and 2012, respectively.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

We begin this MD&A with the overall strategy of AMERCO, followed by a description of , and strategy related to, our operating segments to give the reader an overview of the goals of our businesses and the direction in which our businesses and products are moving. We then discuss our critical accounting policies and estimates that we believe are important to understanding the assumptions and judgments incorporated in our reported financial results. Next, we discuss our results of operations for fiscal 2016 compared with fiscal 2015, and for fiscal 2015 compared with fiscal 2014 which are followed by an analysis of changes in our balance sheets and cash flows, and a discussion of our financial commitments in the sections entitled Liquidity and Capital Resources and Disclosures about Contractual Obligations and Commercial Commitments. We conclude this MD&A by discussing our outlook for fiscal 2017.

This MD&A should be read in conjunction with the other sections of this Annual Report, including Item 1: Business, Item 6: Selected Financial Data and Item 8: Financial Statements and Supplementary Data. The various sections of this MD&A contain a number of forward-looking statements, as discussed under the caption, Cautionary Statements Regarding Forward-Looking Statements, all of which are based on our current expectations and could be affected by the uncertainties and risk factors described throughout this Annual Report and particularly under the section Item 1A: Risk Factors. Our actual results may differ materially from these forward-looking statements.

AMERCO has a fiscal year that ends on the 31st of March for each year that is referenced. Our insurance company subsidiaries have fiscal years that end on the 31st of December for each year that is referenced. They have been consolidated on that basis. Our insurance companies' financial reporting processes conform to calendar year reporting as required by state insurance departments. Management believes that consolidating their calendar year into our fiscal year financial statements does not materially affect the presentation of financial position or results of operations. We disclose a material event, if any, occurring during the intervening period. Consequently, all references to our insurance subsidiaries' years 2015, 2014 and 2013 correspond to fiscal 2016, 2015 and 2014 for AMERCO.

Overall Strategy

Our overall strategy is to maintain our leadership position in the North American "do-it-yourself" moving and storage industry. We accomplish this by providing a seamless and integrated supply chain to the "do-it-yourself" moving and storage market. As part of executing this strategy, we leverage the brand recognition of U-Haul with our full line of moving and self-storage related products and services and the convenience of our broad geographic presence.

Our primary focus is to provide our customers with a wide selection of moving rental equipment, convenient self-storage rental facilities and portable moving and storage units and related moving and self-storage products and services. We are able to expand our distribution and improve customer service by increasing the amount of moving equipment and storage rooms and portable moving and storage units available for rent, expanding the number of independent dealers in our network and expanding and taking advantage of our eMove capabilities.

Property and Casualty Insurance is focused on providing and administering property and casualty insurance to U-Haul and its customers, its independent dealers and affiliates.

Life Insurance is focused on long-term capital growth through direct writing and reinsuring of life, Medicare supplement and annuity products in the senior marketplace.

Description of Operating Segments

AMERCO's three reportable segments are:

- Moving and Storage, comprised of AMERCO, U-Haul, and Real Estate and the subsidiaries of U-Haul and Real Estate,
- Property and Casualty Insurance, comprised of Repwest and its subsidiaries and ARCOA, and
- Life Insurance, comprised of Oxford and its subsidiaries.

See Note 1, Basis of Presentation, Note 21, Financial Information by Geographic Area and Note 21A, Consolidating Financial Information by Industry Segment of the Notes to Consolidated Financial Statements included in Item 8: Financial Statements and Supplementary Data of this Annual Report.

Moving and Storage Operating Segment

Moving and Storage consists of the rental of trucks, trailers, portable moving and storage units, specialty rental items and self-storage spaces primarily to the household mover as well as sales of moving supplies, towing accessories and propane. Operations are conducted under the registered trade name U-Haul[®] throughout the United States and Canada.

With respect to our truck, trailer, specialty rental items and self-storage rental business, we are focused on expanding our dealer network, which provides added convenience for our customers and expanding the selection and availability of rental equipment to satisfy the needs of our customers.

U-Haul brand self-moving related products and services, such as boxes, pads and tape allow our customers to, among other things; protect their belongings from potential damage during the moving process. We are committed to providing a complete line of products selected with the "do-it-yourself" moving and storage customer in mind.

uhaul.com is an online marketplace that connects consumers to our operations as well as independent Moving Help[®] service providers and thousands of independent Self-Storage Affiliates. Our network of customer rated affiliates and service providers furnish pack and load help, cleaning help, self-storage and similar services, all over North America. Our goal is to further utilize our web-based technology platform to increase service to consumers and businesses in the moving and storage market.

Since 1945 U-Haul has incorporated sustainable practices into its everyday operations. We believe that our basic business premise of equipment sharing helps reduce greenhouse gas emissions and reduces the inventory of total large capacity vehicles. We continue to look for ways to reduce waste within our business and are dedicated to manufacturing reusable components and recyclable products. We believe that our commitment to sustainability, through our products and services and everyday operations has helped us to reduce our impact on the environment.

Property and Casualty Insurance Operating Segment

Property and Casualty Insurance provides loss adjusting and claims handling for U-Haul through regional offices across North America. Property and Casualty Insurance also underwrites components of the Safemove, Safetow, Safemove Plus, Safestor and Safestor Mobile protection packages to U-Haul customers. We continue to focus on increasing the penetration of these products into the moving and storage market. The business plan for Property and Casualty Insurance includes offering property and casualty products in other U-Haul related programs.

Life Insurance Operating Segment

Life Insurance provides life and health insurance products primarily to the senior market through the direct writing and reinsuring of life insurance, Medicare supplement and annuity policies.

Critical Accounting Policies and Estimates

Our financial statements have been prepared in accordance with the generally accepted accounting principles ("GAAP") in the United States. The methods, estimates and judgments we use in applying our accounting policies can have a significant impact on the results we report in our financial statements. Note 3, Accounting Policies of the Notes to Consolidated Financial Statements in Item 8: Financial Statements and Supplementary Data in this Annual Report summarizes the significant accounting policies and methods used in the preparation of our consolidated financial statements and related disclosures. Certain accounting policies require us to make difficult and subjective judgments and assumptions, often as a result of the need to estimate matters that are inherently uncertain.

Following is a detailed description of the accounting policies that we deem most critical to us and that require management's most difficult and subjective judgments. These estimates are based on historical experience, observance of trends in particular areas, information and valuations available from outside sources and on various other assumptions that are believed to be reasonable under the circumstances and which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual amounts may differ from these estimates under different assumptions and conditions; such differences may be material.

We also have other policies that we consider key accounting policies, such as revenue recognition; however, these policies do not meet the definition of critical accounting estimates, because they do not generally require us to make estimates or judgments that are difficult or subjective. The accounting policies that we deem most critical to us, and involve the most difficult, subjective or complex judgments include the following:

Principles of Consolidation

We apply ASC 810 - *Consolidation* ("ASC 810") in our principles of consolidation. ASC 810 addresses arrangements where a company does not hold a majority of the voting or similar interests of a variable interest entity ("VIE"). A company is required to consolidate a VIE if it has determined it is the primary beneficiary. ASC 810 also addresses the policy when a company owns a majority of the voting or similar rights and exercises effective control.

As promulgated by ASC 810, a VIE is not self-supportive due to having one or both of the following conditions: (i) it has an insufficient amount of equity for it to finance its activities without receiving additional subordinated financial support or (ii) its owners do not hold the typical risks and rights of equity owners. This determination is made upon the creation of a variable interest and is re-assessed on an on-going basis should certain changes in the operations of a VIE, or its relationship with the primary beneficiary trigger a reconsideration under the provisions of ASC 810. After a triggering event occurs the facts and circumstances are utilized in determining whether or not a company is a VIE, which other company(s) have a variable interest in the entity, and whether or not the company's interest is such that it is the primary beneficiary.

We will continue to monitor our relationships with the other entities regarding who is the primary beneficiary, which could change based on facts and circumstances of any reconsideration events.

Recoverability of Property, Plant and Equipment

Our Property, plant and equipment is stated at cost. Interest expense incurred during the initial construction of buildings and rental equipment is considered part of cost. Depreciation is computed for financial reporting purposes using the straight-line or an accelerated method based on a declining balance formula over the following estimated useful lives: rental equipment 2-20 years and buildings and non-rental equipment 3-55 years. We follow the deferral method of accounting based on ASC 908 - *Airlines* for major overhauls in which engine and transmission overhauls are currently capitalized and amortized over three years. Routine maintenance costs are charged to operating expense as they are incurred. Gains and losses on dispositions of property, plant and equipment are netted against depreciation expense when realized. Equipment depreciation is recognized in amounts expected to result in the recovery of estimated residual values upon disposal, i.e., minimize gains or losses. In determining the depreciation rate, historical disposal experience, holding periods and trends in the market for vehicles are reviewed.

We regularly perform reviews to determine whether facts and circumstances exist which indicate that the carrying amount of assets, including estimates of residual value, may not be recoverable or that the useful life of assets are shorter or longer than originally estimated. Reductions in residual values (i.e., the price at which we ultimately expect to dispose of revenue earning equipment) or useful lives will result in an increase in depreciation expense over the remaining life of the equipment. Reviews are performed based on vehicle class, generally subcategories of trucks and trailers. We assess the recoverability of our assets by comparing the projected undiscounted net cash flows associated with the related asset or group of assets over their estimated remaining lives against their respective carrying amounts. We consider factors such as current and expected future market price trends on used vehicles and the expected life of vehicles included in the fleet. Impairment, if any, is based on the excess of the carrying amount over the fair value of those assets. If asset residual values are determined to be recoverable, but the useful lives are shorter or longer than originally estimated, the net book value of the assets is depreciated over the newly determined remaining useful lives.

Management determined that additions to the fleet resulting from purchases should be depreciated on an accelerated method based upon a declining formula. Under the declining balances method (2.4 times declining balance), the book value of a rental truck is reduced by approximately 16%, 13%, 11%, 9%, 8%, 7%, and 6% during years one through seven, respectively, and then reduced on a straight line basis to a salvage value of 20% by the end of year fifteen. Beginning in October 2012, new purchased rental equipment subject to this depreciation schedule is depreciated to a salvage value of 15%. Comparatively, a standard straight line approach would reduce the book value by approximately 5.7% per year over the life of the truck.

Although we intend to sell our used vehicles for prices approximating book value, the extent to which we realize a gain or loss on the sale of used vehicles is dependent upon various factors including but not limited to, the general state of the used vehicle market, the age and condition of the vehicle at the time of its disposal and the depreciation rates with respect to the vehicle. We typically sell our used vehicles at our sales centers throughout North America, on our web site at uhaul.com/trucksales or by phone at 1-866-404-0355. Additionally, we sell a large portion of our pickup and cargo van fleet at automobile dealer auctions.

Insurance Reserves

Liabilities for life insurance and certain annuity and health policies are established to meet the estimated future obligations of policies in force, and are based on mortality, morbidity and withdrawal assumptions from recognized actuarial tables which contain margins for adverse deviation. In addition, liabilities for health, disability and other policies include estimates of payments to be made on insurance claims for reported losses and estimates of losses incurred, but not yet reported. Liabilities for annuity contracts consist of contract account balances that accrue to the benefit of the policyholders.

Insurance reserves for Property and Casualty Insurance and U-Haul take into account losses incurred based upon actuarial estimates and are management's best approximation of future payments. These estimates are based upon past claims experience and current claim trends as well as social and economic conditions such as changes in legal theories and inflation. These reserves consist of case reserves for reported losses and a provision for losses incurred but not reported ("IBNR"), both reduced by applicable reinsurance recoverables, resulting in a net liability.

Due to the nature of the underlying risks and high degree of uncertainty associated with the determination of the liability for future policy benefits and claims, the amounts to be ultimately paid to settle these liabilities cannot be precisely determined and may vary significantly from the estimated liability, especially for long-tailed casualty lines of business such as excess workers' compensation. As a result of the long-tailed nature of the excess workers' compensation policies written by Repwest during 1983 through 2001, it may take a number of years for claims to be fully reported and finally settled.

On a regular basis insurance reserve adequacy is reviewed by management to determine if existing assumptions need to be updated. In determining the assumptions for calculating workers' compensation reserves, management considers multiple factors including the following:

- Claimant longevity
- Cost trends associated with claimant treatments
- Changes in ceding entity and third party administrator reporting practices
- Changes in environmental factors including legal and regulatory
- Current conditions affecting claim settlements
- Future economic conditions including inflation

We have reserved each claim based upon the accumulation of current claim costs projected through each claimant's life expectancy, and then adjusted for applicable reinsurance arrangements. Management reviews each claim bi-annually to determine if the estimated life-time claim costs have increased and then adjusts the reserve estimate accordingly at that time. We have factored in an estimate of what the potential cost increases could be in our IBNR liability. We have not assumed settlement of the existing claims in calculating the reserve amount, unless it is in the final stages of completion.

Continued increases in claim costs, including medical inflation and new treatments and medications could lead to future adverse development resulting in additional reserve strengthening. Conversely, settlement of existing claims or if injured workers return to work or expire prematurely, could lead to future positive development.

Impairment of Investments

Investments are evaluated pursuant to guidance contained in ASC 320 - *Investments - Debt and Equity Securities* to determine if and when a decline in market value below amortized cost is other-than-temporary. Management makes certain assumptions or judgments in its assessment including but not limited to: our ability and intent to hold the security, quoted market prices, dealer quotes or discounted cash flows, industry factors, financial factors, and issuer specific information such as credit strength. Other-than-temporary impairment in value is recognized in the current period operating results. There were no write downs in fiscal 2016, 2015 and 2014, respectively.

Income Taxes

AMERCO files a consolidated tax return with all of its legal subsidiaries.

Our tax returns are periodically reviewed by various taxing authorities. The final outcome of these audits may cause changes that could materially impact our financial results. Please see Note 13, Provision for Taxes for more information.

Fair Values

Fair values of cash equivalents approximate carrying value due to the short period of time to maturity. Fair values of short term investments, investments available-for-sale, long term investments, mortgage loans and notes on real estate, and interest rate swap contracts are based on quoted market prices, dealer quotes or discounted cash flows. Fair values of trade receivables approximate their recorded value.

Our financial instruments that are exposed to concentrations of credit risk consist primarily of temporary cash investments, trade receivables, reinsurance recoverables and notes receivable. Limited credit risk exists on trade receivables due to the diversity of our customer base and their dispersion across broad geographic markets. We place our temporary cash investments with financial institutions and limit the amount of credit exposure to any one financial institution.

We have mortgage receivables, which potentially expose us to credit risk. The portfolio of notes is principally collateralized by self-storage facilities and commercial properties. We have not experienced any material losses related to the notes from individual or groups of notes in any particular industry or geographic area. The estimated fair values were determined using the discounted cash flow method and using interest rates currently offered for similar loans to borrowers with similar credit ratings.

The carrying amount of long term debt and short term borrowings are estimated to approximate fair value as the actual interest rate is consistent with the rate estimated to be currently available for debt of similar term and remaining maturity.

Other investments including short term investments are substantially current or bear reasonable interest rates. As a result, the carrying values of these financial instruments approximate fair value.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers*, an updated standard on revenue recognition. The standard creates a five-step model for revenue recognition that requires companies to exercise judgment when considering contract terms and relevant facts and circumstances. The standard requires expanded disclosure surrounding revenue recognition. Early application is not permitted. The standard is effective for fiscal periods beginning after December 15, 2016 and allows for either full retrospective or modified retrospective adoption. In July 2015, the FASB issued ASU 2015-14, *Revenue from Contracts with Customers, Deferral of Effective Date*, which delays the effective date of ASU 2014-09 by one year to fiscal periods beginning after December 15, 2017. In March 2016, the FASB issued ASU 2016-08, *Revenue from Contracts with Customers, Principal versus Agent Considerations (Reporting Revenue Gross versus Net)*, which is intended to improve the operability and understandability of the implementation guidance on principal versus agent considerations and the effective date is the same as requirements in ASU 2015-14. We are currently evaluating the impact of the adoption of this standard on our consolidated financial statements.

In March 2015, the FASB issued ASU 2015-03, *Simplifying the Presentation of Debt Issuance Costs*. The amendments in this update require that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs are not affected by the amendments in this update. The guidance is effective for interim periods and annual period beginning after December 15, 2015; however early adoption is permitted. The adoption of this standard is not expected to have a material impact on our consolidated financial statements.

In January 2016, the FASB issued ASU 2016-01, *Financial Instruments – Overall (subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*. ASU 2016-01 addresses certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. Among other provisions, the new guidance requires the fair value measurement of investments in certain equity securities. For investments without readily determinable fair values, entities have the option to either measure these investments at fair value or at cost adjusted for changes in observable prices minus impairment. All changes in measurement will be recognized in net income. The guidance is effective for interim periods and annual period beginning after December 15, 2017. Early adoption is not permitted, except for certain provisions relating to financial liabilities. We are currently evaluating the impact of the adoption of this standard on our consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases - (Topic 842)*. This update will require lessees to recognize all leases with terms greater than 12 months on their balance sheet as lease liabilities with a corresponding right-of-use asset. This update maintains the dual model for lease accounting, requiring leases to be classified as either operating or finance, with lease classification determined in a manner similar to existing lease guidance. The basic principle is that leases of all types convey the right to direct the use and obtain substantially all the economic benefits of an identified asset, meaning they create an asset and liability for lessees. Lessees will classify leases as either finance leases (comparable to current capital leases) or operating leases (comparable to current operating leases). Costs for a finance lease will be split between amortization and interest expense, with a single lease expense reported for operating leases. This update also will require both qualitative and quantitative disclosures to help investors and other financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases. The guidance is effective for interim periods and annual period beginning after December 15, 2018; however early adoption is permitted. We are currently evaluating the impact of the adoption of this standard on our consolidated financial statements. For the last nine years, we have reported a discounted estimate of the off-balance sheet lease obligations in our MD&A.

From time to time, new accounting pronouncements are issued by the FASB or the SEC that are adopted by the Company as of the specified effective date. Unless otherwise discussed, these ASU's entail technical corrections to existing guidance or affect guidance related to specialized industries or entities and therefore will have minimal, if any, impact on our financial position or results of operations upon adoption.

AMERCO and Consolidated Subsidiaries**Fiscal 2016 Compared with Fiscal 2015**

Listed below, on a consolidated basis, are revenues for our major product lines for fiscal 2016 and fiscal 2015 :

	Year Ended March 31,	
	2016	2015
	(In thousands)	
Self-moving equipment rentals	\$ 2,297,980	\$ 2,146,391
Self-storage revenues	247,944	211,136
Self-moving and self-storage products and service sales	251,541	244,177
Property management fees	26,533	25,341
Life insurance premiums	162,662	156,103
Property and casualty insurance premiums	50,020	46,456
Net investment and interest income	86,805	84,728
Other revenue	152,171	160,199
Consolidated revenue	<u>\$ 3,275,656</u>	<u>\$ 3,074,531</u>

Self-moving equipment rental revenues increased \$151.6 million during fiscal 2016, compared with the fiscal 2015. We continue to focus on enhancing our convenience to our customers by expanding our retail distribution system and growing our rental equipment fleet. During fiscal 2016, we added both independent dealers and Company-owned locations further extending our network reach. Our truck, trailer and towing device fleets experienced net additions during fiscal 2016. These activities, combined with operational improvements resulted in increases in both our one-way and In-Town rental transactions compared with last year. Revenue increased primarily from these transaction gains.

Self-storage revenues increased \$ 36.8 million during fiscal 2016, compared with fiscal 2015. The average monthly amount of occupied square feet increased by 13.8 % during fiscal 2016 compared with the same period last year. The growth in revenues and square feet rented comes from a combination of improved rates per square foot, occupancy gains at existing locations and from the addition of new facilities to the portfolio. During fiscal 2016, we added approximately 3.6 million net rentable square feet or a 17.9% increase, with approximately 0.8 million of that coming during the fourth quarter.

Sales of self-moving and self-storage products and services increased \$ 7.4 million during fiscal 2016, compared with fiscal 2015. Increases were recognized in the sales of moving supplies and towing accessories and related installations.

Life insurance premiums increased \$ 6.6 million during fiscal 2016, compared with fiscal 2015 due primarily to increased life and Medicare supplement premiums.

Property and casualty insurance premiums increased \$ 3.6 million during fiscal 2016, compared with fiscal 2015 due to an increase in Safestor and Safetow sales, which is a reflection of the increased equipment and storage rental transactions.

Net investment and interest income increased \$ 2.1 million during fiscal 2016, compared with fiscal 2015, due to a larger invested asset base at our insurance companies. This was partially offset by decreased interest income at Moving and Storage resulting from reduced note balances due from SAC Holding and Private Mini Storage Realty ("Private Mini").

Other revenue decreased \$ 8.0 million during fiscal 2016, compared with fiscal 2015 caused primarily by lower U-Box™ program rentals.

As a result of the items mentioned above, revenues for AMERCO and its consolidated entities were \$ 3,275.7 million for fiscal 2016 as compared with \$ 3,074.5 million for fiscal 2015.

Listed below are revenues and earnings from operations at each of our operating segments for fiscal 2016 and 2015. The insurance companies' years ended December 31, 2015 and 2014.

	Year Ended March 31,	
	2016	2015
	(In thousands)	
Moving and storage		
Revenues	\$ 2,984,504	\$ 2,800,438
Earnings from operations before equity in earnings of subsidiaries	813,124	610,430
Property and casualty insurance		
Revenues	64,803	59,275
Earnings from operations	24,547	23,477
Life insurance		
Revenues	231,220	219,656
Earnings from operations	29,773	29,755
Eliminations		
Revenues	(4,871)	(4,838)
Earnings from operations before equity in earnings of subsidiaries	(630)	(638)
Consolidated Results		
Revenues	3,275,656	3,074,531
Earnings from operations	866,814	663,024

Total costs and expenses decreased \$ 2.7 million during fiscal 2016, compared with fiscal 2015. Total costs at Moving and Storage decreased \$18.6 million. The largest component of the decrease was related to our accruals for expenses associated with the PEI litigation which were \$5.0 million and \$60.7 million for fiscal 2016 and 2015, respectively. Personnel and overhead cost increases were partially offset by decreased direct operating costs associated with the U-Box program. Depreciation expense increased \$36.6 million; however, gains from the disposal of property, plant and equipment increased \$24.1 million. This resulted in a net increase of \$12.5 million in depreciation expense, net. We have increased the number of trucks sold compared with the same period last year and the resale market for these trucks remained relatively strong. Lease expense decreased \$30.0 million as a result of our shift in financing new equipment on the balance sheet versus through operating leases. Total costs and expenses in the insurance segments increased \$15.9 million primarily due to expenses associated with additional new business written.

As a result of the above mentioned changes in revenues and expenses, earnings from operations increased to \$ 866.8 million for fiscal 2016, compared with \$ 663.0 million for fiscal 2015.

Interest expense for fiscal 2016 was \$ 97.9 million, compared with \$97.5 million for fiscal 2015 due to an increase in average borrowings partially offset by a decrease in average borrowing costs.

Income tax expense was \$ 279.9 million for fiscal 2016, compared with \$ 204.7 million for fiscal 2015. The increase was due to higher pretax earnings for fiscal 2016. The effective tax rate was 36.4% and 36.5% for fiscal 2016 and 2015, respectively.

As a result of the above mentioned items, earnings available to common shareholders were \$ 489.0 million for fiscal 2016, compared with \$ 356.7 million for fiscal 2015.

Basic and diluted earnings per common share for fiscal 2016 were \$ 24.95, compared with \$ 18.21 for fiscal 2015.

The weighted average common shares outstanding basic and diluted were 19,596,110 for fiscal 2016, compared with 19,586,633 for fiscal 2015.

Fiscal 201 5 Compared with Fiscal 201 4

Listed below, on a consolidated basis, are revenues for our major product lines for fiscal 201 5 and fiscal 20 14 :

	Year Ended March 31,	
	2015	2014
	(In thousands)	
Self-moving equipment rentals	\$ 2,146,391	\$ 1,955,423
Self-storage revenues	211,136	181,794
Self-moving and self-storage products and service sales	244,177	234,187
Property management fees	25,341	24,493
Life insurance premiums	156,103	157,919
Property and casualty insurance premiums	46,456	41,052
Net investment and interest income	84,728	79,591
Other revenue	160,199	160,793
Consolidated revenue	<u>\$ 3,074,531</u>	<u>\$ 2,835,252</u>

Self-moving equipment rental revenues increased \$ 191.0 million for fiscal 201 5 , compared with fiscal 2014 . During fiscal 2015, we continued to broaden our retail distribution network through the expansion of our independent dealer network combined with the acquisition and development of new Company owned and operated locations. Our rental equipment fleet expanded as we increased the number of trucks, trailers and towing devices available for customer use. These initiatives, in tandem with our continued focus improving the rental process through the use of technology resulted in our ability to facilitate the increase in both our In-Town and one-way rental transactions. These additional transactions account for the majority of the improvement in revenues during fiscal 2015 .

Self-storage revenues increased \$ 29.3 million for fiscal 2015 , compared with fiscal 201 4. The improvement in revenue comes from an increase in the number of rooms rented at both new and existing locations along with an improvement in overall rental rates across our portfolio. During fiscal 2015, we added approximately 2.1 million net rentable square feet or nearly a 12% increase, with approximately 0.7 million of that coming during the fourth quarter. Meanwhile, the average monthly amount of occupied square feet increased by 13% compared with fiscal 2014 .

Sales of self-moving and self-storage products and services increased \$ 10.0 million for fiscal 2015, compared with fiscal 2014 . We earned increases from the sale of moving supplies, towing accessories and installation.

Life insurance premiums decreased \$ 1.8 million for fiscal 20 15, compared with fiscal 2014, primarily attributable to reduced life and Medicare supplement premiums.

Property and casualty insurance premiums increased \$ 5.4 million for fiscal 201 5, compared with fiscal 2014, primarily from policies sold in conjunction with U-Haul rental transactions. As moving transactions increased this year so did the sales of insurance products related to these transactions.

Net investment and interest income increased \$ 5.1 million for fiscal 201 5 , compared with fiscal 201 4 . Increases at our Life Insurance and Property and Casualty Insurance segments were due to a larger invested asset base along with realized gains. Conversely, interest income from Moving and Storage has decreased since SAC Holding and Private Mini repaid a combined \$29.1 million of their junior note debt due to the Company in October 2014 .

Other revenue decreased \$0.6 million for fiscal 2015, compared with fiscal 2014 due in large part to our U-Box program performing below expectations .

As a result of the items mentioned above, revenues for AMERCO and its consolidated entities were \$ 3,074.5 million for fiscal 2015 as compared with \$ 2,835.3 million for fiscal 2014 .

Listed below are revenues and earnings from operations at each of our operating segments for fiscal 2015 and 2014. The insurance companies' years ended December 31, 2014 and 2013.

	<u>Year Ended March 31,</u>	
	<u>2015</u>	<u>2014</u>
	(In thousands)	
Moving and storage		
Revenues	\$ 2,800,438	\$ 2,571,950
Earnings from operations before equity in earnings of subsidiaries	610,430	584,681
Property and casualty insurance		
Revenues	59,275	51,644
Earnings from operations	23,477	19,332
Life insurance		
Revenues	219,656	215,528
Earnings from operations	29,755	26,671
Eliminations		
Revenues	(4,838)	(3,870)
Earnings from operations before equity in earnings of subsidiaries	(638)	(470)
Consolidated Results		
Revenues	3,074,531	2,835,252
Earnings from operations	663,024	630,214

Total costs and expenses increased \$ 206.5 million for fiscal 2015 as compared with fiscal 2014. The Moving and Storage operating segment accounted for \$ 202.7 million of the total increase for fiscal 2015 as compared with fiscal 2014. Operating expenses increased \$ 165.7 million primarily from spending on personnel, rental equipment maintenance and operating costs associated with the U-Box program. Commission expenses increased in relation to the associated revenues. Depreciation expense, net, increased \$ 18.6 million while lease expense decreased \$ 20.7 million as a result of the Company's continued focus in financing new equipment on the balance sheet versus through operating leases. During the fourth quarter of fiscal 2015 the Company recorded an accrual related to the PEI litigation resulting in an increase in operating expenses of \$60.7 million.

As a result of the above mentioned changes in revenues and expenses, earnings from operations increased to \$ 663.0 million for fiscal 2015, compared with \$ 630.2 million for fiscal 2014.

Interest expense for fiscal 2015 was \$ 97.5 million, compared with \$92.7 million for fiscal 2014 due to an increase in average borrowings partially offset by a decrease in average borrowing costs. In addition, we incurred costs associated with the early extinguishment of debt during the second quarter of fiscal 2015, which included \$3.8 million of fees and \$0.3 million of transaction cost amortization related to defeased debt.

Income tax expense was \$ 204.7 million for fiscal 2015, compared with \$ 195.1 million for fiscal 2014. The increase was due to higher pretax earnings for fiscal 2015.

As a result of the above mentioned items, earnings available to common shareholders were \$ 356.7 million for fiscal 2015, compared with \$ 342.4 million for fiscal 2014.

Basic and diluted earnings per common share for fiscal 2015 were \$ 18.21, compared with \$ 17.51 for fiscal 2014.

The weighted average common shares outstanding basic and diluted were 19,586,633 for fiscal 2015, compared with 19,558,758 for fiscal 2014.

Moving and Storage

Fiscal 2016 Compared with Fiscal 2015

Listed below are revenues for the major product lines at Moving and Storage for fiscal 2016 and fiscal 2015 :

	Year Ended March 31,	
	2016	2015
	(In thousands)	
Self-moving equipment rentals	\$ 2,301,586	\$ 2,149,986
Self-storage revenues	247,944	211,136
Self-moving and self-storage products and service sales	251,541	244,177
Property management fees	26,533	25,341
Net investment and interest income	8,801	13,644
Other revenue	148,099	156,154
Moving and Storage revenue	\$ 2,984,504	\$ 2,800,438

Self-moving equipment rental revenues increased \$ 151.6 million during fiscal 2016, compared with fiscal 2015. We continue to focus on enhancing our convenience to our customers by expanding our retail distribution system and growing our rental equipment fleet. During fiscal 2016, we added both independent dealers and Company-owned locations further extending our network reach. Our truck, trailer and towing device fleets experienced net additions during fiscal 2016. These activities, combined with operational improvements resulted in increases in both our one-way and In-Town rental transactions compared with last year. Revenue increased primarily from these transaction gains.

Self-storage revenues increased \$ 36.8 million during fiscal 2016, compared with fiscal 2015. The average monthly amount of occupied square feet increased by 13.8% during fiscal 2016 compared with the same period last year. The growth in revenues and square feet rented comes from a combination of improved rates per square foot, occupancy gains at existing locations and from the addition of new facilities to the portfolio. During fiscal 2016, we added approximately 3.6 million net rentable square feet or a 17.9% increase, with approximately 0.8 million of that coming during the fourth quarter.

Sales of self-moving and self-storage products and services increased \$ 7.4 million during fiscal 2016, compared with fiscal 2015. Increases were recognized in the sales of moving supplies and towing accessories and related installations.

Net investment and interest income decreased \$4.8 million during fiscal 2016, compared with fiscal 2015. Reduced note balances due from SAC Holding and Private Mini resulted in decreased interest income.

Other revenue decreased \$ 8.1 million during fiscal 2016, compared with fiscal 2015 caused primarily by lower U-Box™ program rentals.

The Company owns and manages self-storage facilities. Self-storage revenues reported in the consolidated financial statements represent Company-owned locations only. Self-storage data for our owned storage locations follows:

	Year Ended March 31,	
	2016	2015
	(In thousands, except occupancy rate)	
Room count as of March 31	275	232
Square footage as of March 31	23,951	20,318
Average monthly number of rooms occupied	203	180
Average monthly occupancy rate based on room count	80.1%	81.7%
Average monthly square footage occupied	18,231	16,021

Total costs and expenses decreased \$18.6 million for fiscal 2016 as compared with fiscal 2015. The largest component of the decrease was related to our accruals for expenses associated with the PEI litigation which were \$5.0 million and \$60.7 million for fiscal 2016 and 2015, respectively. Personnel and overhead cost increases were partially offset by decreased direct operating costs associated with the U-Box program. Depreciation expense increased \$36.6 million; however, gains from the disposal of property, plant and equipment increased \$24.1 million. This resulted in a net increase of \$12.5 million in depreciation expense, net. We have increased the number of trucks sold compared with the same period last year and the resale market for these trucks remained relatively strong. Lease expense decreased \$30.0 million as a result of our shift in financing new equipment on the balance sheet versus through operating leases.

As a result of the above mentioned changes in revenues and expenses, earnings from operations for Moving and Storage before consolidation of the equity in the earnings of the insurance subsidiaries increased to \$ 813.1 million for fiscal 2016 as compared with \$610.4 million for fiscal 2015.

Equity in the earnings of AMERCO's insurance subsidiaries increased \$ 0.7 million for fiscal 2016 , compared with fiscal 2015 .

As a result of the above mentioned changes in revenues and expenses, earnings from operations increased to \$848.6 million for fiscal 2016 , compared with \$ 645.2 million for fiscal 2015.

Fiscal 20 15 Compared with Fiscal 2014

Listed below are revenues for the major product lines at Moving and Storage for fiscal 201 5 and fiscal 201 4 :

	<u>Year Ended March 31,</u>	
	<u>2015</u>	<u>2014</u>
	(In thousands)	
Self-moving equipment rentals	\$ 2,149,986	\$ 1,958,209
Self-storage revenues	211,136	181,794
Self-moving and self-storage products and service sales	244,177	234,187
Property management fees	25,341	24,493
Net investment and interest income	13,644	15,212
Other revenue	<u>156,154</u>	<u>158,055</u>
Moving and Storage revenue	<u>\$ 2,800,438</u>	<u>\$ 2,571,950</u>

Self-moving equipment rental revenues increased \$ 191.8 million for fiscal 201 5, compared with fiscal 2014. During fiscal 2015 we continued to broaden our retail distribution network through the expansion of our independent dealer network combined with the acquisition and development of new Company owned and operated locations. Our rental equipment fleet expanded as we increased the number of trucks, trailers and towing devices available for customer use. These initiatives, in tandem with our continued focus on improving the rental process through the use of technology resulted in our ability to facilitate the increase in both our In-Town and one-way rental transactions. These additional transactions account for the majority of the improvement in revenues during fiscal 2015.

Self-storage revenues increased \$ 29.3 million for fiscal 2015 , compared with fiscal 201 4. The improvement in revenue comes from an increase in the number of rooms rented at both new and existing locations along with an improvement in overall rental rates across our portfolio. During fiscal 2015, we added approximately 2.1 million net rentable square feet or nearly a 12% increase, with approximately 0.7 million of that coming during the fourth quarter. Meanwhile, the average monthly amount of occupied square feet increased by 13% compared with fiscal 2014.

Sales of self-moving and self-storage products and services increased \$ 10.0 million for fiscal 2015, compared with fiscal 2014 . We earned increases from the sale of moving supplies, towing accessories and installation s .

Net investment and interest income de creased \$ 1.6 million for fiscal 201 5 , compared with fiscal 201 4 . SAC Holding and Private Mini repaid a combined \$29.1 million of their junior note debt due to the Company in October 2014 resulting in reduced interest income earned by the Company .

Ot her revenue de creased \$ 1.9 million for fiscal 201 5 , compared with fiscal 201 4 due in large part to our U-Box program performing below expectations .

The Company owns and manages self-storage facilities. Self-storage revenues reported in the consolidated financial statements represent Company-owned locations only. Self-storage data for our owned storage locations follows:

	Year Ended March 31,	
	2015	2014
	(In thousands, except occupancy rate)	
Room count as of March 31	232	207
Square footage as of March 31	20,318	18,164
Average monthly number of rooms occupied	180	160
Average monthly occupancy rate based on room count	81.7%	80.5%
Average monthly square footage occupied	16,021	14,148

Total costs and expenses increased \$ 202.7 million for fiscal 2015 as compared with fiscal 2014. Operating expenses increased \$ 163.7 million primarily from spending on personnel, rental equipment maintenance and operating costs associated with the U-Box program. Commission expenses increased in relation to the associated revenues. Depreciation expense increased \$ 59.6 million and gains from the disposal of property, plant and equipment increased by \$41.1 million. Lease expense decreased \$ 20.7 million as a result of the Company's continued focus towards financing new equipment on the balance sheet versus through operating leases. During the fourth quarter of fiscal 2015 the Company recorded an accrual related to the PEI litigation resulting in an increase in operating expenses of \$60.7 million.

As a result of the above mentioned changes in revenues and expenses, earnings from operations for Moving and Storage before consolidation of the equity in the earnings of the insurance subsidiaries increased to \$ 610.4 million for fiscal 2015 as compared with \$584.7 million for fiscal 2014.

Equity in the earnings of AMERCO's insurance subsidiaries increased \$ 4.8 million for fiscal 2015, compared with fiscal 2014.

As a result of the above mentioned changes in revenues and expenses, earnings from operations increased to \$645.2 million for fiscal 2015, compared with \$ 614.7 million for fiscal 2014.

Property and Casualty Insurance

2015 Compared with 2014

Net premiums were \$ 50.0 million and \$46.5 million for the years ended December 31, 2015 and 2014, respectively. A significant portion of Repwest's premiums are from policies sold in conjunction with U-Haul rental transactions. The premium growth corresponded with the increased moving and storage transactions at U-Haul.

Net investment income was \$14.8 million and \$12.8 million for the years ended December 31, 2015 and 2014, respectively. The increase came from the real estate and fixed maturity portfolios that both grew in size compared to 2014.

Net operating expenses were \$28.0 million and \$24.8 million for the years ended December 31, 2015 and 2014, respectively. The increase was due largely to additional commission expenses and higher loss adjusting expenses.

Benefits and losses incurred were \$12.3 million and \$11.0 million for the years ended December 31, 2015 and 2014, respectively. The increase was due to claims activity coming from additional new business.

As a result of the above mentioned changes in revenues and expenses, pretax earnings from operations were \$24.5 million and \$ 23.5 million for the years ended December 31, 2015 and 2014, respectively.

Property and Casualty Insurance

2014 Compared with 2013

Net premiums were \$46.5 million and \$41.1 million for the years ended December 31, 2014 and 2013, respectively. A significant portion of Repwest's premiums are from policies sold in conjunction with U-Haul rental transactions. The premium growth corresponded with the increased moving and storage transactions at U-Haul.

Net investment income was \$12.8 million and \$10.6 million for the years ended December 31, 2014 and 2013, respectively. The increase was due to a \$0.3 million gain on disposals in 2014, \$0.4 million in real estate rental income and a \$1.4 million increase in fixed maturity income due to an increase in invested assets.

Net operating expenses were \$24.8 million and \$20.8 million for the years ended December 31, 2014 and 2013, respectively. The increase was primarily due to a \$3.7 million increase in commission expense.

Benefits and losses incurred were \$11.0 million and \$11.5 million for the years ended December 31, 2014 and 2013, respectively.

As a result of the above mentioned changes in revenues and expenses, pretax earnings from operations were \$23.5 million and \$19.3 million for the years ended December 31, 2014 and 2013, respectively.

Life Insurance

2015 Compared with 2014

Net premiums were \$162.7 million and \$156.1 million for the years ended December 31, 2015 and 2014, respectively. Medicare supplement premiums increased \$5.8 million from new sales offset by a reduction in renewal premiums due to reduction in the in force business on older blocks. Medicare supplement first year premiums were \$16.9 million, an increase of \$7.5 million over prior year. Life premiums increased by \$0.8 million primarily as a result of final expense renewals. Annuity deposits, which are accounted for on the balance sheet as deposits rather than premiums, increased \$195.8 million over prior year. Included in the deposit increase is a \$30.0 million deposit relating to a funding agreement with Federal Home Loan Bank system ("FHLB").

Net investment income was \$64.0 million and \$59.1 million for the years ended December 31, 2015 and 2014, respectively. Investment income increased \$4.3 million due to a larger invested asset base while \$0.7 million came from realized gains from sales of investments.

Net operating expenses were \$23.0 million and \$22.5 million for the years ended December 31, 2015 and 2014, respectively. The moderate increase was primarily due to the increased administrative expenses supporting new sales.

Benefits and losses incurred were \$155.1 million and \$147.8 million for the years ended December 31, 2015 and 2014, respectively. Medicare supplement benefits increased by \$4.6 million primarily as a result of the increase in incurred benefits from new sales partially offset by a decrease in Medicare supplement active life reserve from the change in reserve valuation basis. Life insurance benefits increased \$2.5 million due to higher mortality exposure while other benefits decreased \$1.0 million. Interest credited to policyholders increased \$1.2 million reflecting the increase in annuity deposits.

Amortization of deferred acquisition costs ("DAC"), sales inducement asset ("SIA") and the value of business acquired ("VOBA") was \$23.3 million and \$19.7 million for the years ended December 31, 2015 and 2014, respectively. The increase over prior year was a result of an increased amortization on annuity and Medicare Supplement DAC due to the increased DAC asset base. This was partially offset by the decrease in life amortization due to a prior year DAC balance write off on older blocks.

As a result of the above mentioned changes in revenues and expenses, pretax earnings from operations were \$29.8 million for both years ended December 31, 2015 and 2014.

Life Insurance

2014 Compared with 2013

Net premiums were \$156.1 million and \$157.9 million for the years ended December 31, 2014 and 2013, respectively. Medicare supplement premiums decreased by \$2.4 million due to a reduction in the in force business offset by new sales. Medicare Supplement first year premiums were \$9.4 million, or a \$6.4 million increase above prior year. Other product lines experienced a \$0.6 million increase. Annuity deposits, which are accounted for on our balance sheet as deposits rather than premiums, decreased by \$16.9 million compared with the prior year.

Net investment income was \$59.1 million and \$54.4 million for the years ended December 31, 2014 and 2013, respectively. Investment income increased \$3.8 million due to a larger invested asset base while approximately \$0.8 million came from realized gains.

Net operating expenses were \$ 22.5 million and \$ 23.7 million for the years ended December 31, 2014 and 2013, respectively. The variance was due to a reduction in commission expenses on declining earned premiums.

Benefits and losses incurred were \$147.8 million and \$145.2 million for the years ended December 31, 2014 and 2013, respectively. Life benefits increased \$2.5 million resulting from higher mortality exposure. Medicare supplement benefits decreased \$1.1 million from a reduction in the in force on the existing blocks offset by the increased benefits from new sales. Annuity benefits decreased \$1.3 million due to the reserve reduction in single premium annuities and guaranteed life withdrawal benefit rider. Supplementary contract payments increased \$0.2 million. Increase in interest credited to policyholders was \$2.2 million as a result of a larger annuity account value.

Amortization of deferred acquisition costs ("DAC"), sales inducement asset ("SIA") and the value of business acquired ("VOBA") was \$ 19.7 million and \$ 20.0 million for the years ended December 31, 2014 and 2013, respectively.

As a result of the above mentioned changes in revenues and expenses, pretax earnings from operations were \$ 29.8 million and \$ 26.7 million for the year ended December 31, 2014 and 2013, respectively.

Liquidity and Capital Resources

We believe our current capital structure is a positive factor that will enable us to pursue our operational plans and goals and provide us with sufficient liquidity for the foreseeable future. There are many factors which could affect our liquidity, including some which are beyond our control, and there is no assurance that future cash flows and liquidity resources will be sufficient to meet our outstanding debt obligations and our other future capital needs.

At March 31, 2016, cash and cash equivalents totaled \$ 600.6 million, compared with \$ 441.9 million on March 31, 2015. The assets of our insurance subsidiaries are generally unavailable to fulfill the obligations of non-insurance operations (AMERCO, U-Haul and Real Estate). As of March 31, 2016 (or as otherwise indicated), cash and cash equivalents, other financial assets (receivables, short-term investments, other investments, fixed maturities, and related party assets) and debt obligations of each operating segment were:

	Moving & Storage	Property and Casualty Insurance (a)	Life Insurance (a)
	(In thousands)		
Cash and cash equivalents	\$ 585,666	\$ 14,049	\$ 931
Other financial assets	143,904	410,387	1,542,629
Debt obligations	2,688,758	-	-

(a) As of December 31, 2015

At March 31, 2016, Moving and Storage had available borrowing capacity under existing credit facilities of \$ 48.0 million.

A summary of our consolidated cash flows for fiscal 2016, 2015 and 2014 is shown in the table below:

	Years Ended March 31,		
	2016	2015	2014
	(In thousands)		
Net cash provided by operating activities	\$ 1,041,063	\$ 759,099	\$ 733,966
Net cash used by investing activities	(1,273,399)	(755,261)	(846,631)
Net cash provided (used) by financing activities	406,872	(46,338)	144,210
Effects of exchange rate on cash	(15,740)	(10,762)	(177)
Net cash flow	158,796	(53,262)	31,368
Cash at the beginning of the period	441,850	495,112	463,744
Cash at the end of the period	<u>\$ 600,646</u>	<u>\$ 441,850</u>	<u>\$ 495,112</u>

Net cash provided by operating activities increased \$ 282.0 million in fiscal 2016, compared with fiscal 2015, primarily due to an improvement in earnings, lower federal income tax payments, combined with \$56.8 million of note and interest repayments from Private Mini.

Net cash used in investing activities increased \$ 518.1 million in fiscal 2016, compared with fiscal 2015. Purchases of property, plant and equipment, which are reported net of cash from sales and lease-back transactions, increased \$467.2 million. Cash from the sales of property, plant and equipment increased \$127.6 million largely due to an increase in fleet sales. Life Insurance had an increase in net cash used for investing of \$186.9 million due to additional investment purchases.

Net cash provided by financing activities increased \$ 453.2 million in fiscal 2016, as compared with fiscal 2015 due to an increase in borrowings of \$198.4 million, net decrease in repayments of debt and capital leases of \$117.8 million, an increase in annuity deposits, net of withdrawals, by Life Insurance of \$194.4 million and an increase in dividends paid of \$58.8 million.

Liquidity and Capital Resources and Requirements of Our Operating Segments

Moving and Storage

To meet the needs of our customers, U-Haul maintains a large fleet of rental equipment. Capital expenditures have primarily consisted of new rental equipment acquisitions and the buyouts of existing fleet from leases. The capital to fund these expenditures has historically been obtained internally from operations and the sale of used equipment and externally from debt and lease financing. In the future, we anticipate that our internally generated funds will be used to service the existing debt and fund operations. U-Haul estimates that during fiscal 2017 the Company will reinvest in its truck and trailer rental fleet approximately \$ 600 million, net of equipment sales and excluding any lease buyouts. For fiscal 2016, the Company invested, net of sales, approximately \$ 365 million before any lease buyouts in its truck and trailer fleet. Fleet investments in fiscal 2017 and beyond will be dependent upon several factors including availability of capital, the truck rental environment and the used-truck sales market. We anticipate that the fiscal 2017 investments will be funded largely through debt financing, external lease financing and cash from operations. Management considers several factors including cost and tax consequences when selecting a method to fund capital expenditures. Our allocation between debt and lease financing can change from year to year based upon financial market conditions which may alter the cost or availability of financing options.

Real Estate has traditionally financed the acquisition of self-storage properties to support U-Haul's growth through debt financing and funds from operations and sales. The Company's plan for the expansion of owned storage properties includes the acquisition of existing self-storage locations from third parties, the acquisition and development of bare land, and the acquisition and redevelopment of existing buildings not currently used for self-storage. The Company expects to fund these development projects through construction loans and internally generated funds. For fiscal 2016, the Company invested \$ 592.4 million in real estate acquisitions, new construction and renovation and repair. For fiscal 2017, the timing of new projects will be dependent upon several factors, including the entitlement process, availability of capital, weather, and the identification and successful acquisition of target properties. U-Haul's growth plan in self-storage also includes the expansion of the U-Haul Storage Affiliate program, which does not require significant capital.

Net capital expenditures (purchases of property, plant and equipment less proceeds from the sale of property, plant and equipment and lease proceeds) were \$ 969.9 million , \$ 630.3 million and \$ 730.2 million for fiscal 2016, 2015 and 2014 , respectively. The components of our net capital expenditures are provided in the following table:

	Years Ended March 31,		
	2016	2015	2014
	(In thousands)		
Purchases of rental equipment	\$ 881,331	\$ 898,420	\$ 782,463
Equipment lease buyouts	81,718	40,448	36,552
Purchases of real estate, construction and renovations	592,363	368,257	315,160
Other capital expenditures	90,788	41,761	62,976
Gross capital expenditures	<u>1,646,200</u>	<u>1,348,886</u>	<u>1,197,151</u>
Less: Lease proceeds	(137,046)	(306,955)	(196,908)
Less: Sales of property, plant and equipment	<u>(539,256)</u>	<u>(411,629)</u>	<u>(270,053)</u>
Net capital expenditures	<u>969,898</u>	<u>630,302</u>	<u>730,190</u>

Moving and Storage continues to hold significant cash and we believe has access to additional liquidity. Management may invest these funds in our existing operations, expand our product lines or pursue external opportunities in the self-moving and storage market place, or reduce existing indebtedness where possible.

Property and Casualty Insurance

State insurance regulations restrict the amount of dividends that can be paid to stockholders of insurance companies. As a result, Property and Casualty Insurance's assets are generally not available to satisfy the claims of AMERCO or its legal subsidiaries.

We believe that stockholders equity at the Property and Casualty operating segment remains sufficient and we do not believe that its ability to pay ordinary dividends to AMERCO will be restricted per state regulations.

Our Property and Casualty operating segment s tockholder's equity was \$ 160.6 million , \$ 169.3 million, and \$ 146.8 million at December 31, 20 15 , 20 14 , and 20 13 , respectively. The de crease in 2015 compared with 2014 resulted from net earnings of \$ 16.2 million , a de crease in accumulated other comprehensive income of \$ 5.3 million and a non-cash dividend paid to AMERCO of \$19.6 million. Property and Casualty Insurance does not use debt or equity issues to increase capital and therefore has no direct exposure to capital market conditions other than through its investment portfolio.

Life Insurance

Life Insurance manages its financial assets to meet policyholder and other obligations including investment contract withdrawals and deposits . Life Insurance's net deposit increase for the year ended December 31, 20 15 w as \$ 245.3 million . State insurance regulations restrict the amount of dividends that can be paid to stockholders of insurance companies. As a result, Life Insurance's funds are generally not available to satisfy the claims of AMERCO or its legal subsidiaries.

Our Life Insurance operating segment s tockholder's equity was \$ 271.7 million, \$2 74.2 million, and \$ 226.7 million at December 31, 20 15 , 20 14 and 20 13 , respectively. The de crease i n 2015 compared with 2014 resulted from earnings of \$ 19.4 million and a de crease in accumulated other comprehensive income of \$ 21.9 million primarily due to the effect of interest rate changes on the fixed maturity portion of the investment portfolio. Life Insurance has not historically use d debt or equity issues to increase capital and therefore has no direct exposure to capital market conditions other than through its investment portfolio. However, as of December 31, 2015, Oxford has outstanding deposits of \$30.0 million through their membership in the FHLB.

Cash Provided (Used) from Operating Activities by Operating Segments

Moving and Storage

Net cash provided by operating activities was \$ 971.6 million , \$ 700.3 million and \$ 662.0 million in fiscal 2016, 2015 and 2014 , respectively primarily due to an improvement in earnings, lower federal income tax payments, combined with \$56.8 million of note and interest repayments from Private Mini.

Property and Casualty Insurance

Net cash provided by operating activities was \$ 19.0 million, \$ 16.6 million, and \$ 23.6 million for the years ended December 31, 20 15 , 20 14 , and 20 13 , respectively. The increases were consistent with typical claims activity.

Property and Casualty Insurance's cash and cash equivalents and short-term investment portfolios amounted to \$ 24.3 million, \$ 18.7 million, and \$ 35.5 million at December 31, 20 15 , 20 14 , and 20 13 , respectively. These balances reflect funds in transition from maturity proceeds to long term investments. Management believes this level of liquid assets, combined with budgeted cash flow, is adequate to meet foreseeable cash needs. Capital and operating budgets allow Property and Casualty Insurance to schedule cash needs in accordance with investment and underwriting proceeds.

Life Insurance

Net cash provided by operating activities was \$ 50.4 million , \$ 42.3 million and \$48.4 million for the years ended December 31, 20 15 , 20 14 and 20 13 , respectively. The increase in cash provided during the year ended December 31, 2015 was primarily due to the decrease in receivable for securities and an increase in short term current liabilities from cash overdrafts offset by the increase in paid commissions and administrative expenses exceeding premium and investment income revenue.

In addition to cash flows from operating activities and financing activities, a substantial amount of liquid funds are available through Life Insurance's short-term portfolio and its membership in the FHLB . At December 31, 20 15 , 20 14 and 20 13 , cash and cash equivalents and short-term investments amounted to \$ 25.5 million , \$ 39.0 million and \$ 39.6 million, respectively. Management believes that the overall sources of liquidity are adequate to meet foreseeable cash needs.

Liquidity and Capital Resources - Summary

We believe we have the financial resources needed to meet our business plans including our working capital needs. We continue to hold significant cash and have access to existing credit facilities and additional liquidity to meet our anticipated capital expenditure requirements for investment in our rental fleet, rental equipment and storage acquisitions and build outs.

Our borrowing strategy is primarily focused on asset-backed financing and rental equipment leases. As part of this strategy, we seek to ladder maturities and hedge floating rate loans through the use of interest rate swaps. While each of these loans typically contains provisions governing the amount that can be borrowed in relation to specific assets, the overall structure is flexible with no limits on overall Company borrowings. Management believes it has adequate liquidity between cash and cash equivalents and unused borrowing capacity in existing credit facilities to meet the current and expected needs of the Company over the next several years. At March 31, 2016 , we had available borrowing capacity under existing credit facilities of \$ 48.0 million . It is possible that circumstances beyond our control could alter the ability of the financial institutions to lend us the unused lines of credit. We believe that there are additional opportunities for leverage in our existing capital structure. For a more detailed discussion of our long-term debt and borrowing capacity, please see Note 9 , Borrowings of the Notes to Consolidated Financial Statements.

Fair Value of Financial Instruments

Certain assets and liabilities are recorded at fair value on the consolidated balance sheets and are measured and classified based upon a three tiered approach to valuation. ASC 820 requires that financial assets and liabilities recorded at fair value be classified and disclosed in a Level 1, Level 2 or Level 3 category. For more information, please see Note 15, Fair Value Measurements of the Notes to Consolidated Financial Statements included in Part II, Item 8 of this Form 10-K .

The available-for-sale securities held by the Company are recorded at fair value. These values are determined primarily from actively traded markets where prices are based either on direct market quotes or observed transactions. Liquidity is a factor considered during the determination of the fair value of these securities. Market price quotes may not be readily available for certain securities or the market for them has slowed or ceased. In situations where the market is determined to be illiquid, fair value is determined based upon limited available information and other factors including expected cash flows. At March 31, 2016, we had \$ 0.3 million of available-for-sale assets classified in Level 3.

The interest rate swaps held by us as hedges against interest rate risk for our variable rate debt are recorded at fair value. These values are determined using pricing valuation models which include broker quotes for which significant inputs are observable. They include adjustments for counterparty credit quality and other deal-specific factors, where appropriate and are classified as Level 2.

Disclosures about Contractual Obligations and Commercial Commitments

The following table provides contractual commitments and contingencies as of March 31, 2016 :

Contractual Obligations	Total	Payment due by Period (as of March 31, 2016)			
		04/01/16 - 03/31/17	04/01/17 - 03/31/19	04/01/19 - 03/31/21	Thereafter
		(In thousands)			
Notes and loans payable - Principal	\$ 1,668,933	\$ 215,344	\$ 336,609	\$ 156,920	\$ 960,060
Notes and loans payable - Interest	566,309	72,402	113,627	92,069	288,211
Revolving credit agreements - Principal	347,000	—	57,000	178,887	111,113
Revolving credit agreements - Interest	24,268	6,300	11,560	5,755	653
Capital leases - Principal	672,825	138,463	252,909	236,212	45,241
Capital leases - Interest	50,275	17,712	23,805	7,904	854
Operating leases	179,844	36,622	61,064	34,685	47,473
Property and casualty obligations (a)	144,652	12,275	16,638	12,779	102,960
Life, health and annuity obligations (b)	2,925,140	219,492	397,441	364,409	1,943,798
Self insurance accruals (c)	384,921	108,008	160,212	63,384	53,317
Post retirement benefit liability	13,850	658	1,687	2,336	9,169
Total contractual obligations	\$ 6,978,017	\$ 827,276	\$ 1,432,552	\$ 1,155,340	\$ 3,562,849

(a) These estimated obligations for unpaid losses and loss adjustment expenses include case reserves for reported claims and IBNR claims estimates and are net of expected reinsurance recoveries. The ultimate amount to settle both the case reserves and IBNR is an estimate based upon historical experience and current trends and such estimates could materially differ from actual results. The assumptions do not include future premiums. Due to the significant assumptions employed in this model, the amounts shown could materially differ from actual results.

(b) These estimated obligations are based on mortality, morbidity, withdrawal and lapse assumptions drawn from our historical experience and adjusted for any known trends. These obligations include expected interest crediting but no amounts for future annuity deposits or premiums for life and Medicare supplement policies. The cash flows shown are undiscounted for interest and as a result total outflows for all years shown significantly exceed the corresponding liabilities of \$ 1,383.7 million included in our consolidated balance sheet as of March 31, 2016. Life Insurance expects to fully fund these obligations from their invested asset portfolio. Due to the significant assumptions employed in this model, the amounts shown could materially differ from actual results.

(c) These estimated obligations are primarily the Company's self insurance accruals for portions of the liability coverage for our rental equipment. The estimates for future settlement are based upon historical experience and current trends. Due to the significant assumptions employed in this model, the amounts shown could materially differ from actual results.

As presented above, contractual obligations on debt and guarantees represent principal payments while contractual obligations for operating leases represent the notional payments under the lease arrangements.

ASC 740 - *Income Taxes* liabilities and interest of \$ 29.8 million is not included above due to uncertainty surrounding ultimate settlements, if any.

Off Balance Sheet Arrangements

The Company uses off-balance sheet arrangements in situations where management believes that the economics and sound business principles warrant their use.

AMERCO utilizes operating leases for certain rental equipment and facilities with terms expiring substantially through 2019. In the event of a shortfall in proceeds from the sales of the underlying rental equipment assets, AMERCO has guaranteed \$ 22.3 million of residual values at March 31, 2016 for these assets at the end of their respective lease terms. AMERCO has been leasing rental equipment since 1987. To date, we have not experienced residual value shortfalls related to these leasing arrangements. Using the average cost of fleet related debt as the discount rate, the present value of AMERCO's minimum lease payments and residual value guarantees was \$ 55.5 million at March 31, 2016.

Historically, we have used off-balance sheet arrangements in connection with the expansion of our self-storage business. For more information please see Note 19, Related Party Transactions of the Notes to Consolidated Financial Statements. These arrangements were primarily used when our overall borrowing structure was more limited. We do not face similar limitations currently and off-balance sheet arrangements have not been utilized in our self-storage expansion in recent years. In the future, we will continue to identify and consider off-balance sheet opportunities to the extent such arrangements would be economically advantageous to us and our stockholders.

We currently manage the self-storage properties owned or leased by SAC Holdings, Mercury Partners, L.P. ("Mercury"), Four SAC Self-Storage Corporation ("4 SAC"), Five SAC Self-Storage Corporation ("5 SAC"), Galaxy Investments, L.P. ("Galaxy") and Private Mini pursuant to a standard form of management agreement, under which we receive a management fee of between 4% and 10% of the gross receipts plus reimbursement for certain expenses. We received management fees, exclusive of reimbursed expenses, of \$ 27.1 million, \$ 25.8 million and \$ 25.8 million from the above mentioned entities during fiscal 2016, 2015 and 2014, respectively. This management fee is consistent with the fee received for other properties we previously managed for third parties. SAC Holdings, 4 SAC, 5 SAC, Galaxy and Private Mini are substantially controlled by Blackwater. Blackwater is wholly-owned by Willow Grove, which is owned by Mark V. Shoen (a significant shareholder), and various trusts associated with Edward J. Shoen and Mark V. Shoen. Mark V. Shoen controls the general partner of Mercury. The limited partner interests of Mercury are indirectly owned by James P. Shoen (a significant shareholder), Mark V. Shoen and a trust benefitting the children and grandchild of Edward J. Shoen (our Chairman of the Board, President and a significant shareholder).

We lease space for marketing company offices, vehicle repair shops and hitch installation centers from subsidiaries of SAC Holdings, 5 SAC and Galaxy. Total lease payments pursuant to such leases were \$2.6 million for each of fiscal years 2016, 2015 and 2014, respectively. The terms of the leases are similar to the terms of leases for other properties owned by unrelated parties that are leased by us.

At March 31, 2016, subsidiaries of SAC Holdings, 4 SAC, 5 SAC, Galaxy and Private Mini acted as U-Haul independent dealers. The financial and other terms of the dealership contracts with the aforementioned companies and their subsidiaries are substantially identical to the terms of those with our other independent dealers whereby commissions are paid by us based on equipment rental revenues. We paid the above mentioned entities \$ 54.7 million, \$ 52.1 million and \$ 49.9 million in commissions pursuant to such dealership contracts during fiscal 2016, 2015 and 2014, respectively.

During fiscal 2016, subsidiaries of ours held various junior unsecured notes of SAC Holdings. Substantially all of the equity interest of SAC Holdings is controlled by Blackwater. We do not have an equity ownership interest in SAC Holdings. We recorded interest income of \$ 5.0 million, \$ 5.9 million and \$ 7.1 million and received cash interest payments of \$ 4.6 million, \$ 5.7 million and \$ 17.2 million from SAC Holdings during fiscal 2016, 2015 and 2014, respectively. The largest aggregate amount of notes receivable outstanding during fiscal 2016 was \$ 50.4 million and the aggregate notes receivable balance at March 31, 2016 was \$ 49.3 million. In accordance with the terms of these notes, SAC Holdings may prepay the notes without penalty or premium at any time. The scheduled maturities of these notes are 2017.

These agreements along with notes with subsidiaries of SAC Holdings, 4 SAC, 5 SAC, Galaxy and Private Mini, excluding Dealer Agreements, provided revenues of \$ 28.1 million, expenses of \$2.6 million and cash flows of \$ 83.8 million during fiscal 2016. Revenues and commission expenses related to the Dealer Agreements were \$ 254.7 million and \$ 54.7 million, respectively during fiscal 2016.

Fiscal 2017 Outlook

We will continue to focus our attention on increasing transaction volume and improving pricing, product and utilization for self-moving equipment rentals. Maintaining an adequate level of new investment in our truck fleet is an important component of our plan to meet our operational goals. Revenue in the U-Move program could be adversely impacted should we fail to execute in any of these areas. Even if we execute our plans, we could see declines in revenues primarily due to unforeseen events including the continuation of adverse economic conditions or heightened competition that is beyond our control.

With respect to our storage business, we have added new locations and expanded at existing locations. In fiscal 2017, we are actively looking to acquire new locations, complete current projects and increase occupancy in our existing portfolio of locations. New projects and acquisitions will be considered and pursued if they fit our long-term plans and meet our financial objectives. We will continue to invest capital and resources in the U-Box program throughout fiscal 2017.

Property and Casualty Insurance will continue to provide loss adjusting and claims handling for U-Haul and underwrite components of the Safemove, Safetow, Safemove Plus, Safestor, and Safestor Mobile protection packages to U-Haul customers.

Life Insurance is pursuing its goal of expanding its presence in the senior market through the sales of its Medicare supplement, life and annuity policies. This strategy includes growing its agency force, expanding its new product offerings, and pursuing business acquisition opportunities.

Quarterly Results (unaudited)

The quarterly results shown below are derived from unaudited financial statements for the eight quarters beginning April 1, 2014 and ending March 31, 2016. We believe that all necessary adjustments have been included in the amounts stated below to present fairly, and in accordance with GAAP, such results. Moving and Storage operations are seasonal and proportionally more of the Company's revenues and net earnings from its Moving and Storage operations are generated in the first and second quarters of each fiscal year (April through September). The operating results for the periods presented are not necessarily indicative of results for any future period.

Quarter Ended

	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015
	(In thousands, except for share and per share data)			
Total revenues	\$ 683,197	\$ 744,751	\$ 962,903	\$ 884,805
Earnings from operations	106,736	157,902	311,068	291,108
Earnings available to common shareholders	52,568	81,769	183,379	171,285
Basic and diluted earnings per common share	\$ 2.68	\$ 4.17	\$ 9.36	\$ 8.74
Weighted average common shares outstanding: basic and diluted	19,593,071	19,599,352	19,597,717	19,596,129

Quarter Ended

	March 31, 2015	December 31, 2014	September 30, 2014	June 30, 2014
	(In thousands, except for share and per share data)			
Total revenues	\$ 642,730	\$ 706,355	\$ 906,491	\$ 818,955
Earnings from operations	34,837	133,152	275,836	219,199
Earnings available to common shareholders	9,480	66,540	156,247	124,474
Basic and diluted earnings per common share	\$ 0.47	\$ 3.40	\$ 7.98	\$ 6.36
Weighted average common shares outstanding: basic and diluted	19,594,530	19,590,555	19,584,194	19,577,802

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to financial market risks, including changes in interest rates and currency exchange rates. To mitigate these risks, we may utilize derivative financial instruments, among other strategies. We do not use derivative financial instruments for speculative purposes.

Interest Rate Risk

The exposure to market risk for changes in interest rates relates primarily to our variable rate debt obligations and one variable rate operating lease. We have used interest rate swap agreements and forward swaps to reduce our exposure to changes in interest rates. We enter into these arrangements with counterparties that are significant financial institutions with whom we generally have other financial arrangements. We are exposed to credit risk should these counterparties not be able to perform on their obligations. Following is a summary of our interest rate swaps agreements at March 31, 2016:

	Notional Amount	Fair Value	Effective Date	Expiration Date	Fixed Rate	Floating Rate
	(In thousands)					
\$	204,166	\$ (13,322)	8/18/2006	8/10/2018	5.43%	1 Month LIBOR
	5,450 (a)	(101)	8/15/2010	7/15/2017	2.15%	1 Month LIBOR
	10,313 (a)	(328)	6/1/2011	6/1/2018	2.38%	1 Month LIBOR
	20,542 (a)	(485)	8/15/2011	8/15/2018	1.86%	1 Month LIBOR
	8,300 (a)	(181)	9/12/2011	9/10/2018	1.75%	1 Month LIBOR
	9,338 (b)	(142)	3/28/2012	3/28/2019	1.42%	1 Month LIBOR
	11,458	(142)	4/16/2012	4/1/2019	1.28%	1 Month LIBOR
	21,825	(144)	1/15/2013	12/15/2019	1.07%	1 Month LIBOR

(a) forward swap

(b) operating lease

As of March 31, 2016, we had \$ 770.0 million of variable rate debt obligations and \$9.3 million of a variable rate operating lease. If the London Inter-Bank Offer Rate were to increase 100 basis points, the increase in interest expense on the variable rate debt and a variable rate operating lease would decrease future earnings and cash flows by \$3.6 million annually (after consideration of the effect of the above derivative contracts). Certain senior mortgages have an anticipated repayment date and a maturity date. If these senior mortgages are not repaid by the anticipated repayment date the interest rate on these mortgages would increase from the current fixed rate. We are using the anticipated repayment date for our maturity schedule.

Additionally, our insurance subsidiaries' fixed income investment portfolios expose us to interest rate risk. This interest rate risk is the price sensitivity of a fixed income security to changes in interest rates. As part of our insurance companies' asset and liability management, actuaries estimate the cash flow patterns of our existing liabilities to determine their duration. These outcomes are compared to the characteristics of the assets that are currently supporting these liabilities assisting management in determining an asset allocation strategy for future investments that management believes will mitigate the overall effect of interest rates.

Foreign Currency Exchange Rate Risk

The exposure to market risk for changes in foreign currency exchange rates relates primarily to our Canadian business. Approximately 4.4 %, 5.2 % and 5.4 % of our revenue was generated in Canada in fiscal 2016, 2015 and 2014, respectively. The result of a 10 % change in the value of the U.S. dollar relative to the Canadian dollar would not be material to net income. We typically do not hedge any foreign currency risk since the exposure is not considered material.

Item 8. Financial Statements and Supplementary Data

The Report of Independent Registered Public Accounting Firm and Consolidated Financial Statements of AMERCO and its consolidated subsidiaries including the notes to such statements and the related schedules are set forth on the "F" pages hereto and are incorporated by reference herein.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

Not applicable.

Item 9A. Controls and Procedures

Attached as exhibits to this Annual Report are certifications of our Chief Executive Officer ("CEO") and Chief Accounting Officer ("CAO"), which are required in accordance with Rule 13a-14 of the Exchange Act. This "Controls and Procedures" section includes information concerning the controls and procedures evaluation referred to in the certifications and it should be read in conjunction with the certifications for a more complete understanding of the topics presented in the section Evaluation of Disclosure Controls and Procedures.

Following this discussion is the report of BDO USA , LLP, our independent registered public accounting firm, regarding its audit of AMERCO's internal control over financial reporting as set forth below in this section. This section should be read in conjunction with the certifications of our CEO and CAO and the BDO USA , LLP report for a more complete understanding of the topics presented.

Evaluation of Disclosure Controls and Procedures

The Company's management, with the participation of the CEO and CAO, conducted an evaluation of the effectiveness of the design and operation of the Company's "disclosure controls and procedures" (as such term is defined in the Exchange Act Rules 13a-15(e) and 15d-15(e)) ("Disclosure Controls") as of the end of the period covered by this Annual Report . Our Disclosure Controls are designed to reasonably assure that information required to be disclosed in our reports filed under the Exchange Act, such as this Annual Report , is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Our Disclosure Controls are also designed to reasonably assure that such information is accumulated and communicated to our management, including the CEO and CAO, as appropriate to allow timely decisions regarding required disclosure. Based upon the controls evaluation, our CEO and CAO have concluded that as of the end of the period covered by this Annual Report , our Disclosure Controls were effective related to the above stated design purposes.

Inherent Limitations on Effectiveness of Controls

The Company's management, including the CEO and CAO, does not expect that our Disclosure Controls or our internal control over financial reporting will prevent or detect all error and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of controls effectiveness to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

Changes in Internal Control over Financial Reporting

There has not been any change in the Company's internal control over financial reporting as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f) during the most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. Internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Management assessed our internal control over financial reporting as of March 31, 2016, the end of our fiscal year. Management based its assessment on criteria established in Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Management's assessment included evaluation of such elements as the design and operating effectiveness of key financial reporting controls, process documentation, accounting policies, and our overall control environment. This assessment is supported by testing and monitoring performed both by our Internal Audit organization and our Finance organization.

Based on our assessment, management has concluded that our internal control over financial reporting was effective as of the end of the fiscal year 2016. We reviewed the results of management's assessment with the Audit Committee of our Board.

Our independent registered public accounting firm, BDO USA, LLP, has audited the Company's internal control over financial reporting and has issued their report, which is included on the following page.

Report of Independent Registered Public Accounting Firm

Board of Directors and Stockholders
AMERCO
Reno, Nevada

We have audited AMERCO and consolidated subsidiaries' (the "Company") internal control over financial reporting as of March 31, 2016, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Item 9A, Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of March 31, 2016, based on the COSO criteria .

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of the Company as of March 31, 2016 and 2015, and the related consolidated statements of operations, changes in stockholders' equity, comprehensive income (loss), and cash flows for each of the three years in the period ended March 31, 2016 and our report dated May 25, 2016 expressed an unqualified opinion thereon.

/s/BDO USA, LLP
Phoenix, Arizona

May 25, 2016

Item 9B. Other Information

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required to be disclosed under this Item 10 is incorporated herein by reference to AMERCO's definitive proxy statement, in connection with its 2016 annual meeting of stockholders (the "Proxy Statement"), which will be filed with the SEC within 120 days after the close of the 2016 fiscal year.

The Company has adopted a Code of Ethics that applies to all directors, officers and employees of the Company, including the Company's principal executive officer and principal accounting officer. A copy of our Code of Ethics is posted on AMERCO's web site at amerco.com/governance.aspx. We intend to satisfy the disclosure requirements of Current Report on Form 8-K regarding any amendment to, or waiver from, a provision of our Code of Ethics by posting such information on the Company's website, at the web address and location specified above, unless otherwise required to file a Current Report on Form 8-K by NASDAQ rules and regulations.

Item 11. Executive Compensation

The information required to be disclosed under this Item 11 is incorporated herein by reference to the Proxy Statement.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required to be disclosed under this Item 12 is incorporated herein by reference to the Proxy Statement.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required to be disclosed under this Item 13 is incorporated herein by reference to the Proxy Statement.

Item 14. Principal Accounting Fees and Services

The information required to be disclosed under this Item 14 is incorporated herein by reference to the Proxy Statement.

PART IV

Item 15. Exhibits and Financial Statement Schedules

The following documents are filed as part of this Report:

	<u>Page</u>
1 Financial Statements:	
Report of Independent Registered Public Accounting Firm	F-1
Consolidated Balance Sheets - March 31, 2016 and 2015	F-2
Consolidated Statements of Operations - Years Ended March 31, 2016, 2015, and 2014	F-3
Consolidated Statements of Comprehensive Income (Loss) - Years Ended March 31, 2016, 2015 and 2014	F-4
Consolidated Statements of Changes in Stockholders' Equity - Years Ended March 31, 2016, 2015, and 2014	F-5
Consolidated Statements of Cash Flows - Years Ended March 31, 2016, 2015 and 2014	F-6
Notes to Consolidated Financial Statements	F-7
2 Financial Statement Schedules required to be filed by Item 8:	
Schedule I - Condensed Financial Information of AMERCO	F-53
Schedule II - AMERCO and Consolidated Subsidiaries Valuation and Qualifying Accounts	F-57
Schedule V - AMERCO and Consolidated Subsidiaries Supplemental Information (For Property-Casualty Insurance Operations)	F-58

All other schedules are omitted because they are not required, inapplicable, or the information is otherwise shown in the financial statements or notes thereto.

Exhibits:

<u>Exhibit Number</u>	<u>Description</u>	<u>Page or Method of Filing</u>
3.1	Restated Articles of Incorporation of AMERCO	Incorporated by reference to AMERCO's Current Report on Form 8-K filed on September 5, 2013, file no. 1-11255
3.2	Restated Bylaws of AMERCO	Incorporated by reference to AMERCO's Current Report on Form 8-K filed on September 5, 2013, file no. 1-11255
4.1	Termination of Rights Agreement, dated as of March 5, 2008	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on March 11, 2008, file no. 1-11255
4.2	U-Haul Investors Club Base Indenture, dated February 12, 2011 by and between AMERCO and U. S. Bank National Association	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on February 22, 2011, file no. 1-11255
4.3	Second Supplemental Indenture, dated February 17, 2011, by and among AMERCO and U.S. Bank National Association	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on February 22, 2011, file no. 1-11255
4.4	Fourth Supplemental Indenture, dated March 15, 2011, by and among AMERCO and U.S. Bank National Association	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on March 22, 2011, file no. 1-11255
4.5	Seventh Supplemental Indenture, dated March 29, 2011, by and among AMERCO and U.S. Bank National Association	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on April 1, 2011, file no. 1-11255
4.6	Tenth Supplemental Indenture, dated June 7, 2011 by and between AMERCO and U.S. Bank National Association	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on June 23, 2011, file no. 1-11255
4.7	Eleventh Supplemental Indenture dated June 7, 2011 by and between AMERCO and U.S. Bank National Association	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on October 31, 2011, file no. 1-11255
4.8	Twelfth Supplemental Indenture dated June 14, 2011 by and between AMERCO and U.S. Bank National Association	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on June 23, 2011, file no. 1-11255
4.9	Fourteenth Supplemental Indenture dated July 20, 2011 by and between AMERCO and U.S. Bank National Association	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on August 17, 2011, file no. 1-11255
4.10	Fifteenth Supplemental Indenture dated July 27, 2011 by and between AMERCO and U.S. Bank National Association	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on August 17, 2011, file no. 1-11255
4.11	Sixteenth Supplemental Indenture dated August 31, 2011 by and between AMERCO and U.S. Bank National Association	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on September 28, 2011, file no. 1-11255
4.12	Seventeenth Supplemental Indenture dated November 8, 2011 by and between AMERCO and U.S. Bank National Association	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on January 18, 2012, file no. 1-11255

4.13	Eighteenth Supplemental Indenture dated January 7, 2012 by and between AMERCO and U.S. Bank National Association	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on March 26, 2012, file no. 1-11255
4.14	Nineteenth Supplemental Indenture dated May 14, 2012 by and between AMERCO and U.S. Bank National Association	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on May 15, 2012, file no. 1-11255
4.15	Eighth Supplemental Indenture, dated April 12, 2011, by and between AMERCO and U.S. Bank National Association	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year end March 31, 2012, file no. 1-11255
4.16	Twentieth Supplemental Indenture dated September 4, 2012 by and between AMERCO and U.S. Bank National Association	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on September 4, 2012, file no. 1-11255
4.17	Twenty-first Supplemental Indenture dated January 15, 2013 by and between AMERCO and U.S. Bank National Association	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on January 15, 2013, file no. 1-11255
4.18	Twenty-second Supplemental Indenture, dated May 28, 2013 by and between AMERCO and U.S. Bank National Association	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on May 30, 2013, file no. 1-11255
4.19	Twenty-third Supplemental Indenture, dated November 26, 2013 by and between AMERCO and U.S. Bank National Association	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on November 26, 2013, file no. 1-11255
4.20	Twenty-fourth Supplemental Indenture, dated April 22, 2014 by and between AMERCO and U.S. Bank National Association	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on April 22, 2014, file no. 1-11255
4.21	Twenty-fifth Supplemental Indenture, dated July 7, 2015 by and between AMERCO and U.S. Bank National Association	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on July 7, 2015, file no. 1-11255
4.22	Twenty-sixth Supplemental Indenture, dated September 29, 2015 by and between AMERCO and U.S. Bank National Association	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on September 29, 2015, file no. 1-11255
4.23	Twenty-seventh Supplemental Indenture, dated December 15, 2015 by and between AMERCO and U.S. Bank National Association	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on December 15, 2015, file no. 1-11255
10.1	U-Haul Dealership Contract	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year end March 31, 1993, file no. 1-11255
10.2	ESOP Loan Credit Agreement	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 1990, file no. 1-11255
10.3	ESOP Loan Agreement	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 1990, file no. 1-11255
10.4	Trust Agreement for the AMERCO Employee Savings, Profit Sharing and Employee Stock Ownership Plan	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 1990, file no. 1-11255
10.5	Amended Indemnification Agreement	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 1990, file no. 1-11255

10.6	Indemnification Trust Agreement	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 1990, file no. 1-11255
10.7	Management Agreement between Four SAC Self-Storage Corporation and subsidiaries of AMERCO	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 1997, file no. 1-11255
10.8	Management Agreement between Five SAC Self-Storage Corporation and subsidiaries of AMERCO	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 1999, file no. 1-11255
10.9	Property Management Agreement	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2004, file no. 1-11255
10.10	U-Haul Dealership Contract between U-Haul Leasing & Sales Co., and U-Haul Moving Partners, Inc.	Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended June 30, 2004, file no. 1-11255
10.11	Property Management Agreement between Mercury Partners, LP, Mercury 99, LLC and U-Haul Self-Storage Management (WPC), Inc.	Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended June 30, 2004, file no. 1-11255
10.12	Amended and Restated Credit Agreement, dated June 8, 2005, among Amerco Real Estate Company, Amerco Real Estate Company of Texas, Inc., Amerco Real Estate Company of Alabama Inc., U-Haul Co. of Florida, Inc., U-Haul International, Inc. and Merrill Lynch Commercial Finance Corp.	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed June 14, 2005, file no. 1-11255
10.13	Security Agreement dated June 8, 2005, by Amerco Real Estate Company, Amerco Real Estate Company of Texas, Inc., Amerco Real Estate Company of Alabama, Inc., U-Haul Co. of Florida, Inc., U-Haul International, Inc. and the Marketing Grantors named therein in favor of Merrill Lynch Commercial Finance Corp.	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed June 14, 2005, file no. 1-11255
10.14	Guarantee, dated June 8, 2005, by U-Haul International, Inc. in favor of Merrill Lynch Commercial Finance Corp.	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed June 14, 2005, file no. 1-11255
10.15	Promissory Note, dated June 8, 2005 by Amerco Real Estate Company, Amerco Real Estate Company of Texas, Inc., Amerco Real Estate Company of Alabama, Inc., U-Haul Co. of Florida, Inc. and U-Haul International, Inc.	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed June 14, 2005, file no. 1-11255

10.16	Amendment No. 1 to the Amended and Restated Credit Agreement and Security Agreement, dated as of August 18, 2006, to the Amended and Restated Credit Agreement, dated as of June 8, 2005, among Amerco Real Estate Company of Texas, Inc., Amerco Real Estate Company of Alabama, Inc., U-Haul Co. of Florida, Inc., U-Haul International, Inc. and the Marketing Grantors named therein in favor of Merrill Lynch Commercial Financial Corp.	Incorporated by reference to AMERCO's Current Report on Form 8-K filed August 23, 2006, file no. 1-11255
10.17	Amended and Restated Property Management Agreement among Six-A SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.	Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended September 30, 2007, file no. 1-11255
10.18	Amended and Restated Property Management Agreement among Six-B SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.	Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended September 30, 2007, file no. 1-11255
10.19	Amended and Restated Property Management Agreement among Six-C SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.	Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended September 30, 2007, file no. 1-11255
10.20	Amended and Restated Property Management Agreement among Eight SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.	Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended September 30, 2007, file no. 1-11255
10.21	Amended and Restated Property Management Agreement among Nine SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.	Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended September 30, 2007, file no. 1-11255
10.22	Amended and Restated Property Management Agreement among Ten SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.	Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended September 30, 2007, file no. 1-11255
10.23	Amended and Restated Property Management Agreement among Eleven SAC Self-Storage Corporation and Eleven SAC Self-Storage Odenton, Inc. and subsidiaries of U-Haul International, Inc.	Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended September 30, 2007, file no. 1-11255
10.24	Amended and Restated Property Management Agreement among Twelve SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.	Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended September 30, 2007, file no. 1-11255
10.25	Amended and Restated Property Management Agreement among Thirteen SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.	Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended September 30, 2007, file no. 1-11255

10.26	Amended and Restated Property Management Agreement among Fourteen SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.	Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended September 30, 2007, file no. 1-11255
10.27	Amended and Restated Property Management Agreement among Fifteen SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.	Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended September 30, 2007, file no. 1-11255
10.28	Amended and Restated Property Management Agreement among Sixteen SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.	Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended September 30, 2007, file no. 1-11255
10.29	Amended and Restated Property Management Agreement among Seventeen SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.	Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended September 30, 2007, file no. 1-11255
10.30	2010-1 BOX TRUCK BASE INDENTURE, dated as of October 1, 2010, among 2010 U-HAUL S FLEET, LLC, 2010 TM-1, LLC, 2010 DC-1, LLC, and 2010 TT-1, LLC, and U.S. BANK NATIONAL ASSOCIATION, a national banking association, as trustee.	Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended September 30, 2010, file number 1-11255
10.31	Schedule I to 2010-1 Base Indenture – Definitions List	Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended September 30, 2010, file number 1-11255
10.32	SERIES 2010-1 SUPPLEMENT, dated as of October 1, 2010, among 2010 U-HAUL S FLEET, LLC, 2010 TM-1, LLC, 2010 DC-1, LLC, and 2010 TT-1, LLC, and U.S. BANK NATIONAL ASSOCIATION, a national banking association, as trustee.	Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended September 30, 2010, file number 1-11255
10.33	Pledge and Security Agreement, dated February 17, 2011, by and among AMERCO, U-Haul Leasing and Sales Co. and U.S. Bank National Association	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on February 22, 2011, file no. 1-11255
10.34	Amended and Restated Property Management Agreement among Eighteen SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2012, file no. 1-11255
10.35	Amended and Restated Property Management Agreement among Twenty SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2012, file no. 1-11255
10.36	Amended and Restated Property Management Agreement among Twenty-One SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2012, file no. 1-11255
10.37	Amended and Restated Property Management Agreement among Twenty-Two SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2012, file no. 1-11255

10.38	Amended and Restated Property Management Agreement among Twenty-Three SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2012, file no. 1-11255
10.39	Amended and Restated Property Management Agreement among Twenty-Four SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2012, file no. 1-11255
10.40	Amended and Restated Property Management Agreement among Twenty-Five SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2012, file no. 1-11255
10.41	Amended and Restated Property Management Agreement among Twenty-Six SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2012, file no. 1-11255
10.42	Amended and Restated Property Management Agreement among Twenty-Seven SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2012, file no. 1-11255
10.43	Amended and Restated Property Management Agreement among Three-A SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on October 4, 2013, file no. 1-11255
10.44	Amended and Restated Property Management Agreement among Three-B SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on October 4, 2013, file no. 1-11255
10.45	Amended and Restated Property Management Agreement among Three-C SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on October 4, 2013, file no. 1-11255
10.46	Amended and Restated Property Management Agreement among Three-D SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on October 4, 2013, file no. 1-11255
10.47	Amended and Restated Property Management Agreement among Galaxy Storage One, LP and subsidiaries of U-Haul International, Inc.	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on October 4, 2013, file no. 1-11255
10.48	U-Haul Dealership Contract Addendum	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2012, file no. 1-11255
10.49	Stockholder Agreement dated February 1, 2016, between Edward J. Shoen, Mark V. Shoen, Blackwater Investments, Inc., SAC Holdings Corporation, Willow Grove Holdings LP, Foster Road LLC, James P. Shoen, Rosmarie T. Donovan, as Trustee, and David Holmes, as Trustee	Incorporated by reference to Exhibit 99.1, filed with the Schedule 13-D, filed on February 12, 2016, file number 5-39669

10.50	Amendment to the Amended and Restated AMERCO Employee Savings and Profit and Sharing Plan*	Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q, for the year ended December 31, 2012, file no. 1-11255
10.51	Loan Agreement, dated as of August 12, 2015 among U-Haul Co of Florida 8, LLC, U-Haul Co. of Florida 9, LLC, U-Haul Co. of Florida 10, UHIL 8, LLC, UHIL 9, LLC, UHIL 10, LLC, UHIL 13, LLC, AREC 8, LLC, AREC 9, LLC, AREC 10, LLC and AREC 13, LLC, each a Delaware limited liability company, collectively as Borrower, and Morgan Stanley Bank, N.A. and JP Morgan Chase Bank, National Association, collectively as Lender	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on August 24, 2015, file no. 1-11255
10.52	Property Management Agreement dated December 11, 2014 between Three SAC Self-Storage Corporation and U-Haul Co. (Canada), Ltd	Filed herewith
10.53	Property Management Agreement dated December 16, 2014 among Galaxy Storage Two, L.P. and certain subsidiaries of AMERCO	Filed herewith
10.54	Property Management Agreement dated June 25, 2015 among 2015 SAC Self-Storage, LLC and certain subsidiaries of AMERCO	Filed herewith
10.55	Property Management Agreement dated March 21, 2016 among Five SAC RW, LLC and certain subsidiaries of AMERCO	Filed herewith
10.56	Amended and Restated AMERCO Employee Savings and Profit and Sharing Plan*	Filed herewith
10.57	Amended and Restated AMERCO Employee Stock Ownership Plan*	Filed herewith
10.58	ESOP Loan Agreement	Filed herewith
14	Code of Ethics	Incorporated by reference to AMERCO's Quarterly Report on Form 8-K, filed on April 15, 2014, file no. 1-11255
21	Subsidiaries of AMERCO	Filed herewith
23.1	Consent of BDO USA, LLP	Filed herewith
24	Power of Attorney	Refer to signature page
31.1	Rule 13a-14(a)/15d-14(a) Certificate of Edward J. Shoen, President and Chairman of the Board of AMERCO	Filed herewith
31.2	Rule 13a-14(a)/15d-14(a) Certificate of Jason A. Berg, Principal Financial Officer and Chief Accounting Officer of AMERCO	Filed herewith

32.1	Certificate of Edward J. Shoen, President and Chairman of the Board of AMERCO pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Furnished herewith
32.2	Certificate of Jason A. Berg, Principal Financial Officer and Chief Accounting Officer of AMERCO pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Furnished herewith
101.INS	XBRL Instance Document	Furnished herewith
101.SCH	XBRL Taxonomy Extension Schema	Furnished herewith
101.CAL	XBRL Taxonomy Extension Calculation Linkbase	Furnished herewith
101.LAB	XBRL Taxonomy Extension Label Linkbase	Furnished herewith
101.PRE	XBRL Taxonomy Extension Presentation Linkbase	Furnished herewith
101.DEF	XBRL Taxonomy Extension Definition Linkbase	Furnished herewith

* Indicates management plan or compensatory arrangement.

Report of Independent Registered Public Accounting Firm

Board of Directors and Stockholders
AMERCO
Reno, Nevada

We have audited the accompanying consolidated balance sheets of AMERCO and consolidated subsidiaries (the "Company") as of March 31, 2016 and 2015 and the related consolidated statements of operations, changes in stockholders' equity, comprehensive income (loss), and cash flows for each of the three years in the period ended March 31, 2016. In connection with our audits of the financial statements, we have also audited the financial statement schedules listed in the accompanying index. These financial statements and schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedules based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company at March 31, 2016 and 2015, and the results of its operations and its cash flows for each of the three years in the period ended March 31, 2016, in conformity with accounting principles generally accepted in the United States of America.

Also, in our opinion, the financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of March 31, 2016, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and our report dated May 25, 2016 expressed an unqualified opinion thereon.

/s/ BDO USA, LLP

Phoenix, Arizona

May 25, 2016

**AMERCO AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS**

	March 31,	
	2016	2015
	(In thousands, except share data)	
ASSETS		
Cash and cash equivalents	\$ 600,646	\$ 441,850
Reinsurance recoverables and trade receivables, net	175,210	189,869
Inventories, net	79,756	69,472
Prepaid expenses	134,300	126,296
Investments, fixed maturities and marketable equities	1,510,538	1,304,962
Investments, other	310,072	268,720
Deferred policy acquisition costs, net	136,386	115,422
Other assets	100,572	106,157
Related party assets	85,734	141,790
	3,133,214	2,764,538
Property, plant and equipment, at cost:		
Land	587,347	467,482
Buildings and improvements	2,187,400	1,728,033
Furniture and equipment	399,943	355,349
Rental trailers and other rental equipment	462,379	436,642
Rental trucks	3,514,175	3,059,987
	7,151,244	6,047,493
Less: Accumulated depreciation	(2,133,733)	(1,939,856)
Total property, plant and equipment	5,017,511	4,107,637
Total assets	\$ 8,150,725	\$ 6,872,175
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Accounts payable and accrued expenses	\$ 502,613	\$ 496,370
Notes, loans and leases payable	2,688,758	2,190,869
Policy benefits and losses, claims and loss expenses payable	1,071,412	1,062,188
Liabilities from investment contracts	951,490	685,745
Other policyholders' funds and liabilities	8,650	7,764
Deferred income	22,784	18,081
Deferred income taxes, net	653,612	526,799
Total liabilities	5,899,319	4,987,816
Commitments and contingencies (notes 9, 16, 17, and 18)		
Stockholders' equity:		
Series preferred stock, with or without par value, 50,000,000 shares authorized:		
Series A preferred stock, with no par value, 6,100,000 shares authorized;		
6,100,000 shares issued and none outstanding as of March 31, 2016 and 2015		
	-	-
Series B preferred stock, with no par value, 100,000 shares authorized; none		
issued and outstanding as of March 31, 2016 and 2015		
	-	-
Series common stock, with or without par value, 150,000,000 shares authorized:		
Series A common stock of \$0.25 par value, 10,000,000 shares authorized;		
none issued and outstanding as of March 31, 2016 and 2015		
	-	-
Common stock, with 0.25 par value, 150,000,000 shares authorized:		
Common stock of \$0.25 par value, 150,000,000 shares authorized; 41,985,700		
issued and 19,607,788 outstanding as of March 31, 2016 and 2015		
	10,497	10,497
Additional paid-in capital	451,629	449,668
Accumulated other comprehensive loss	(60,525)	(34,365)
Retained earnings	2,533,641	2,142,600
Cost of common shares in treasury, net (22,377,912 shares as of March 31, 2016 and 2015)	(525,653)	(525,653)
Cost of preferred shares in treasury, net (6,100,000 shares as of March 31, 2016 and 2015)	(151,997)	(151,997)
Unearned employee stock ownership plan shares	(6,186)	(6,391)
Total stockholders' equity	2,251,406	1,884,359
Total liabilities and stockholders' equity	\$ 8,150,725	\$ 6,872,175

The accompanying notes are an integral part of these consolidated financial statements.

AMERCO AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	Years Ended March 31,		
	2016	2015	2014
	(In thousands, except share and per share data)		
Revenues:			
Self-moving equipment rentals	\$ 2,297,980	\$ 2,146,391	\$ 1,955,423
Self-storage revenues	247,944	211,136	181,794
Self-moving and self-storage products and service sales	251,541	244,177	234,187
Property management fees	26,533	25,341	24,493
Life insurance premiums	162,662	156,103	157,919
Property and casualty insurance premiums	50,020	46,456	41,052
Net investment and interest income	86,805	84,728	79,591
Other revenue	<u>152,171</u>	<u>160,199</u>	<u>160,793</u>
Total revenues	<u>3,275,656</u>	<u>3,074,531</u>	<u>2,835,252</u>
Costs and expenses:			
Operating expenses	1,470,047	1,479,409	1,313,674
Commission expenses	262,627	249,642	227,332
Cost of sales	144,990	146,072	127,270
Benefits and losses	167,436	158,760	156,702
Amortization of deferred policy acquisition costs	23,272	19,661	19,982
Lease expense	49,780	79,798	100,466
Depreciation, net of (gains) losses on disposals of ((\$98,703), (\$74,631) and (\$33,557), respectively)	<u>290,690</u>	<u>278,165</u>	<u>259,612</u>
Total costs and expenses	<u>2,408,842</u>	<u>2,411,507</u>	<u>2,205,038</u>
Earnings from operations	866,814	663,024	630,214
Interest expense	(97,903)	(97,525)	(92,692)
Fees and amortization on early extinguishment of debt	—	(4,081)	—
Pretax earnings	768,911	561,418	537,522
Income tax expense	<u>(279,910)</u>	<u>(204,677)</u>	<u>(195,131)</u>
Earnings available to common stockholders	\$ <u>489,001</u>	\$ <u>356,741</u>	\$ <u>342,391</u>
Basic and diluted earnings per common share	\$ <u>24.95</u>	\$ <u>18.21</u>	\$ <u>17.51</u>
Weighted average common shares outstanding: Basic and diluted	<u>19,596,110</u>	<u>19,586,633</u>	<u>19,558,758</u>

Related party revenues for fiscal 2016, 2015 and 2014, net of eliminations, were \$ 32.6 million, \$36.2 million and \$36.9 million, respectively.

Related party costs and expenses for fiscal 2016, 2015, and 2014, net of eliminations, were \$ 57.4 million, \$54.7 million and \$ 52.6 million, respectively.

The accompanying notes are an integral part of these consolidated financial statements.

AMERCO AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

Fiscal Year Ended March 31, 2016

	Pre-tax	Tax	Net
	(In thousands)		
Comprehensive income:			
Net earnings	\$ 768,911	\$ (279,910)	\$ 489,001
Other comprehensive income:			
Foreign currency translation	(4,473)	-	(4,473)
Unrealized net loss on investments	(41,639)	14,573	(27,066)
Change in fair value of cash flow hedges	9,721	(3,694)	6,027
Postretirement benefit obligations loss	(1,029)	381	(648)
Total comprehensive income	\$ 731,491	\$ (268,650)	\$ 462,841

Fiscal Year Ended March 31, 2015

	Pre-tax	Tax	Net
	(In thousands)		
Comprehensive income:			
Net earnings	\$ 561,418	\$ (204,677)	\$ 356,741
Other comprehensive income:			
Foreign currency translation	(19,883)	-	(19,883)
Unrealized net gain on investments	54,139	(18,949)	35,190
Change in fair value of cash flow hedges	8,203	(3,117)	5,086
Postretirement benefit obligations loss	(1,325)	490	(835)
Total comprehensive income	\$ 602,552	\$ (226,253)	\$ 376,299

Fiscal Year Ended March 31, 2014

	Pre-tax	Tax	Net
	(In thousands)		
Comprehensive income:			
Net earnings	\$ 537,522	\$ (195,131)	\$ 342,391
Other comprehensive income:			
Foreign currency translation	(9,134)	-	(9,134)
Unrealized net loss on investments	(51,590)	17,936	(33,654)
Change in fair value of cash flow hedges	19,317	(7,340)	11,977
Postretirement benefit obligations loss	(697)	265	(432)
Total comprehensive income	\$ 495,418	\$ (184,270)	\$ 311,148

The accompanying notes are an integral part of these consolidated financial statements .

AMERCO AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

Description	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Less: Treasury Common Stock	Less: Treasury Preferred Stock	Less: Unearned Employee Stock Ownership Plan Shares	Total Stockholders' Equity
	(In thousands)							
Balance as of March 31, 2013	\$ 10,497	\$ 438,168	\$ (22,680)	\$ 1,482,630	\$ (525,653)	\$ (151,997)	\$ (1,706)	\$ 1,229,259
Increase in market value of released ESOP shares	-	6,042	-	-	-	-	-	6,042
Release of unearned ESOP shares	-	-	-	-	-	-	694	694
Purchase of ESOP shares	-	-	-	-	-	-	(207)	(207)
Foreign currency translation	-	-	(9,134)	-	-	-	-	(9,134)
Unrealized net loss on investments, net of tax	-	-	(33,654)	-	-	-	-	(33,654)
Fair market value of cash flow hedges, net of tax	-	-	11,977	-	-	-	-	11,977
Adjustment to post retirement benefit obligation	-	-	(432)	-	-	-	-	(432)
Net earnings	-	-	-	342,391	-	-	-	342,391
Common stock dividend: (\$1.00 per share for fiscal 2014)	-	-	-	(19,568)	-	-	-	(19,568)
Net activity	-	6,042	(31,243)	322,823	-	-	487	298,109
Balance as of March 31, 2014	\$ 10,497	\$ 444,210	\$ (53,923)	\$ 1,805,453	\$ (525,653)	\$ (151,997)	\$ (1,219)	\$ 1,527,368
Increase in market value of released ESOP shares	-	5,458	-	-	-	-	-	5,458
Release of unearned ESOP shares	-	-	-	-	-	-	2,767	2,767
Purchase of ESOP shares	-	-	-	-	-	-	(7,939)	(7,939)
Foreign currency translation	-	-	(19,883)	-	-	-	-	(19,883)
Unrealized net gain on investments, net of tax	-	-	35,190	-	-	-	-	35,190
Fair market value of cash flow hedges, net of tax	-	-	5,086	-	-	-	-	5,086
Adjustment to post retirement benefit obligation	-	-	(835)	-	-	-	-	(835)
Net earnings	-	-	-	356,741	-	-	-	356,741
Common stock dividends: (\$1.00 per share for fiscal 2015)	-	-	-	(19,594)	-	-	-	(19,594)
Net activity	-	5,458	19,558	337,147	-	-	(5,172)	356,991
Balance as of March 31, 2015	\$ 10,497	\$ 449,668	\$ (34,365)	\$ 2,142,600	\$ (525,653)	\$ (151,997)	\$ (6,391)	\$ 1,884,359
Increase in market value of released ESOP shares	-	1,961	-	-	-	-	-	1,961
Release of unearned ESOP shares	-	-	-	-	-	-	9,507	9,507
Purchase of ESOP shares	-	-	-	-	-	-	(9,302)	(9,302)
Foreign currency translation	-	-	(4,473)	-	-	-	-	(4,473)
Unrealized net loss on investments, net of tax	-	-	(27,066)	-	-	-	-	(27,066)
Fair market value of cash flow hedges, net of tax	-	-	6,027	-	-	-	-	6,027
Adjustment to post retirement benefit obligation	-	-	(648)	-	-	-	-	(648)
Net earnings	-	-	-	489,001	-	-	-	489,001
Common stock dividends: (\$5.00 per share for fiscal 2016)	-	-	-	(97,960)	-	-	-	(97,960)
Net activity	-	1,961	(26,160)	391,041	-	-	205	367,047
Balance as of March 31, 2016	\$ 10,497	\$ 451,629	\$ (60,525)	\$ 2,533,641	\$ (525,653)	\$ (151,997)	\$ (6,186)	\$ 2,251,406

The accompanying notes are an integral part of these consolidated financial statements.

AMERCO AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended March 31,		
	2016	2015	2014
	(In thousands)		
Cash flows from operating activities:			
Net earnings	\$ 489,001	\$ 356,741	\$ 342,391
Adjustments to reconcile net earnings to cash provided by operations:			
Depreciation	389,393	352,796	293,169
Amortization of deferred policy acquisition costs	23,272	19,661	19,982
Interest credited to policyholders	20,465	18,110	22,890
Change in allowance for losses on trade receivables	(205)	(168)	(36)
Change in allowance for inventory reserves	(1,343)	(872)	871
Net gain on sale of real and personal property	(98,703)	(74,631)	(33,557)
Net gain on sale of investments	(4,491)	(3,925)	(6,411)
Deferred income taxes	138,075	76,500	46,371
Net change in other operating assets and liabilities:			
Reinsurance recoverables and trade receivables	14,765	9,632	62,506
Inventories	(9,009)	(1,579)	(11,495)
Prepaid expenses	(10,338)	(65,720)	2,186
Capitalization of deferred policy acquisition costs	(32,590)	(27,084)	(32,611)
Other assets	15,322	3,735	7,667
Related party assets	56,644	27,706	7,554
Accounts payable and accrued expenses	37,387	98,877	36,365
Policy benefits and losses, claims and loss expenses payable	9,626	(17,621)	(30,496)
Other policyholders' funds and liabilities	(349)	988	631
Deferred income	4,757	(13,181)	1,259
Related party liabilities	(616)	(866)	4,730
Net cash provided by operating activities	<u>1,041,063</u>	<u>759,099</u>	<u>733,966</u>
Cash flow from investing activities:			
Purchase of:			
Property, plant and equipment	(1,509,154)	(1,041,931)	(1,000,243)
Short term investments	(515,899)	(290,379)	(270,690)
Fixed maturity investments	(417,062)	(214,371)	(282,424)
Equity securities	(1,315)	(3,759)	(1,562)
Preferred stock	(1,005)	(2,006)	(640)
Real estate	(75)	(15,399)	(532)
Mortgage loans	(102,588)	(42,683)	(52,419)
Proceeds from sales and paydowns of:			
Property, plant and equipment	539,256	411,629	270,053
Short term investments	528,180	287,883	269,052
Fixed maturity investments	154,536	107,867	138,401
Equity securities	2,044	3,082	29,139
Preferred stock	1,126	2,427	6,004
Real estate	-	396	544
Mortgage loans	48,557	41,983	48,686
Net cash used by investing activities	<u>(1,273,399)</u>	<u>(755,261)</u>	<u>(846,631)</u>
Cash flow from financing activities:			
Borrowings from credit facilities	855,972	657,535	431,029
Principal repayments on credit facilities	(428,403)	(593,722)	(293,068)
Debt issuance costs	(10,184)	(12,327)	(3,943)
Capital lease payments	(168,661)	(121,202)	(53,079)
Purchases of Employee Stock Ownership Plan Shares	(9,302)	(7,939)	(207)
Securitization deposits	544	-	-
Common stock dividends paid	(78,374)	(19,594)	(19,568)
Investment contract deposits	298,237	105,019	117,723
Investment contract withdrawals	(52,957)	(54,108)	(34,677)
Net cash provided (used) by financing activities	<u>406,872</u>	<u>(46,338)</u>	<u>144,210</u>
Effects of exchange rate on cash	(15,740)	(10,762)	(177)
Increase (decrease) in cash and cash equivalents	158,796	(53,262)	31,368
Cash and cash equivalents at the beginning of period	441,850	495,112	463,744
Cash and cash equivalents at the end of period	<u>\$ 600,646</u>	<u>\$ 441,850</u>	<u>\$ 495,112</u>

The accompanying notes are an integral part of these consolidated financial statements.

**AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

Note 1. Basis of Presentation

AMERCO, a Nevada Corporation ("AMERCO"), has a fiscal year that ends on the 31st of March for each year that is referenced. Our insurance company subsidiaries have fiscal years that end on the 31st of December for each year that is referenced. They have been consolidated on that basis. Our insurance companies' financial reporting processes conform to calendar year reporting as required by state insurance departments. Management believes that consolidating their calendar year into our fiscal year financial statements does not materially affect the financial position or results of operations. We disclose any material events occurring during the intervening period. Consequently, all references to our insurance subsidiaries' years 20 15 , 20 14 and 20 13 correspond to fiscal 201 6 , 20 15 and 20 14 for AMERCO.

Accounts denominated in non-U.S. currencies have been translated into U.S. dollars. Certain amounts reported in previous years have been reclassified to conform to the current presentation .

Note 2. Principles of Consolidation

We apply ASC 810 - *Consolidation* ("ASC 810") in our principles of consolidation. ASC 810 addresses arrangements where a company does not hold a majority of the voting or similar interests of a variable interest entity ("VIE"). A company is required to consolidate a VIE if it has determined it is the primary beneficiary. ASC 810 also addresses the policy when a company owns a majority of the voting or similar rights and exercises effective control.

As promulgated by ASC 810, a VIE is not self-supportive due to having one or both of the following conditions: (i) it has an insufficient amount of equity for it to finance its activities without receiving additional subordinated financial support or (ii) its owners do not hold the typical risks and rights of equity owners. This determination is made upon the creation of a variable interest and is re-assessed on an on-going basis should certain changes in the operations of a VIE, or its relationship with the primary beneficiary trigger a reconsideration under the provisions of ASC 810. After a triggering event occurs the most recent facts and circumstances are utilized in determining whether or not a company is a VIE, which other company(s) have a variable interest in the entity, and whether or not the company's interest is such that it is the primary beneficiary.

We will continue to monitor our relationships with the other entities regarding who is the primary beneficiary, which could change based on facts and circumstances of any reconsideration events.

Intercompany accounts and transactions have been eliminated.

Description of Legal Entities

AMERCO is the holding company for:

U-Haul International, Inc. ("U-Haul"),

Amerco Real Estate Company ("Real Estate"),

Repwest Insurance Company ("Repwest"), and

Oxford Life Insurance Company ("Oxford").

Unless the context otherwise requires, the term "Company," "we," "us" or "our" refers to AMERCO and all of its legal subsidiaries.

Description of Operating Segments

AMERCO has three reportable segments. They are Moving and Storage, Property and Casualty Insurance and Life Insurance.

Moving and Storage includes AMERCO, U-Haul, and Real Estate and the wholly-owned subsidiaries of U-Haul and Real Estate. Operations consist of the rental of trucks and trailers, sales of moving supplies, sales of towing accessories, sales of propane, and the rental of fixed and portable moving and storage units to the "do-it-yourself" mover and management of self-storage properties owned by others. Operations are conducted under the registered trade name U-Haul[®] throughout the United States and Canada.

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Property and Casualty Insurance includes Repwest and its wholly-owned subsidiaries and ARCOA Retention Group ("ARCOA"). Property and Casualty Insurance provides loss adjusting and claims handling for U-Haul through regional offices across North America. Property and Casualty Insurance also underwrites components of the Safemove, Safetow, Safemove Plus, Safestor and Safestor Mobile protection packages to U-Haul customers. The business plan for Property and Casualty Insurance includes offering property and casualty products in other U-Haul related programs. ARCOA is a group captive insurer owned by us and our wholly-owned subsidiaries whose purpose is to provide insurance products related to the moving and storage business.

Life Insurance includes Oxford and its wholly-owned subsidiaries. Life Insurance provides life and health insurance products primarily to the senior market through the direct writing and reinsuring of life insurance, Medicare supplement and annuity policies.

Note 3. Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles ("GAAP") in the United States requires management to make estimates and judgments that affect the amounts reported in the financial statements and accompanying notes. The accounting policies that we deem most critical to us and that require management's most difficult and subjective judgments include the principles of consolidation, the recoverability of property, plant and equipment, the adequacy of insurance reserves, the recognition and measurement of impairments for investments accounted for under ASC 320 - *Investments - Debt and Equity Securities* and the recognition and measurement of income tax assets and liabilities. The actual results experienced by us may differ from management's estimates.

Cash and Cash Equivalents

We consider cash equivalents to be highly liquid debt securities with insignificant interest rate risk with original maturities from the date of purchase of three months or less.

Financial instruments that potentially subject us to concentrations of credit risk consist principally of cash deposits. Accounts at each United States financial institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. Accounts at each Canadian financial institution are insured by the Canada Deposit Insurance Corporation up to \$100,000 CAD per account. At March 31, 2016 and March 31, 2015, we held cash equivalents in excess of these insured limits. To mitigate this risk, we select financial institutions based on their credit ratings and financial strength.

Investments

Fixed Maturities and Marketable Equities. Fixed maturity investments consist of either marketable debt, equity or redeemable preferred stocks. As of the balance sheet dates, all of our investments in these securities were classified as available-for-sale. Available-for-sale investments are reported at fair value, with unrealized gains or losses recorded net of taxes and applicable adjustments to deferred policy acquisition costs in stockholders' equity. Fair value for these investments is based on quoted market prices, dealer quotes or discounted cash flows. The cost of investments sold is based on the specific identification method.

In determining if and when a decline in market value below carrying value is an other-than-temporary impairment, management makes certain assumptions or judgments in its assessment including but not limited to: our ability to hold the security, quoted market prices, dealer quotes, discounted cash flows, industry factors, financial factors, and issuer specific information. Other-than-temporary impairments, to the extent of the decline, as well as realized gains or losses on the sale or exchange of investments are recognized in the current period operating results.

Mortgage Loans and Notes on Real Estate. Mortgage loans and notes on real estate are reported at their unpaid balance, net of any allowance for possible losses and any unamortized premium or discount.

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Recognition of Investment Income. Interest income from bonds and mortgage notes is recognized when earned. Dividends on common and preferred stocks are recognized on the ex-dividend dates. Realized gains and losses on the sale or exchange of investments are recognized at the trade date.

Derivative Financial Instruments

Our objective for holding derivative financial instruments is to manage interest rate risk exposure primarily through entering interest rate swap agreements. An interest rate swap is a contractual exchange of interest payments between two parties. A standard interest rate swap involves the payment of a fixed rate times a notional amount by one party in exchange for a floating rate times the same notional amount from another party. As interest rates change, the difference to be paid or received is accrued and recognized as interest expense or income over the life of the agreement. We do not enter into these instruments for trading purposes. Counterparties to the interest rate swap agreements are major financial institutions. In accordance with ASC 815 - *Derivatives and Hedging*, we recognize interest rate swap agreements on the balance sheet at fair value, which is classified as prepaid expenses (asset) or accrued expenses (liability). Derivatives that are not designated as cash flow hedges for accounting purposes must be adjusted to fair value through income. If the derivative qualifies and is designated as a cash flow hedge, changes in its fair value will either be offset against the change in fair value of the hedged item through earnings or recorded in accumulated other comprehensive income (loss) until the hedged item is recognized in earnings. See Note 11, Derivatives of the Notes to Consolidated Financial Statements.

Inventories, net

Inventories, net were as follows:

	March 31,	
	2016	2015
	(In thousands)	
Truck and trailer parts and accessories (a)	\$ 68,665	\$ 62,701
Hitches and towing components (b)	17,483	15,308
Moving supplies and propane (b)	8,668	7,866
Subtotal	94,816	85,875
Less: LIFO reserves	(13,463)	(15,019)
Less: excess and obsolete reserves	(1,597)	(1,384)
Total	\$ 79,756	\$ 69,472

(a) Primarily held for internal usage, including equipment manufacturing and repair

(b) Primarily held for retail sales

Inventories consist primarily of truck and trailer parts and accessories used to manufacture and repair rental equipment as well as products and accessories available for retail sale. Inventory is held at our owned locations; our independent dealers do not hold any of our inventory.

Inventory cost is primarily determined using the last-in first-out method ("LIFO"). Inventories valued using LIFO consisted of approximately 97% of the total inventories for both March 31, 2016 and 2015. Had we utilized the first-in first-out method ("FIFO"), stated inventory balances would have been \$ 13.5 million and \$ 15.0 million higher at March 31, 2016 and 2015, respectively. In fiscal 2016, the negative effect on income due to liquidation of a portion of the LIFO inventory was \$0.1 million.

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Property, Plant and Equipment

Our Property, plant and equipment is stated at cost. Interest expense incurred during the initial construction of buildings and rental equipment is considered part of cost. Depreciation is computed for financial reporting purposes using the straight line or an accelerated method based on a declining balance formula over the following estimated useful lives: rental equipment 2-20 years and buildings and non-rental equipment 3-55 years. We follow the deferral method of accounting based on ASC 908 - *Airlines* for major overhauls in which engine and transmission overhauls are capitalized and amortized over three years. Routine maintenance costs are charged to operating expense as they are incurred. Gains and losses on dispositions of property, plant and equipment are netted against depreciation expense when realized. The net amount of (gains) or losses netted against depreciation expense were (\$98.7) million , (\$ 74.6) million and (\$ 33.6) million during fiscal 201 6 , 20 15 and 20 14 , respectively. Equipment depreciation is recognized in amounts expected to result in the recovery of estimated residual values upon disposal, i.e., minimize gains or losses. In determining the depreciation rate, historical disposal experience, holding periods and trends in the market for vehicles are reviewed.

We regularly perform reviews to determine whether facts and circumstances exist which indicate that the carrying amount of assets, including estimates of residual value, may not be recoverable or that the useful life of assets are shorter or longer than originally estimated. Reductions in residual values (i.e., the price at which we ultimately expect to dispose of revenue earning equipment) or useful lives will result in an increase in depreciation expense over the remaining life of the equipment. Reviews are performed based on vehicle class, generally subcategories of trucks and trailers. We assess the recoverability of our assets by comparing the projected undiscounted net cash flows associated with the related asset or group of assets over their estimated remaining lives against their respective carrying amounts. We consider factors such as current and expected future market price trends on used vehicles and the expected life of vehicles included in the fleet. Impairment, if any, is based on the excess of the carrying amount over the fair value of those assets . If asset residual values are determined to be recoverable, but the useful lives are shorter or longer than originally estimated, the net book value of the assets is depreciated over the newly determined remaining useful lives.

Management determined that additions to the fleet resulting from purchases should be depreciated on an accelerated method based upon a declining formula. Under the declining balances method (2.4 times declining balance), the book value of a rental truck is reduced approximately 16%, 13%, 11%, 9%, 8%, 7%, and 6% during years one through seven, respectively and then reduced on a straight line basis to a salvage value of 20 % by the end of year fifteen. Beginning in October 2012, new purchased rental equipment subject to this depreciation schedule is depreciated to a salvage value of 15%. Comparatively, a standard straight line approach would reduce the book value by approximately 5.7 % per year over the life of the truck.

Although we intend to sell our used vehicles for prices approximating book value, the extent to which we realize a gain or loss on the sale of used vehicles is dependent upon various factors including , but not limited to, the general state of the used vehicle market, the age and condition of the vehicle at the time of its disposal and the depreciation rates with respect to the vehicle . We typically sell our used vehicles at our sales centers throughout North America, on our web site at uhaul.com/trucksales or by phone at 866-404-0355. Additionally, we sell a large portion of our pickup and cargo van fleet at automobile dealer auctions.

The carrying value of surplus real estate, which is lower than market value at the balance sheet date, was \$14.1 million for both fiscal 201 6 and 20 15 and is included in Investments, other.

Receivables

Trade receivable s include trade accounts from moving and self-storage customers and dealers, insurance premiums and amounts due from re-insurers, less management's estimate of uncollectible accounts.

Insurance premiums receivable for policies that are billed through contracted agents are recorded net of commissions payable. A commission payable is recorded as a separate liability for those premiums that are billed direct.

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Reinsurance recoverables include case reserves and actuarial estimates of claims incurred but not reported ("IBNR"). These receivables are not expected to be collected until after the associated claim has been adjudicated and billed to the re-insurer. The reinsurance recoverables may have little or no allowance for doubtful accounts due to the fact that reinsurance is typically procured from carriers with strong credit ratings. Furthermore, we do not cede losses to a re-insurer if the carrier is deemed financially unable to perform on the contract. Reinsurance recoverables also include insurance ceded to other insurance companies.

Notes and mortgage receivables include accrued interest and are reduced by discounts and amounts considered by management to be uncollectible.

Policy Benefits and Losses, Claims and Loss Expenses Payable

Life Insurance's liabilities for life insurance and certain annuity and health policies are established to meet the estimated future obligations of policies in force, and are based on mortality, morbidity and withdrawal assumptions from recognized actuarial tables which contain margins for adverse deviation. Liabilities for health, disability and other policies include estimates of payments to be made on insurance claims for reported losses and estimates of losses incurred, but not yet reported. Oxford's liabilities for deferred annuity contracts consist of contract account balances that accrue to the benefit of the policyholders.

Property and Casualty Insurance's liability for reported and unreported losses is based on Repwest's historical data along with industry averages. The liability for unpaid loss adjustment expenses is based on historical ratios of loss adjustment expenses paid to losses paid. Amounts recoverable from re-insurers on unpaid losses are estimated in a manner consistent with the claim liability associated with the re-insured policy. Adjustments to the liability for unpaid losses and loss expenses as well as amounts recoverable from re-insurers on unpaid losses are charged or credited to expense in the periods in which they are made.

Due to the nature of the underlying risks and high degree of uncertainty associated with the determination of the liability for future policy benefits and claims, the amounts to be ultimately paid to settle these liabilities cannot be precisely determined and may vary significantly from the estimated liability, especially for long-tailed casualty lines of business such as excess workers' compensation. As a result of the long-tailed nature of the excess workers' compensation policies written by Repwest during 1983 through 2001, it may take a number of years for claims to be fully reported and finally settled.

On a regular basis insurance reserve adequacy is reviewed by management to determine if existing assumptions need to be updated. In determining the assumptions for calculating workers' compensation reserves, management considers multiple factors including the following:

- Claimant longevity
- Cost trends associated with claimant treatments
- Changes in ceding entity and third party administrator reporting practices
- Changes in environmental factors including legal and regulatory
- Current conditions affecting claim settlements
- Future economic conditions including inflation

We have reserved each claim based upon the accumulation of current claim costs projected through each claimant's life expectancy and then adjusted for applicable reinsurance arrangements. Management reviews each claim bi-annually to determine if the estimated life-time claim costs have increased and then adjusts the reserve estimate accordingly at that time. We have factored in an estimate of what the potential cost increases could be in our IBNR liability. We have not assumed settlement of the existing claims in calculating the reserve amount, unless it is in the final stages of completion.

Continued increases in claim costs, including medical inflation and new treatments and medications could lead to future adverse development resulting in additional reserve strengthening. Conversely, settlement of existing claims or if injured workers return to work or expire prematurely, could lead to future positive development.

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Self-Insurance Reserves

U-Haul retains the risk for certain public liability and property damage programs related to our rental equipment. The consolidated balance sheets include \$ 386.4 million and \$ 363.6 million of liabilities related to these programs as of March 31, 201 6 and 20 15 , respectively. These liabilities are recorded in Policy benefits and losses , claims and loss expenses payable. Management takes into account losses incurred based upon actuarial estimates, past experience, current claim trends, as well as social and economic conditions. This liability is subject to change in the future based upon changes in the underlying assumptions including claims experience, frequency of incidents, and severity of incidents.

Additionally, as of March 31, 201 6 and 20 15 , the consolidated balance sheets include liabilities of \$ 9.5 million and \$ 8.7 million, respectively, related to our provided medical plan benefits for eligible employees. We estimate this liability based on actual claims outstanding as of the balance sheet date as well as an actuarial estimate of claims incurred but not reported. This liability is reported net of estimated recoveries from excess loss reinsurance policies with unaffiliated insurers of \$ 0.2 million and \$0.3 million for fiscal 201 6 and 20 15 , respectively. These amounts are recorded in Accounts payable and accrued expenses on the consolidated balance sheets.

Revenue Recognition

Self-moving rentals are recognized for the period that trucks and moving equipment are rented. Self-storage revenues, based upon the number of paid storage contract days, are recognized as earned during the period. Sales of self-moving and self-storage related products are recognized at the time that title passes and the customer accepts delivery. Property and casualty, traditional life and Medicare supplement insurance premiums are recognized as revenue over the policy periods. For products where premiums are due over a significantly shorter duration than the period over which benefits are provided, such as our single premium whole life product, premiums are recognized when received and excess profits are deferred and recognized in relation to the insurance in force. Interest and investment income are recognized as earned.

Amounts collected from customers for sales tax are recorded on a net basis.

Advertising

All advertising costs are expensed as incurred. Advertising expense was \$ 9.6 million, \$ 7.5 million and \$ 7.1 million in fiscal 201 6 , 20 15 and 20 14 , respectively.

Deferred Policy Acquisition Costs

Commissions and other costs that fluctuate with and are primarily related to the acquisition or renewal of certain insurance premiums are deferred. For our Life Insurance 's life and health insurance products, these costs are amortized, with interest, in relation to revenue such that costs are realized as a constant percentage of revenue. For its annuity insurance products the costs are amortized, with interest, in relation to the present value of actual and expected gross profits.

Starting in fiscal 2014 , new annuity contract holders were provided with a sales inducement in the form of a premium bonus. Sales inducements are recognized as an asset with a corresponding increase to the policyholder liability and are amortized in a similar manner to Deferred Acquisition Cost. As of December 31, 201 5 and 2014 , the Sales Inducement Asset included with Deferred Acquisition Cost s amounted to \$ 24.6 million and \$24.8 million, respectively on the consolidated balance sheet and amortization expense totaled \$ 3.0 million \$2.4 million and \$2.1 million for the periods ended December 31, 2015, 2014 and 2013, respectively .

Environmental Costs

Liabilities are recorded when environmental assessments and remedial efforts, if applicable, are probable and the costs can be reasonably estimated. The amount of the liability is based on management's best estimate of undiscounted future costs. Certain recoverable environmental costs related to the removal of underground storage tanks or related contamination are capitalized and amortized over the estimated useful lives of the properties. These costs improve the safety or efficiency of the property or are incurred in preparing the property for sale.

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Income Taxes

AMERCO files a consolidated tax return with all of its legal subsidiaries. In accordance with ASC 740 - *Income Taxes* ("ASC 740"), the provision for income taxes reflects deferred income taxes resulting from changes in temporary differences between the tax basis of assets and liabilities and their reported amounts in the financial statements.

Comprehensive Income (Loss)

Comprehensive income (loss) consists of net earnings, foreign currency translation adjustments, unrealized gains and losses on investments, the change in fair value of cash flow hedges and the change in postretirement benefit obligations.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers*, an updated standard on revenue recognition. The standard creates a five-step model for revenue recognition that requires companies to exercise judgment when considering contract terms and relevant facts and circumstances. The standard requires expanded disclosure surrounding revenue recognition. Early application is not permitted. The standard is effective for fiscal periods beginning after December 15, 2016 and allows for either full retrospective or modified retrospective adoption. In July 2015, the FASB issued ASU 2015-14, *Revenue from Contracts with Customers, Deferral of Effective Date*, which delays the effective date of ASU 2014-09 by one year to fiscal periods beginning after December 15, 2017. In March 2016, the FASB issued ASU 2016-08, *Revenue from Contracts with Customers, Principal versus Agent Considerations (Reporting Revenue Gross versus Net)*, which is intended to improve the operability and understandability of the implementation guidance on principal versus agent considerations and the effective date is the same as requirements in ASU 2015-14. We are currently evaluating the impact of the adoption of this standard on our consolidated financial statements.

In March 2015, the FASB issued ASU 2015-03, *Simplifying the Presentation of Debt Issuance Costs*. The amendments in this update require that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs are not affected by the amendments in this update. The guidance is effective for interim periods and annual period beginning after December 15, 2015; however early adoption is permitted. The adoption of this standard is not expected to have a material impact on our consolidated financial statements.

In January 2016, the FASB issued ASU 2016-01, *Financial Instruments – Overall (subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*. ASU 2016-01 addresses certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. Among other provisions, the new guidance requires the fair value measurement of investments in certain equity securities. For investments without readily determinable fair values, entities have the option to either measure these investments at fair value or at cost adjusted for changes in observable prices minus impairment. All changes in measurement will be recognized in net income. The guidance is effective for interim periods and annual period beginning after December 15, 2017. Early adoption is not permitted, except for certain provisions relating to financial liabilities. We are currently evaluating the impact of the adoption of this standard on our consolidated financial statements.

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

In February 2016, the FASB issued ASU 2016-02, *Leases - (Topic 842)*. This update will require lessees to recognize all leases with terms greater than 12 months on their balance sheet as lease liabilities with a corresponding right-of-use asset. This update maintains the dual model for lease accounting, requiring leases to be classified as either operating or finance, with lease classification determined in a manner similar to existing lease guidance. The basic principle is that leases of all types convey the right to direct the use and obtain substantially all the economic benefits of an identified asset, meaning they create an asset and liability for lessees. Lessees will classify leases as either finance leases (comparable to current capital leases) or operating leases (comparable to current operating leases). Costs for a finance lease will be split between amortization and interest expense, with a single lease expense reported for operating leases. This update also will require both qualitative and quantitative disclosures to help investors and other financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases. The guidance is effective for interim periods and annual period beginning after December 15, 2018; however, early adoption is permitted. We are currently evaluating the impact of the adoption of this standard on our consolidated financial statements. For the last nine years, we have reported a discounted estimate of the off-balance sheet lease obligations in our MD&A.

From time to time, new accounting pronouncements are issued by the FASB or the SEC that are adopted by us as of the specified effective date. Unless otherwise discussed, these ASU's entail technical corrections to existing guidance or affect guidance related to specialized industries or entities and therefore will have minimal, if any, impact on our financial position or results of operations upon adoption.

Note 4. Earnings Per Share

Our earnings per share is calculated by dividing our earnings available to common stockholders by the weighted average common shares outstanding, basic and diluted.

The weighted average common shares outstanding exclude post-1992 shares of the employee stock ownership plan that have not been committed to be released. The unreleased shares, net of shares committed to be released, were 21,883; 12,470; and 33,173 as of March 31, 2016, 2015, and 2014, respectively.

Note 5. Reinsurance Recoverables and Trade Receivables, Net

Reinsurance recoverables and trade receivables, net were as follows:

	March 31,	
	2016	2015
	(In thousands)	
Reinsurance recoverable	\$ 115,653	\$ 130,734
Trade accounts receivable	34,350	32,493
Paid losses recoverable	1,697	1,690
Accrued investment income	18,797	15,609
Premiums and agents' balances	1,163	1,082
Independent dealer receivable	390	154
Other receivables	3,745	8,897
	175,795	190,659
Less: Allowance for doubtful accounts	(585)	(790)
	\$ 175,210	\$ 189,869

Note 6. Investments

Expected maturities may differ from contractual maturities as borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

We deposit bonds with insurance regulatory authorities to meet statutory requirements. The adjusted cost of bonds on deposit with insurance regulatory authorities was \$ 17.3 million and \$ 16.4 million at December 31, 2015 and 2014, respectively.

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Available-for-Sale Investments

Available-for-sale investments at March 31, 2016 were as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses More than 12 Months	Gross Unrealized Losses Less than 12 Months	Estimated Market Value
(In thousands)					
U.S. treasury securities and government obligations	\$ 85,861	\$ 3,791	\$ –	\$ (193)	\$ 89,459
U.S. government agency mortgage-backed securities	21,845	1,596	(6)	(39)	23,396
Obligations of states and political subdivisions	166,725	10,660	(81)	(414)	176,890
Corporate securities	1,143,125	26,861	(8,013)	(28,181)	1,133,792
Mortgage-backed securities	42,991	475	–	(62)	43,404
Redeemable preferred stocks	17,977	556	–	(105)	18,428
Common stocks	17,732	7,822	(10)	(375)	25,169
	<u>\$ 1,496,256</u>	<u>\$ 51,761</u>	<u>\$ (8,110)</u>	<u>\$ (29,369)</u>	<u>\$ 1,510,538</u>

Available-for-sale investments at March 31, 2015 were as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses More than 12 Months	Gross Unrealized Losses Less than 12 Months	Estimated Market Value
(In thousands)					
U.S. treasury securities and government obligations	\$ 99,722	\$ 5,658	\$ (64)	\$ –	\$ 105,316
U.S. government agency mortgage-backed securities	30,569	2,614	(39)	(3)	33,141
Obligations of states and political subdivisions	165,724	13,052	(298)	(10)	178,468
Corporate securities	885,470	44,426	(2,522)	(2,966)	924,408
Mortgage-backed securities	19,874	806	(1)	–	20,679
Redeemable preferred stocks	18,052	521	(253)	(24)	18,296
Common stocks	17,975	6,719	–	(40)	24,654
	<u>\$ 1,237,386</u>	<u>\$ 73,796</u>	<u>\$ (3,177)</u>	<u>\$ (3,043)</u>	<u>\$ 1,304,962</u>

The available-for-sale tables include gross unrealized losses that are not deemed to be other-than-temporarily impaired, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position.

We sold available-for-sale securities with a fair value of \$ 150.7 million, \$ 109.1 million and \$ 170.0 million in fiscal 2016, 2015 and 2014, respectively. The gross realized gains on these sales totaled \$4.2 million, \$4.6 million and \$5.0 million in fiscal 2016, 2015 and 2014, respectively. We realized gross losses on these sales of \$0.6 million, \$0.7 million and \$1.4 million in fiscal 2016, 2015 and 2014, respectively.

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

The unrealized losses of more than twelve months in the available-for-sale tables are considered temporary declines. We track each investment with an unrealized loss and evaluate them on an individual basis for other-than-temporary impairments including obtaining corroborating opinions from third party sources, performing trend analysis and reviewing management's future plans. Certain of these investments may have declines determined by management to be other-than-temporary and we recognized these write-downs through earnings. There were no write downs in fiscal 2016, 2015 and 2014.

The investment portfolio primarily consists of corporate securities and U.S. government securities. We believe we monitor our investments as appropriate. Our methodology of assessing other-than-temporary impairments is based on security-specific analysis as of the balance sheet date and considers various factors, including the length of time to maturity, the extent to which the fair value has been less than the cost, the financial condition and the near-term prospects of the issuer, and whether the debtor is current on its contractually obligated interest and principal payments. Nothing has come to management's attention that would lead to the belief that each issuer would not have the ability to meet the remaining contractual obligations of the security, including payment at maturity. We have the ability and intent not to sell our fixed maturity and common stock investments for a period of time sufficient to allow us to recover our costs.

The portion of other-than-temporary impairment related to a credit loss is recognized in earnings. The significant inputs utilized in the evaluation of mortgage backed securities credit losses include ratings, delinquency rates, and prepayment activity. The significant inputs utilized in the evaluation of asset backed securities credit losses include the time frame for principal recovery and the subordination and value of the underlying collateral.

There were no credit losses recognized in earnings for which a portion of an other-than-temporary impairment was recognized in accumulated other comprehensive loss for fiscal 2016 or 2015.

The adjusted cost and estimated market value of available-for-sale investments by contractual maturity, were as follows:

	<u>March 31, 2016</u>		<u>March 31, 2015</u>	
	<u>Amortized Cost</u>	<u>Estimated Market Value</u>	<u>Amortized Cost</u>	<u>Estimated Market Value</u>
	(In thousands)			
Due in one year or less	\$ 48,679	\$ 49,146	\$ 36,355	\$ 37,055
Due after one year through five years	250,576	256,597	198,488	209,404
Due after five years through ten years	557,984	557,961	474,639	492,782
Due after ten years	<u>560,317</u>	<u>559,833</u>	<u>472,003</u>	<u>502,092</u>
	1,417,556	1,423,537	1,181,485	1,241,333
Mortgage backed securities	42,991	43,404	19,874	20,679
Redeemable preferred stocks	17,977	18,428	18,052	18,296
Equity securities	<u>17,732</u>	<u>25,169</u>	<u>17,975</u>	<u>24,654</u>
	<u>\$ 1,496,256</u>	<u>\$ 1,510,538</u>	<u>\$ 1,237,386</u>	<u>\$ 1,304,962</u>

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Investments, other

The carrying value of other investments was as follows:

	March 31,	
	2016	2015
	(In thousands)	
Mortgage loans, net	\$ 217,198	\$ 161,851
Short-term investments	34,798	47,739
Real estate	34,416	34,597
Policy loans	17,091	16,431
Other equity investments	6,569	8,102
	\$ 310,072	\$ 268,720

Mortgage loans are carried at the unpaid balance, less an allowance for probable losses net of any unamortized premium or discount. The allowance for probable losses was \$ 0.4 million as of March 31, 2016 and 2015. The estimated fair value of these loans as of March 31, 2016 and 2015 approximated the carrying value. These loans represent first lien mortgages held by us.

Short-term investments consist primarily of investments in money market funds, mutual funds and any other investments with short-term characteristics that have original maturities of less than one year at acquisition. These investments are recorded at cost, which approximates fair value.

Real estate obtained through foreclosure and held for sale is carried at the lower of fair value at time of foreclosure or current estimated fair value less cost to sell. Other equity investments are carried at cost and assessed for impairment.

Insurance policy loans are carried at their unpaid balance.

Note 7. Other Assets

Other assets were as follows:

	March 31,	
	2016	2015
	(In thousands)	
Deposits (debt-related)	\$ 30,660	\$ 49,467
Cash surrender value of life insurance policies	31,619	30,563
Deferred charges (debt-related)	23,362	16,575
Other	14,931	9,552
	\$ 100,572	\$ 106,157

Note 8. Net Investment and Interest Income

Net investment and interest income, were as follows:

	Years Ended March 31,		
	2016	2015	2014
	(In thousands)		
Fixed maturities	\$ 63,641	\$ 58,716	\$ 53,634
Real estate	3,775	2,669	1,118
Insurance policy loans	1,188	1,072	1,159
Mortgage loans	14,631	10,677	9,450
Short-term, amounts held by ceding reinsurers, net and other investments	208	2,724	3,440
Investment income	83,443	75,858	68,801
Less: investment expenses	(2,724)	(1,962)	(1,629)
Investment income - related party	6,086	10,832	12,419
Net investment and interest income	\$ 86,805	\$ 84,728	\$ 79,591

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Note 9. Borrowings

Long-Term Debt

Long-term debt was as follows:

	2016 Rate (a)	Maturities	March 31,	
			2016	2015
(In thousands)				
Real estate loan (amortizing term)	6.93%	2023	\$ 205,000	\$ 240,000
Senior mortgages	2.44% - 5.50%	2016 - 2038	1,121,897	717,512
Working capital loan (revolving credit)	-	2018	-	-
Fleet loans (amortizing term)	1.95% - 4.76%	2016 - 2022	218,998	202,784
Fleet loans (term)	3.52% - 3.53%	2016	-	115,000
Fleet loan (securitization)	4.90%	2017	62,838	75,846
Fleet loans (revolving credit)	1.59% - 2.28%	2018 - 2021	347,000	190,000
Capital leases (rental equipment)	2.18% - 7.75%	2016 - 2023	672,825	602,470
Other obligations	3.00% - 8.00%	2016 - 2045	60,200	47,257
Total notes, loans and leases payable			\$ 2,688,758	\$ 2,190,869

(a) Interest rate as of March 31, 2016, including the effect of applicable hedging instruments

Real Estate Backed Loans

Real Estate Loan

Amerco Real Estate Company and certain of its subsidiaries and U-Haul Company of Florida are borrowers under a Real Estate Loan. As of March 31, 2016, the outstanding balance on the Real Estate Loan was \$205.0 million. U-Haul International, Inc. is a guarantor of this loan. The Real Estate Loan requires monthly principal and interest payments, with the unpaid loan balance and accrued and unpaid interest due at maturity. The Real Estate Loan is secured by various properties owned by the borrowers. The final maturity of the term loan is April 20 23.

The interest rate, per the provisions of the amended loan agreement, is the applicable London Inter-Bank Offer Rate ("LIBOR") plus the applicable margin. At March 31, 2016, the applicable LIBOR was 0.45% and the applicable margin was 1.50%, the sum of which was 1.95%. The rate on the Real Estate Loan is hedged with an interest rate swap fixing the rate at 6.93% based on current margin. The interest rate swap expires in August 2018, after which date the remaining balance will incur interest at a rate of LIBOR plus a margin of 1.50%. The default provisions of the Real Estate Loan include non-payment of principal or interest and other standard reporting and change-in-control covenants. There are limited restrictions regarding our use of the funds.

Senior Mortgages

Various subsidiaries of Amerco Real Estate Company and U-Haul International, Inc. are borrowers under certain senior mortgages. These senior mortgage loan balances as of March 31, 2016 were in the aggregate amount of \$ 1,121.9 million and mature between 2016 and 2038. The senior mortgages require monthly principal and interest payments with the unpaid loan balance and accrued and unpaid interest due at maturity. The senior mortgages are secured by certain properties owned by the borrowers. The fixed interest rates, per the provisions of the senior mortgages, range between 4.20% and 5.50%. Certain senior mortgages have an anticipated repayment date and a maturity date. If these senior mortgages are not repaid by the anticipated repayment date the interest rate on these mortgages would increase from the current fixed rate. We are using the anticipated repayment date for our maturity schedule. Additionally, \$ 136.6 million of these loans have variable interest rates comprised of applicable LIBOR base rate of 0.44% plus margins between 2.00% and 2.50%, the sum of which was between 2.44% and 2.94%. Amerco Real Estate Company and U-Haul International, Inc. have provided limited guarantees of the senior mortgages. The default provisions of the senior mortgages include non-payment of principal or interest and other standard reporting and change-in-control covenants. There are limited restrictions regarding our use of the funds.

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Working Capital Loans

Amerco Real Estate Company is a borrower under an asset backed working capital loan. The maximum amount that can be drawn at any one time is \$25.0 million. At March 31, 2016 the full \$25.0 million was available to be drawn. This loan is secured by certain properties owned by the borrower. This loan agreement provides for revolving loans, subject to the terms of the loan agreement. This agreement was amended on April 30, 2016. As part of the amendment the maximum amount that can be borrowed was increased to \$50 million and the maturity date was extended to September 2018. This loan requires monthly interest payments with the unpaid loan balance and accrued and unpaid interest due at maturity. U-Haul International, Inc. and AMERCO are the guarantors of this loan. The default provisions of the loan include non-payment of principal or interest and other standard reporting and change-in-control covenants. The interest rate is the applicable LIBOR plus a margin of 1.25 %.

Fleet Loans

Rental Truck Amortizing Loans

U-Haul International, Inc. and several of its subsidiaries are borrowers under amortizing term loans. The balance of the loans as of March 31, 2016 was \$ 219.0 million with the final maturities between April 2016 and July 2022.

The Amortizing Loans require monthly principal and interest payments, with the unpaid loan balance and accrued and unpaid interest due at maturity. These loans were used to purchase new trucks. The interest rates, per the provision of the Loan Agreements, are the applicable LIBOR plus the applicable margin s. At March 31, 2016, the applicable LIBOR was between 0.44 % and 0.45 % and applicable margins were between 1.72% and 2.50%. The interest rates are hedged with interest rate swaps fixing the rates between 2.82% and 4.76% based on current margins. Additionally, \$ 137.6 million of these loans are carried at fixed rates ranging between 1.95% and 3.94%.

AMERCO and U-Haul International, Inc. are guarantors of these loans. The default provisions of these loans include non-payment of principal or interest and other standard reporting and change-in-control covenants.

Rental Truck Securitizations

2010 U-Haul S Fleet and its subsidiaries (collectively, "2010 USF") issued a \$155.0 million asset-backed note ("2010 Box Truck Note"). 2010 USF is a bankruptcy-remote special purpose entity wholly-owned by U-Haul International, Inc. The net proceeds from the securitized transaction were used to finance new box truck purchases. U.S. Bank, NA acts as the trustee for this securitization.

The 2010 Box Truck Note has a fixed interest rate of 4.90% with an expected final maturity of October 2017. At March 31, 2016, the outstanding balance was \$ 62.8 million. The note is secured by the box trucks purchased and the corresponding operating cash flows associated with their operation.

The 2010 Box Truck Note is subject to certain covenants with respect to liens, additional indebtedness of the special purpose entity, the disposition of assets and other customary covenants of bankruptcy-remote special purpose entities. The default provisions of this note include non-payment of principal or interest and other standard reporting and change-in-control covenants.

Rental Truck Revolvers

Various subsidiaries of U-Haul International, Inc. entered into a revolving fleet loan for \$75 million, which can be increased to a maximum of \$225 million. The loan matures in September 2018. The interest rate, per the provision of the Loan Agreement, is the applicable LIBOR plus the applicable margin. At March 31, 2016, the applicable LIBOR was 0.44 % and the margin was 1.75%, the sum of which was 2.19 %. Only interest is paid during the first four years of the loan with principal due monthly over the last nine months. As of March 31, 2016, the outstanding balance was \$57.0 million.

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Various subsidiaries of U-Haul International, Inc. entered into a revolving fleet loan for \$100 million, which can be increased to a maximum of \$125 million. This loan was amended in February 2016 pursuant to which the maturity was extended to March 2020. The interest rate, per the provision of the Loan Agreement, is the applicable LIBOR plus the applicable margin. At March 31, 2016, the applicable LIBOR was 0.44 % and the margin was 1.15%, the sum of which was 1.59 %. Only interest is paid during the first three years of the loan with principal due monthly over the last nine months. As of March 31, 2016, the outstanding balance was \$100.0 million.

Various subsidiaries of U-Haul International, Inc. entered into a revolving fleet loan for \$70 million. The loan matures in May 2019. This agreement contains an option to extend the maturity through January 2020. At March 31, 2016, the applicable LIBOR was 0.43 % and the margin was 1.85%, the sum of which was 2.28 %. Only interest is paid during the first five years of the loan with principal due upon maturity. As of March 31, 2016, the outstanding balance was \$ 65.0 million.

Various subsidiaries of U-Haul International, Inc. entered into a revolving fleet loan for \$ 12.5 million. The loan matures in November 2021. The interest rate, per the provision of the Loan Agreement, is the applicable LIBOR plus the applicable margin. At March 31, 2016, the applicable LIBOR was 0.44 % and the margin was 1.15%, the sum of which was 1.59 %. Only interest is paid during the first five years of the loan with principal due monthly over the last nine months. As of March 31, 2016, the outstanding balance was \$ 12.5 million.

Capital Leases

We regularly enter into capital leases for new equipment with the terms of the leases between 5 and 7 years. During fiscal 2016, we entered into \$241.7 million of capital leases. At March 31, 2016, the balance of our capital leases was \$ 672.8 million. The net book value of the corresponding capitalized assets was \$ 900.6 million at March 31, 2016.

Other Obligations

In February 2011, the Company and U.S. Bank, NA (the "Trustee") entered into the U-Haul Investors Club Indenture. The Company and the Trustee entered into this indenture to provide for the issuance of notes by us directly to investors over our proprietary website, uhaulinvestorsclub.com ("U-Notes"). The U-Notes are secured by various types of collateral including rental equipment and real estate. U-Notes are issued in smaller series that vary as to principal amount, interest rate and maturity. U-Notes are obligations of the Company and secured by the associated collateral; they are not guaranteed by any of the Company's affiliates or subsidiaries.

At March 31, 2016, the aggregate outstanding principal balance of the U-Notes issued was \$65.8 million of which \$ 5.6 million is held by our insurance subsidiaries and eliminated in consolidation. Interest rates range between 3.00% and 8.00% and maturity dates range between 2016 and 2045.

Our Life Insurance subsidiary is a member of the FHLB and as such has a deposit with the FHLB. As of December 31, 2015, they have a deposit of \$30.0 million which carried a rate of 0.39%. The rate is calculated daily based upon a spread of the overnight FED funds benchmark and is payable monthly. The deposit does not have a scheduled maturity date. The balance of the deposit is included within the balance of Liabilities from investment contracts on the consolidated balance sheet.

Annual Maturities of Notes, Loans and Leases Payable

The annual maturities of long-term debt as of March 31, 2016 for the next five years and thereafter are as follows:

	Year Ended March 31,					
	2017	2018	2019	2020	2021	Thereafter
	(In thousands)					
Notes, loans and leases payable, secured	\$ 353,807	\$ 348,984	\$ 297,534	\$ 416,616	\$ 155,403	\$ 1,116,414

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Note 1 0. Interest on Borrowings

Interest Expense

Components of interest expense include the following:

	Years Ended March 31,		
	2016	2015	2014
	(In thousands)		
Interest expense	\$ 85,592	\$ 80,905	\$ 72,538
Capitalized interest	(3,623)	(1,204)	(571)
Amortization of transaction costs	3,235	3,495	3,551
Interest expense resulting from derivatives	12,699	14,329	17,174
Total interest expense	<u>97,903</u>	<u>97,525</u>	<u>92,692</u>
Write-off of transaction costs related to early extinguishment of debt	–	298	–
Fees on early extinguishment of debt	–	3,783	–
Fees and amortization on early extinguishment of debt	<u>–</u>	<u>4,081</u>	<u>–</u>
Total	<u>\$ 97,903</u>	<u>\$ 101,606</u>	<u>\$ 92,692</u>

Interest paid in cash, including payments related to derivative contracts, amounted to \$ 95.1 million , \$ 95.0 million and \$ 87.8 million for fiscal 201 6 , 20 15 and 20 14 , respectively. In addition, during fiscal 2015, we paid \$3.8 million of fees associated with the early extinguishment of debt.

Interest Rates

Interest rates and our revolving credit borrowings were as follows:

	Revolving Credit Activity		
	Years Ended March 31,		
	2016	2015	2014
	(In thousands, except interest rates)		
Weighted average interest rate during the year	1.67%	1.70%	1.10%
Interest rate at year end	1.82%	1.65%	1.78%
Maximum amount outstanding during the year	\$ 347,000	\$ 232,000	\$ 89,632
Average amount outstanding during the year	\$ 237,372	\$ 187,004	\$ 18,658
Facility fees	\$ 201	\$ 336	\$ 301

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Note 11. Derivatives

We manage exposure to changes in market interest rates. Our use of derivative instruments is limited to highly effective interest rate swaps to hedge the risk of changes in cash flows (future interest payments) attributable to changes in LIBOR swap rates, the designated benchmark interest rate being hedged on certain of our LIBOR indexed variable rate debt and a variable rate operating lease. The interest rate swaps effectively fix our interest payments on certain LIBOR indexed variable rate debt. We monitor our positions and the credit ratings of its counterparties and do not currently anticipate non-performance by the counterparties. Interest rate swap agreements are not entered into for trading purposes.

<u>Original variable rate debt and lease amount</u>	<u>Agreement Date</u>	<u>Effective Date</u>	<u>Expiration Date</u>	<u>Designated cash flow hedge date</u>
(In millions)				
\$ 300.0	8/16/2006	8/18/2006	8/10/2018	8/4/2006
14.7 (a)	7/6/2010	8/15/2010	7/15/2017	7/6/2010
25.0 (a)	4/26/2011	6/1/2011	6/1/2018	6/1/2011
50.0 (a)	7/29/2011	8/15/2011	8/15/2018	7/29/2011
20.0 (a)	8/3/2011	9/12/2011	9/10/2018	8/3/2011
15.1 (b)	3/27/2012	3/28/2012	3/28/2019	3/26/2012
25.0	4/13/2012	4/16/2012	4/1/2019	4/12/2012
44.3	1/11/2013	1/15/2013	12/15/2019	1/11/2013

(a) forward swap

(b) operating lease

As of March 31, 2016, the total notional amount of our variable interest rate swaps on debt and an operating lease was \$ 282.1 million and \$9.3 million, respectively.

The derivative fair values located in Accounts payable and accrued expenses in the balance sheets were as follows:

Liability Derivative Fair Value as of
March 31, 2016 March 31, 2015

(In thousands)

Interest rate contracts designated as hedging instruments	\$ 14,845	\$ 24,484
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The Effect of Interest Rate Contracts on the Statements of Operations
Years Ended March 31,

2016 2015 2014

(In thousands)

Loss recognized in income on interest rate contracts	\$ 12,699	\$ 14,329	\$ 17,174
Gain recognized in AOCI on interest rate contracts (effective portion)	\$ (9,721)	\$ (8,203)	\$ (19,317)
Loss reclassified from AOCI into income (effective portion)	\$ 12,616	\$ 14,358	\$ 16,691
(Gain) loss recognized in income on interest rate contracts (ineffective portion and amount excluded from effectiveness testing)	\$ 83	\$ (29)	\$ 483

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Gains or losses recognized in income on derivatives are recorded as interest expense in the statements of operations. During fiscal 2016, we recognized an increase in the fair value of our cash flows hedges of \$ 6.0 million, net of taxes. Embedded in this change was \$ 12.6 million of losses reclassified from accumulated other comprehensive income to interest expense during the year, net of taxes. At March 31, 2016, we expect to reclassify \$ 9.0 million of net losses on interest rate contracts from accumulated other comprehensive income (loss) to earnings as interest expense over the next twelve months. Please see Note 3, Accounting Policies in the Notes to Consolidated Financial Statements.

Note 1 2. Stockholders' Equity

Common Stock Dividends				
<u>Declared Date</u>	<u>Per Share Amount</u>	<u>Record Date</u>	<u>Dividend Date</u>	
March 15, 2016	\$ 1.00	April 5, 2016	April 21, 2016	
August 28, 2015	3.00	September 16, 2015	October 2, 2015	
June 4, 2015	1.00	June 19, 2015	July 1, 2015	
February 4, 2015	1.00	March 6, 2015	March 17, 2015	
December 4, 2013	1.00	January 10, 2014	February 14, 2014	

Note 1 3. Provision for Taxes

Earnings before taxes and the provision for taxes consisted of the following:

	<u>Years Ended March 31,</u>		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
	(In thousands)		
Pretax earnings:			
U.S.	\$ 745,194	\$ 541,371	\$ 516,207
Non-U.S.	23,717	20,047	21,315
Total pretax earnings	<u>\$ 768,911</u>	<u>\$ 561,418</u>	<u>\$ 537,522</u>
Current provision (benefit)			
Federal	\$ 118,974	\$ 112,634	\$ 131,246
State	15,988	14,248	12,641
Non-U.S.	3,303	2,599	3,787
	<u>138,265</u>	<u>129,481</u>	<u>147,674</u>
Deferred provision (benefit)			
Federal	125,950	67,306	37,979
State	12,561	5,256	7,553
Non-U.S.	3,134	2,634	1,925
	<u>141,645</u>	<u>75,196</u>	<u>47,457</u>
Provision for income tax expense	<u>\$ 279,910</u>	<u>\$ 204,677</u>	<u>\$ 195,131</u>
Income taxes paid (net of income tax refunds received)	\$ 141,901	\$ 195,072	\$ 138,384

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

The difference between the tax provision at the statutory federal income tax rate and the tax provision attributable to income before taxes was as follows:

	Years Ended March 31,		
	2016	2015	2014
Statutory federal income tax rate	35.00%	35.00%	35.00%
Increase (reduction) in rate resulting from:			
State taxes, net of federal benefit	2.34%	2.21%	2.38%
Foreign rate differential	(0.24)%	(0.32)%	(0.33)%
Federal tax credits	(0.19)%	(0.29)%	(0.32)%
Dividend received deduction	(0.02)%	(0.03)%	(0.03)%
Other	(0.49)%	(0.11)%	(0.40)%
Actual tax expense of operations	<u>36.40%</u>	<u>36.46%</u>	<u>36.30%</u>

Significant components of our deferred tax assets and liabilities were as follows:

	March 31,	
	2016	2015
	(In thousands)	
Deferred tax assets:		
Net operating loss and credit carry forwards	\$ 1,462	\$ 1,228
Accrued expenses	185,088	171,761
Policy benefit and losses, claims and loss expenses payable, net	21,911	19,560
Unrealized losses	—	—
Total deferred tax assets	<u>\$ 208,461</u>	<u>\$ 192,549</u>
Deferred tax liabilities:		
Property, plant and equipment	\$ 831,914	\$ 680,501
Deferred policy acquisition costs	20,557	18,369
Unrealized gains	9,593	20,216
Other	9	262
Total deferred tax liabilities	<u>862,073</u>	<u>719,348</u>
Net deferred tax liability	<u>\$ 653,612</u>	<u>\$ 526,799</u>

The net operating loss and credit carry-forwards in the above table are primarily attributable to \$ 22.0 million of state net operating losses that will begin to expire March 31, 2017 if not utilized.

ASC 740 prescribes a minimum recognition and measurement methodology that a tax position is required to meet before being recognized in the financial statements. The total amount of unrecognized tax benefits at March 31, 2015 was \$ 19.9 million. This entire amount of unrecognized tax benefits if resolved in our favor, would favorably impact our effective tax rate. During the current year we recorded tax expense (net of settlements) , resulting from uncertain tax positions in the amount of \$ 4.0 million . At March 31, 2016 , the amount of unrecognized tax benefits and the amount that would favorably affect our effective tax rate was \$ 23.9 million .

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

A reconciliation of the total amounts of unrecognized tax benefits at the beginning and end of the period are as follows:

	Unrecognized Tax Benefits	
	March 31,	
	2016	2015
	(In thousands)	
Unrecognized tax benefits beginning balance	\$ 19,929	\$ 16,850
Additions based on tax positions related to the current year	4,313	3,695
Reductions for tax positions of prior years	(327)	(616)
Settlements	(3)	–
Unrecognized tax benefits ending balance	<u>\$ 23,912</u>	<u>\$ 19,929</u>

We recognize interest related to unrecognized tax benefits as interest expense, and penalties as operating expenses. At March 31, 2015, the amount of interest and penalties accrued on unrecognized tax benefits was \$ 5.2 million, net of tax. During the current year we recorded expense from interest and penalties in the amount of \$ 0.7 million, net of tax. At March 31, 2016, the amount of interest and penalties accrued on unrecognized tax benefits was \$ 5.9 million, net of tax.

We file income tax returns in the U.S. federal jurisdiction, and various states and foreign jurisdictions. With some exceptions, we are no longer subject to audit for years prior to the fiscal year ended March 31, 2013. No provision was made for U.S. taxes payable on undistributed foreign earnings since these amounts are permanently reinvested; the amount of this unrecognized deferred tax liability is not practical to determine at this time.

Note 1 4. Employee Benefit Plans

Profit Sharing Plans

We provide tax-qualified profit sharing retirement plans for the benefit of eligible employees, former employees and retirees in the U.S. and Canada. The plans are designed to provide employees with an accumulation of funds for retirement on a tax-deferred basis and provide for annual discretionary employer contributions. Amounts to be contributed are determined by the President and Chairman of the Board of the Company under the delegation of authority from the Board, pursuant to the terms of the Profit Sharing Plan. No contributions were made to the profit sharing plan during fiscal 2016, 2015 or 2014.

We also provide an employee savings plan which allows participants to defer income under Section 401(k) of the Internal Revenue Code of 1986.

ESOP Plan

We sponsor a leveraged ESOP that generally covers all employees with one year or more of service. The ESOP shares initially were pledged as collateral for its debt which was originally funded by U-Haul. As the debt is repaid, shares are released from collateral and allocated to active employees, based on the proportion of debt service paid in the year. ESOP shares are committed to be released monthly and ESOP compensation expense is recorded based on the current market price at the end of the month. These shares then become outstanding for the earnings per share computations. ESOP compensation expense was \$ 11.6 million, \$ 6.9 million and \$ 6.6 million for fiscal 2016, 2015 and 2014, respectively. Listed below is a summary of these financing arrangements as of fiscal year-end:

Financing Date	Outstanding as of	Interest Payments		
		March 31, 2016	2016	2015
		(In thousands)		
June, 1991	\$ 46	\$ 10	\$ 48	\$ 53
July, 2009	991	33	31	17
February, 2016	5,000	–	–	–

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Leveraged contributions to the Plan Trust during fiscal 2016, 2015 and 2014 were \$ 0.4 million, \$ 1.0 million and \$ 0.7 million, respectively. In fiscal 2016 and 2015, the Company made non-leveraged contributions of \$4.0 and \$8.0 million, respectively to the Plan Trust. In fiscal 2014, \$0.6 million of common stock dividends paid to unallocated shares was applied towards debt service.

Shares held by the Plan were as follows:

	Years Ended March 31,	
	2016	2015
	(In thousands)	
Allocated shares	1,203	1,249
Unreleased shares - leveraged	22	14
Fair value of unreleased shares - leveraged	\$ 8,072	\$ 4,781
Unreleased shares - non-leveraged	8	25
Fair value of unreleased shares - non-leveraged	\$ 2,756	\$ 8,242

The fair value of unreleased shares issued prior to 1992 is defined as the historical cost of such shares. The fair value of unreleased shares issued subsequent to December 31, 1992 is defined as the trading value of such shares as of March 31, 2016 and March 31, 2015, respectively.

Post Retirement and Post Employment Benefits

We provide medical and life insurance benefits to our eligible employees and their dependents upon retirement from the Company. The retirees must have attained age sixty-five and earned twenty years of full-time service upon retirement for coverage under the medical plan. The medical benefits are capped at a \$20,000 lifetime maximum per covered person. The benefits are coordinated with Medicare and any other medical policies in force. Retirees who have attained age sixty-five and earned at least ten years of full-time service upon retirement from the Company are entitled to group term life insurance benefits. The life insurance benefit is \$2,000 plus \$100 for each year of employment over ten years. The plan is not funded and claims are paid as they are incurred. We use a March 31 measurement date for our post retirement benefit disclosures.

The components of net periodic post retirement benefit cost were as follows:

	Years Ended March 31,		
	2016	2015	2014
	(In thousands)		
Service cost for benefits earned during the period	\$ 961	\$ 827	\$ 726
Interest cost on accumulated postretirement benefit	752	720	564
Other components	35	14	19
Net periodic postretirement benefit cost	\$ 1,748	\$ 1,561	\$ 1,309

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

The fiscal 2016 and fiscal 2015 post retirement benefit liability included the following components:

	Years Ended March 31,	
	2016	2015
	(In thousands)	
Beginning of year	\$ 18,554	\$ 16,119
Service cost for benefits earned during the period	961	827
Interest cost on accumulated post retirement benefit	752	720
Net benefit payments and expense	(541)	(450)
Actuarial loss	<u>1,065</u>	<u>1,338</u>
Accumulated postretirement benefit obligation	20,791	18,554
Current liabilities	658	513
Non-current liabilities	20,133	18,041
Total post retirement benefit liability recognized in statement of financial position	20,791	18,554
Components included in accumulated other comprehensive income (loss):		
Unrecognized net loss	<u>(2,847)</u>	<u>(1,817)</u>
Cumulative net periodic benefit cost (in excess of employer contribution)	\$ <u>17,944</u>	\$ <u>16,737</u>

The discount rate assumptions in computing the information above were as follows:

	Years Ended March 31,		
	2016	2015	2014
	(In percentages)		
Accumulated postretirement benefit obligation	3.89%	3.99%	4.49%

In December 2003, the Medicare Prescription Drug Improvement and Modernization Act of 2003 became law. Net periodic post retirement benefit cost above includes the effect of the subsidy. The discount rate represents the expected yield on a portfolio of high grade (AA to AAA rated or equivalent) fixed income investments with cash flow streams sufficient to satisfy benefit obligations under the plan when due. Fluctuations in the discount rate assumptions primarily reflect changes in U.S. interest rates. The assumed health care cost trend rate used to measure the accumulated postretirement benefit obligation as of the end of fiscal 2016 was 7.3 % in the initial year and was projected to decline annually to an ultimate rate of 4.5% in fiscal 2038. The assumed health care cost trend rate used to measure the accumulated post retirement benefit obligation as of the end of fiscal 2015 (and used to measure the fiscal 2016 net periodic benefit cost) was 7.3 % in the initial year and was projected to decline annually to an ultimate rate of 4.5% in fiscal 2029.

If the estimated health care cost trend rate assumptions were increased by one percent, the accumulated post retirement benefit obligation as of fiscal year-end would increase by \$219,243 and the total of the service cost and interest cost components would increase by \$ 26,180. A decrease in the estimated health care cost trend rate assumption of one percent would decrease the accumulated post retirement benefit obligation as of fiscal year-end by \$ 314,603 and the total of the service cost and interest cost components would decrease by \$ 30,103.

Post employment benefits provided by us, other than upon retirement, are not material.

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Future net benefit payments are expected as follows:

	Future Net Benefit Payments	
	(In thousands)	
Year-ended:		
2017	\$	658
2018		773
2019		914
2020		1,073
2021		1,263
2022 through 2026		9,169
Total	\$	13,850

Note 1 5. Fair Value Measurements

Fair values of cash equivalents approximate carrying value due to the short period of time to maturity. Fair values of short term investments, investments available-for-sale, long term investments, mortgage loans and notes on real estate, and interest rate swap contracts are based on quoted market prices, dealer quotes or discounted cash flows. Fair values of trade receivables approximate their recorded value.

Our financial instruments that are exposed to concentrations of credit risk consist primarily of temporary cash investments, trade receivables, reinsurance recoverables and notes receivable. Limited credit risk exists on trade receivables due to the diversity of our customer base and their dispersion across broad geographic markets. We place our temporary cash investments with financial institutions and limit the amount of credit exposure to any one financial institution.

We have mortgage receivables, which potentially expose us to credit risk. The portfolio of notes is principally collateralized by self- storage facilities and commercial properties. We have not experienced any material losses related to the notes from individual or groups of notes in any particular industry or geographic area. The estimated fair values were determined using the discounted cash flow method and using interest rates currently offered for similar loans to borrowers with similar credit ratings.

The carrying amount of long term debt and short term borrowings are estimated to approximate fair value as the actual interest rate is consistent with the rate estimated to be currently available for debt of similar term and remaining maturity.

Other investments including short term investments are substantially current or bear reasonable interest rates. As a result, the carrying values of these financial instruments approximate fair value.

Assets and liabilities are recorded at fair value on the consolidated balance sheets and are measured and classified based upon a three tiered approach to valuation. ASC 820 - *Fair Value Measurements and Disclosures* ("ASC 820") requires that financial assets and liabilities recorded at fair value be classified and disclosed in one of the following three categories:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 – Quoted prices for identical or similar financial instruments in markets that are not considered to be active, or similar financial instruments for which all significant inputs are observable, either directly or indirectly, or inputs other than quoted prices that are observable, or inputs that are derived principally from or corroborated by observable market data through correlation or other means; and

Level 3 – Prices or valuations that require inputs that are both significant to the fair value measurement and are unobservable. These reflect management's assumptions about the assumptions a market participant would use in pricing the asset or liability.

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following tables represent the financial assets and liabilities on the condensed consolidated balance sheet at March 31, 2016 and 2015, that are subject to ASC 820 and the valuation approach applied to each of these items.

Year Ended March 31, 2016	Total	Level 1	Level 2	Level 3
(In thousands)				
Assets				
Short-term investments	\$ 499,491	\$ 499,491	\$ –	\$ –
Fixed maturities - available for sale	1,466,941	96,328	1,370,275	338
Preferred stock	18,428	18,428	–	–
Common stock	25,169	25,169	–	–
Derivatives	3,344	3,344	–	–
Total	<u>\$ 2,013,373</u>	<u>\$ 642,760</u>	<u>\$ 1,370,275</u>	<u>\$ 338</u>
Liabilities				
Guaranteed residual values of TRAC leases	\$ –	\$ –	\$ –	\$ –
Derivatives	14,845	–	14,845	–
Total	<u>\$ 14,845</u>	<u>\$ –</u>	<u>\$ 14,845</u>	<u>\$ –</u>

Year Ended March 31, 2015	Total	Level 1	Level 2	Level 3
(In thousands)				
Assets				
Short-term investments	\$ 460,762	\$ 460,762	\$ –	\$ –
Fixed maturities - available for sale	1,262,012	101,201	1,159,807	1,004
Preferred stock	18,296	18,296	–	–
Common stock	24,654	24,654	–	–
Derivatives	4,876	4,876	–	–
Total	<u>\$ 1,770,600</u>	<u>\$ 609,789</u>	<u>\$ 1,159,807</u>	<u>\$ 1,004</u>
Liabilities				
Guaranteed residual values of TRAC leases	\$ –	\$ –	\$ –	\$ –
Derivatives	24,484	–	24,484	–
Total	<u>\$ 24,484</u>	<u>\$ –</u>	<u>\$ 24,484</u>	<u>\$ –</u>

In light of our definition of an active market at the end of the fourth quarter of fiscal 2016, we reclassified \$1,079.0 million and \$ 895.7 million of fixed maturities – available for sale from Level 1 to Level 2 due to a review of their trading activity for fiscal 2016 and 2015, respectively.

The following tables represent the fair value measurements for our assets at March 31, 2016 using significant unobservable inputs (Level 3).

	Fixed Maturities - Asset Backed Securities
	(In thousands)
Balance at March 31, 2015	\$ 1,004
Fixed Maturities - Asset Backed Securities - redeemed	(753)
Fixed Maturities - Asset Backed Securities - net gain (realized)	34
Fixed Maturities - Asset Backed Securities - net gain (unrealized)	53
Balance at March 31, 2016	<u>\$ 338</u>

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Note 1 6. Reinsurance and Policy Benefits and Losses, Claims and Loss Expenses Payable

During their normal course of business, our insurance subsidiaries assume and cede reinsurance on both a coinsurance and a risk premium basis. They also obtain reinsurance for that portion of risks exceeding their retention limits. The maximum amount of life insurance retained on any one life is \$ 110,000 .

	Direct Amount (a)	Ceded to Other Companies	Assumed from Other Companies	Net Amount (a)	Percentage of Amount Assumed to Net
(In thousands)					
Year ended December 31, 2015					
Life insurance in force	\$ 927,647	\$ 397	\$ 949,413	\$ 1,876,663	51%
Premiums earned:					
Life	\$ 49,126	\$ 8	\$ 11,310	\$ 60,428	19%
Accident and health	99,354	312	2,545	101,587	3%
Annuity	392	–	255	647	39%
Property and casualty	50,012	–	8	50,020	0%
Total	<u>\$ 198,884</u>	<u>\$ 320</u>	<u>\$ 14,118</u>	<u>\$ 212,682</u>	
Year ended December 31, 2014					
Life insurance in force	\$ 905,987	\$ 402	\$ 990,406	\$ 1,895,991	52%
Premiums earned:					
Life	\$ 47,298	\$ –	\$ 12,337	\$ 59,635	21%
Accident and health	93,319	345	2,796	95,770	3%
Annuity	386	–	312	698	45%
Property and casualty	46,417	–	39	46,456	0%
Total	<u>\$ 187,420</u>	<u>\$ 345</u>	<u>\$ 15,484</u>	<u>\$ 202,559</u>	
Year ended December 31, 2013					
Life insurance in force	\$ 861,967	\$ 403	\$ 1,033,136	\$ 1,894,700	55%
Premiums earned:					
Life	\$ 45,625	\$ 212	\$ 12,888	\$ 58,301	22%
Accident and health	95,536	397	3,157	98,296	3%
Annuity	847	23	498	1,322	38%
Property and casualty	40,685	–	367	41,052	1%
Total	<u>\$ 182,693</u>	<u>\$ 632</u>	<u>\$ 16,910</u>	<u>\$ 198,971</u>	

(a) Balances are reported net of inter-segment transactions.

To the extent that a reinsurer is unable to meet its obligation under the related reinsurance agreements, Repw est would remain liable for the unpaid losses and loss expenses. Pursuant to certain of these agreements, Repw est holds letters of credit as of December 31, 2015 in the amount of \$0.5 million from re-insurers and has issued letters of credit in the amount of \$1.9 million in favor of certain ceding companies.

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Policy benefits and losses, claims and loss expenses payable for Property and Casualty Insurance were as follows:

	December 31,	
	2015	2014
	(In thousands)	
Unpaid losses and loss adjustment expense	\$ 251,964	\$ 271,609
Reinsurance losses payable	855	135
Total	\$ 252,819	\$ 271,744

Activity in the liability for unpaid losses and loss adjustment expenses for Property and Casualty Insurance is summarized as follows:

	December 31,		
	2015	2014	2013
	(In thousands)		
Balance at January 1	\$ 271,609	\$ 295,126	\$ 330,093
Less: reinsurance recoverable	120,894	136,535	176,439
Net balance at January 1	150,715	158,591	153,654
Incurred related to:			
Current year	12,214	11,690	9,861
Prior years	84	(694)	1,652
Total incurred	12,298	10,996	11,513
Paid related to:			
Current year	7,509	6,155	5,226
Prior years	10,851	12,717	1,350
Total paid	18,360	18,872	6,576
Net balance at December 31	144,653	150,715	158,591
Plus: reinsurance recoverable	107,311	120,894	136,535
Balance at December 31	\$ 251,964	\$ 271,609	\$ 295,126

The liability for incurred losses and loss adjustment expenses (net of reinsurance recoverable of \$ 107.3 million) decreased by \$ 6.1 million in 2015 .

Note 1 7. Contingent Liabilities and Commitments

We lease a portion of our rental equipment and certain of our facilities under operating leases with terms that expire at various dates substantially through 2019. As of March 31, 201 6 , we have guaranteed \$ 22.3 million of residual values for these rental equipment assets at the end of the respective lease terms. Certain leases contain renewal and fair market value purchase options as well as mileage and other restrictions. At the expiration of the lease, we have the option to renew the lease, purchase the asset for fair market value, or sell the asset to a third party on behalf of the lessor. We have been leasing equipment since 1987 and ha ve experienced no material losses relating to these types of residual value guarantees.

Lease expenses were as follows:

	Years Ended March 31,		
	2016	2015	2014
	(In thousands)		
Lease expense	\$ 49,780	\$ 79,798	\$ 100,466

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Operating lease commitments for leases having terms of more than one year were as follows:

	Property, Plant and Equipment	Rental Equipment	Total
	(In thousands)		
Year-ended March 31:			
2017	\$ 16,360	\$ 14,433	\$ 30,793
2018	15,457	10,989	26,446
2019	14,313	9,058	23,371
2020	14,132	1,310	15,442
2021	14,029	–	14,029
Thereafter	47,473	–	47,473
Total	<u>\$ 121,764</u>	<u>\$ 35,790</u>	<u>\$ 157,554</u>

Note 18. Contingencies

PODS Enterprises, Inc. v. U-Haul International, Inc.

On July 3, 2012, PODS Enterprises, Inc. (“PEI”), filed a lawsuit against U-Haul International, Inc. (“U-Haul”), in the United States District Court for the Middle District of Florida, Tampa Division, alleging (1) Federal Trademark Infringement under Section 32 of the Lanham Act, (2) Federal Unfair Competition under Section 43(a) of the Lanham Act, (3) Federal Trademark dilution by blurring in violation of Section 43(c) of the Lanham Act, (4) common law trademark infringement under Florida law, (5) violation of the Florida Dilution; Injury to Business Reputation statute, (6) unfair competition and trade practices, false advertising and passing off under Florida common law, (7) violation of the Florida Deceptive and Unfair Trade Practices Act, and (8) unjust enrichment under Florida law.

The claims arose from U-Haul’s use of the word “pod” and “pods” as a generic term for its U-Box moving and storage product. PEI alleged that such use is an inappropriate use of its PODS mark. Under the claims alleged in its Complaint, PEI sought a Court Order permanently enjoining U-Haul from: (1) the use of the PODS mark, or any other trade name or trademark confusingly similar to the mark; and (2) the use of any false descriptions or representations or committing any acts of unfair competition by using the PODS mark or any trade name or trademark confusingly similar to the mark. PEI also sought a Court Order (1) finding all of PEI’s trademarks valid and enforceable and (2) requiring U-Haul to alter all web pages to promptly remove the PODS mark from all websites owned or operated on behalf of U-Haul. Finally, PEI sought an award of damages in an amount to be proven at trial, but which are alleged to be approximately \$70 million. PEI also sought pre-judgment interest, trebled damages, and punitive damages.

U-Haul does not believe that PEI’s claims have merit and vigorously defended the lawsuit. On September 17, 2012, U-Haul filed its Counterclaims, seeking a Court Order declaring that: (1) U-Haul’s use of the term “pods” or “pod” does not infringe or dilute PEI’s purported trademarks or violate any of PEI’s purported rights; (2) the purported mark “PODS” is not a valid, protectable, or registrable trademark; and (3) the purported mark “PODS PORTABLE ON DEMAND STORAGE” is not a valid, protectable, or registrable trademark. U-Haul also sought a Court Order cancelling the marks at issue in the case.

The case was tried to a jury, beginning on September 8, 2014. On September 19, 2014, the Court granted U-Haul’s motion for directed verdict on the issue of punitive damages. The Court deferred ruling on U-Haul’s motion for directed verdict on its defense that the words “pod” and “pods” were generic terms for a container used for the moving and storage of goods at the time PEI obtained its trademark (“genericness defense”). Closing arguments were on September 22, 2014.

On September 25, 2014, the jury returned a unanimous verdict, finding in favor of PEI and against U-Haul on all claims and counterclaims. The jury awarded PEI \$45 million in actual damages and \$15.7 million in U-Haul’s alleged profits attributable to its use of the term “pod” or “pods.”

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

On October 1, 2014, the Court ordered briefing on U-Haul's oral motion for directed verdict on its genericness defense, the motion on which the Court had deferred ruling during trial. Pursuant to the Court's order, the parties' briefing on that motion was completed by October 21, 2014.

On March 11, 2015, the Court denied U-Haul's Renewed Motion for Directed Verdict, For Judgment as a Matter of Law, Or in the Alternative, Motion for a New Trial. Also on March 11, 2015, the Court entered Judgment on the jury verdict in favor of PEI and against U-Haul in the amount of \$60.7 million. This was recorded as an accrual in our financial statements.

The parties have filed a series of post-Judgment motions:

On March 25, 2015, PEI filed a motion for an award of attorneys' fees and expenses in the amount of \$6.5 million. On April 27, 2015, U-Haul filed its opposition brief to that motion.

On March 25, 2015, PEI filed a Proposed Bill of Costs in the amount of \$186,411. On April 14, 2015, U-Haul filed an opposition to PEI's Proposed Bill of Costs. On May 1, 2015, PEI filed an amended bill of costs in the amount of \$196,133.

On April 6, 2015, U-Haul filed, with PEI's consent, a motion to stay execution of the Judgment, pending the trial court's rulings on U-Haul's post-Judgment motions. That motion was supported by a supersedeas bond in the amount of \$60.9 million, which represents 100% of the Judgment plus post-Judgment interest at the rate of 0.25% per year for 18 months. PEI and U-Haul both reserved the right to modify the amount of the bond in the event the Judgment is modified by the Court's rulings on the parties' post-Judgment motions (described below). On April 7, 2015, the Court granted U-Haul's motion on consent, staying the Judgment pending rulings on U-Haul's post-Judgment motions.

On April 8, 2015, U-Haul filed its Renewed Motion for Judgment As Matter of Law, or in the Alternative, Motion for New Trial, or to Alter the Judgment. U-Haul argued that it is entitled to judgment as a matter of law because even when all evidence is viewed in PEI's favor, it was legally insufficient for the jury to find for PEI. Alternatively, U-Haul argued that it is entitled to a new trial because the verdict is against the weight of the evidence. Alternatively, U-Haul argued that the Court should reduce the damages and profits award under principles of equity. On April 27, 2015, PEI filed its opposition brief.

On April 8, 2015, PEI filed a Motion to Amend the Judgment pursuant to Fed. R. Civ. P. 59(e), in which it asked that the Judgment be amended to include (i) the entry of a permanent injunction; (ii) an award of pre-Judgment interest in the amount of \$4.9 million; (iii) an award of post-Judgment interest in the amount of \$11,441 and continuing to accrue at the rate of 0.25% while the case proceeds; (iv) doubling of the damages award to \$121.4 million; and (v) the entry of an order directing the Patent and Trademark Office to dismiss the cancellation proceedings that U-Haul filed, which sought cancellation of the PODS trademarks. On April 27, 2015, U-Haul filed its opposition brief arguing, among other things, that (1) PEI is not entitled to recover double the windfall the jury incorrectly awarded it; (2) PEI is not entitled to the overreaching injunction it seeks; (3) PEI is not entitled to pre-judgment interest; (4) PEI has overstated the amount of post-Judgment interest to which it is entitled; and (5) PEI's request that the Court order the Trademark Trial and Appeal Board to dismiss U-Haul's cancellation proceeding is premature.

On April 9, 2015, U-Haul filed a protective Notice of Appeal. We expect that this notice of appeal will be automatically stayed and will become effective upon the disposition of (1) U-Haul's renewed motion for judgment or a new trial or alteration of the Judgment or (2) PEI's motion to alter or amend the Judgment, whichever comes later.

On August 24, 2015, the trial court entered two orders resolving the parties' post-trial motions. In short, U-Haul's efforts at setting aside the judgment, getting a new trial or reducing the amount of the jury award were denied, PEI's motions to enhance (i.e., double) the jury award and receive an award for attorneys' fees were denied, but the Court entered a permanent injunction, and awarded PEI \$4.9 million in pre-judgment interest, \$82,727 in costs, and post-judgment interest at the rate of 0.25%, beginning March 11, 2015, computed daily and compounded annually. This was recorded as an accrual of \$5.0 million in our financial statements during fiscal 2016.

On September 4, 2015, U-Haul filed in the trial court its (i) amended notice of appeal, (ii) motion on consent of PEI to approve the bond and stay execution of the judgment pending appeal, and (iii) motion to stay or modify the injunction.

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

On September 8, 2015, the trial court entered an Order granting U-Haul's Motion on Consent to Approve Bond and Stay Execution of Judgment. The Judgment, as amended by the trial court's orders adding an award of costs and pre-judgment interest, is stayed pending resolution of appeals.

On October 15, 2015, the trial court denied U-Haul's motion to modify or stay the injunction pending appeal. But in the process, the Court clarified that (i) the reach of the injunction is limited to "advertising, promoting, marketing, or describing any products or services" and (ii) use of the terms "pod" and "pods" in comparative advertising is not prohibited, thereby allowing "nominative fair use" and truthful communications in customer dialogue and making clear that "nothing in the injunction mandates censorship with respect to consumer comments."

PEI's deadline for filing a notice of cross-appeal was September 23, 2015, and PEI did not file a notice of cross-appeal.

On September 23, 2015, the Eleventh Circuit Court of Appeals granted the parties' joint motion for an extension of time for filing their respective briefs on appeal. U-Haul's initial brief was due on December 17, 2015, PEI's response brief was due on March 16, 2016, and U-Haul's reply was due on April 29, 2016.

On September 24, 2015, the Eleventh Circuit Court of Appeals issued a Notice setting a telephonic mediation for November 16, 2015, beginning at 2:00 p.m., Eastern Time. The mediation was unsuccessful.

U-Haul filed its opening brief on appeal with the Eleventh Circuit Court of Appeals on December 17, 2015. PEI filed its response brief on March 16, 2016. U-Haul filed its reply brief on April 29, 2016. U-Haul has requested oral argument, PEI did not oppose that request, and the Eleventh Circuit Court of Appeals has not yet acted on that request.

Environmental

Compliance with environmental requirements of federal, state and local governments may significantly affect Real Estate's business operations. Among other things, these requirements regulate the discharge of materials into the air, land and water and govern the use and disposal of hazardous substances. Real Estate is aware of issues regarding hazardous substances on some of its properties. Real Estate regularly makes capital and operating expenditures to stay in compliance with environmental laws and has put in place a remedial plan at each site where it believes such a plan is necessary. Since 1988, Real Estate has managed a testing and removal program for underground storage tanks.

Based upon the information currently available to Real Estate, compliance with the environmental laws and its share of the costs of investigation and cleanup of known hazardous waste sites are not expected to result in a material adverse effect on AMERCO's financial position or results of operations.

Other

We are named as a defendant in various other litigation and claims arising out of the normal course of business. In management's opinion, none of these other matters will have a material effect on our financial position and results of operations.

Note 19. Related Party Transactions

As set forth in the Audit Committee Charter and consistent with NASDAQ Listing Rules, our Audit Committee (the "Audit Committee") reviews and maintains oversight over related party transactions which are required to be disclosed under the Securities and Exchange Commission ("SEC") rules and regulations and in accordance to GAAP. Accordingly, all such related party transactions are submitted to the Audit Committee for ongoing review and oversight. Our internal processes are designed to ensure that our legal and finance departments identify and monitor potential related party transactions that may require disclosure and Audit Committee oversight.

AMERCO has engaged in related party transactions and has continuing related party interests with certain major stockholders, directors and officers of the consolidated group as disclosed below. Management believes that the transactions described below and in the related notes were completed on terms substantially equivalent to those that would prevail in third party, arm's-length transactions.

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

SAC Holdings was established in order to acquire and develop self-storage properties. These properties are being managed by us pursuant to management agreements. In the past, we sold real estate and various self-storage properties to SAC Holdings, and such sales provided significant cash flows to us.

Related Party Revenues

	Years Ended March 31,		
	2016	2015	2014
	(In thousands)		
U-Haul interest income revenue from SAC Holdings	\$ 4,960	\$ 5,914	\$ 7,071
U-Haul interest income revenue from Private Mini	1,126	4,918	5,348
U-Haul management fee revenue from SAC Holdings	18,657	18,472	18,007
U-Haul management fee revenue from Private Mini	3,330	2,614	2,437
U-Haul management fee revenue from Mercury	4,546	4,255	4,049
	\$ 32,619	\$ 36,173	\$ 36,912

During fiscal 2016, a subsidiary of ours held a junior unsecured note of SAC Holdings. Substantially all of the equity interest of SAC Holdings is controlled by Blackwater Investments, Inc. ("Blackwater"). Blackwater is wholly-owned by Willow Grove Holdings LP, which is owned by Mark V. Shoen (a significant shareholder), and various trusts associated with Edward J. Shoen (our Chairman of the Board, President and a significant shareholder) and Mark V. Shoen. We do not have an equity ownership interest in SAC Holdings. We received cash interest payments of \$ 4.6 million, \$5.7 million and \$17.2 million, from SAC Holdings during fiscal 2016, 2015 and 2014, respectively. The largest aggregate amount of notes receivable outstanding during fiscal 2016 was \$ 50.4 million and the aggregate notes receivable balance at March 31, 2016 was \$ 49.3 million. In accordance with the terms of these notes, SAC Holdings may prepay the notes without penalty or premium at any time. The scheduled maturity of this note is 2017.

During fiscal 2016, AMERCO held a junior note issued by Private Mini Storage Realty, L.P. ("Private Mini"). The equity interests of Private Mini are ultimately controlled by Blackwater. We received cash interest payments of \$ 1.5 million, \$5.1 million and \$5.4 million from Private Mini during fiscal years 2016, 2015 and 2014, respectively. The largest aggregate amount outstanding during fiscal 2016 was \$ 56.5 million. In July 2015, Private Mini repaid its note and all outstanding interest due AMERCO totaling \$56.8 million.

We currently manage the self-storage properties owned or leased by SAC Holdings, Mercury Partners, L.P. ("Mercury"), Four SAC Self-Storage Corporation ("4 SAC"), Five SAC Self-Storage Corporation ("5 SAC"), Galaxy Investments, L.P. ("Galaxy") and Private Mini pursuant to a standard form of management agreement, under which we receive a management fee of between 4% and 10% of the gross receipts plus reimbursement for certain expenses. We received management fees, exclusive of reimbursed expenses, of \$ 27.1 million, \$ 25.8 million and \$ 25.8 million from the above mentioned entities during fiscal 2016, 2015 and 2014, respectively. This management fee is consistent with the fee received for other properties we previously managed for third parties. SAC Holdings, 4 SAC, 5 SAC, Galaxy and Private Mini are substantially controlled by Blackwater. Mark V. Shoen controls the general partner of Mercury. The limited partner interests of Mercury are indirectly owned by James P. Shoen (a significant shareholder), Mark V. Shoen and a trust benefitting the children and grandchild of Edward J. Shoen.

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Related Party Costs and Expenses

	Years Ended March 31,		
	2016	2015	2014
	(In thousands)		
U-Haul lease expenses to SAC Holdings	\$ 2,648	\$ 2,618	\$ 2,619
U-Haul commission expenses to SAC Holdings	51,036	48,833	46,886
U-Haul commission expenses to Private Mini	3,684	3,258	3,047
	\$ 57,368	\$ 54,709	\$ 52,552

We lease space for marketing company offices, vehicle repair shops and hitch installation centers from subsidiaries of SAC Holdings, 5 SAC and Galaxy. The terms of the leases are similar to the terms of leases for other properties owned by unrelated parties that are leased to us .

At March 31, 2016 , subsidiaries of SAC Holdings, 4 SAC, 5 SAC, Galaxy and Private Mini acted as U-Haul independent dealers. The financial and other terms of the dealership contracts with the aforementioned companies and their subsidiaries are substantially identical to the terms of those with our other independent dealers whereby commissions are paid by us based upon equipment rental revenues .

These agreements and notes with subsidiaries of SAC Holdings, 4 SAC, 5 SAC, Galaxy and Private Mini, excluding Dealer Agreements, provided revenues of \$ 28.1 million, expenses of \$ 2.6 million and cash flows of \$ 83.8 million during fiscal 2016 . Revenues and commission expenses related to the Dealer Agreements were \$ 254.7 million and \$ 54.7 million, respectively for fiscal 2016 .

Pursuant to the variable interest entity model under ASC 810 – *Consolidation* ("ASC 810") , Management determined that the junior notes of SAC Holdings and Private Mini as well as the management agreements with SAC Holdings, Mercury, 4 SAC, 5 SAC, Galaxy, and Private Mini represent potential variable interests for us. Management evaluated whether it should be identified as the primary beneficiary of one or more of these VIEs using a two - step approach in which management (i) identified all other parties that hold interests in the VIEs, and (ii) determined if any variable interest holder has the power to direct the activities of the VIEs that most significantly impact their economic performance.

Management determined that they do not have a variable interest in the holding entities SAC Holding II Corporation, Private Mini, Mercury, 4 SAC, 5 SAC, or Galaxy based upon management agreements which are with the individual operating entities or through the issuance of junior debt ; therefore , we are precluded from consolidating these entities.

We have junior debt with the holding entity SAC Holding Corporation which represents a variable interest in the entity. Though we have certain protective rights within this debt agreement, we have no present influence or control over this holding entity unless the protective rights become exercisable, which management considers unlikely based on their payment history. As a result, we have no basis under ASC 810 to consolidate this entity .

We do not have the power to direct the activities that most significantly impact the economic performance of the individual operating entities which have management agreements with U-Haul. There are no fees or penalties disclosed in the management agreement for termination of the agreement. Through control of the holding entities' assets, and its ability and history of making key decisions relating to the entity and its assets, Blackwater, and its owner, are the variable interest holder with the power to direct the activities that most significantly impact each of the individual holding entities and the individual operating entities' performance. As a result, we have no basis under ASC 810 to consolidate these entities.

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

We have not provided financial or other support explicitly or implicitly during the fiscal year ended March 31, 2016 to any of these entities that it was not previously contractually required to provide. In addition, we currently have no plan to provide any financial support to any of these entities in the future. The carrying amount and classification of the assets and liabilities in our balance sheets that relate to our variable interests in the aforementioned entities are as follows, which approximate the maximum exposure to loss as a result of our involvement with these entities:

Related Party Assets

	March 31,	
	2016	2015
	(In thousands)	
U-Haul notes, receivables and interest from Private Mini	\$ 2,752	\$ 59,375
U-Haul note receivable from SAC Holding Corporation	49,322	50,428
U-Haul interest receivable from SAC Holdings	4,970	4,579
U-Haul receivable from SAC Holdings	20,375	20,108
U-Haul receivable from Mercury	8,016	6,667
Other (a)	299	633
	\$ 85,734	\$ 141,790

(a) Timing differences for intercompany balances with insurance subsidiaries resulting from the three month difference in reporting periods.

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Note 2.0. Statutory Financial Information of Insurance Subsidiaries

Applicable laws and regulations of the States of Arizona and Nevada require Property and Casualty Insurance and Life Insurance to maintain minimum capital and surplus determined in accordance with statutory accounting principles. Audited statutory net income (loss) and statutory capital and surplus for the years ended are listed below:

Years Ended December 31,		
2015	2014	2013

(In thousands)

Repwest:			
Audited statutory net income	\$ 22,308	\$ 21,287	\$ 18,286
Audited statutory capital and surplus	158,376	155,835	126,836
ARCOA:			
Audited statutory net income	1,391	1,358	532
Audited statutory capital and surplus	5,386	4,175	2,666
Oxford:			
Audited statutory net income	12,150	12,115	11,130
Audited statutory capital and surplus	172,282	158,512	148,486
CFLIC:			
Audited statutory net income	9,217	9,157	9,567
Audited statutory capital and surplus	28,892	28,551	28,848
NAI:			
Audited statutory net income (loss)	1,161	886	(419)
Audited statutory capital and surplus	12,685	11,589	10,185

The amount of dividends that can be paid to shareholders by insurance companies domiciled in the State of Arizona is limited. Any dividend in excess of the limit requires prior regulatory approval. The statutory surplus for Repwest at December 31, 2015 that could be distributed as ordinary dividends was \$ 15.8 million. The statutory surplus for Oxford at December 31, 2015 that could be distributed as ordinary dividends was \$ 12.0 million. Oxford did not pay a dividend to AMERCO in fiscal 2016, 2015 or 2014. After receiving approval from the Arizona Department of Insurance, Repwest paid a \$19.6 million non-cash dividend to AMERCO in fiscal 2016.

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Note 2 1. Financial Information by Geographic Area

	<u>United States</u>	<u>Canada</u>	<u>Consolidated</u>
	(All amounts are in thousands U.S. \$'s)		
Fiscal Year Ended March 31, 2016			
Total revenues	\$ 3,130,097	\$ 145,559	\$ 3,275,656
Depreciation and amortization, net of (gains) losses on disposal	313,099	863	313,962
Interest expense	97,739	164	97,903
Pretax earnings	745,194	23,717	768,911
Income tax expense	273,473	6,437	279,910
Identifiable assets	7,901,365	249,360	8,150,725

	<u>United States</u>	<u>Canada</u>	<u>Consolidated</u>
	(All amounts are in thousands U.S. \$'s)		
Fiscal Year Ended March 31, 2015			
Total revenues	\$ 2,916,027	\$ 158,504	\$ 3,074,531
Depreciation and amortization, net of (gains) losses on disposal	292,345	5,481	297,826
Interest expense	96,979	546	97,525
Pretax earnings	541,371	20,047	561,418
Income tax expense	199,444	5,233	204,677
Identifiable assets	6,685,572	186,603	6,872,175

	<u>United States</u>	<u>Canada</u>	<u>Consolidated</u>
	(All amounts are in thousands U.S. \$'s)		
Fiscal Year Ended March 31, 2014			
Total revenues	\$ 2,681,800	\$ 153,452	\$ 2,835,252
Depreciation and amortization, net of (gains) losses on disposal	272,236	7,358	279,594
Interest expense	92,128	564	92,692
Pretax earnings	516,207	21,315	537,522
Income tax expense	189,419	5,712	195,131
Identifiable assets	5,854,503	144,475	5,998,978

Note 2 1 A. Consolidating Financial Information by Industry Segment

AMERCO's three reportable segments are:

- Moving and Storage, comprised of AMERCO, U-Haul, and Real Estate and the subsidiaries of U-Haul and Real Estate,
- Property and Casualty Insurance, comprised of Repwest and its subsidiaries and ARCOA, and
- Life Insurance, comprised of Oxford and its subsidiaries.

Management tracks revenues separately, but does not report any separate measure of the profitability for rental vehicles, rentals of self-storage spaces and sales of products that are required to be classified as a separate operating segment and accordingly does not present these as separate reportable segments. Deferred income taxes are shown as liabilities on the consolidating statements.

The information includes elimination entries necessary to consolidate AMERCO, the parent, with its subsidiaries.

Investments in subsidiaries are accounted for by the parent using the equity method of accounting.

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Note 2 1 A . Financial Information by Consolidating Industry Segment:

Consolidating balance sheets by industry segment as of March 31, 2016 are as follows:

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Eliminations	AMERCO Consolidated
	(In thousands)				
Assets:					
Cash and cash equivalents	\$ 585,666	\$ 14,049	\$ 931	\$ –	\$ 600,646
Reinsurance recoverables and trade receivables, net	34,451	111,978	28,781	–	175,210
Inventories, net	79,756	–	–	–	79,756
Prepaid expenses	134,300	–	–	–	134,300
Investments, fixed maturities and marketable equities	–	238,570	1,271,968	–	1,510,538
Investments, other	21,431	47,374	241,267	–	310,072
Deferred policy acquisition costs, net	–	–	136,386	–	136,386
Other assets	95,081	3,088	2,403	–	100,572
Related party assets	88,022	12,465	613	(15,366) (c)	85,734
	<u>1,038,707</u>	<u>427,524</u>	<u>1,682,349</u>	<u>(15,366)</u>	<u>3,133,214</u>
Investment in subsidiaries	432,277	–	–	(432,277) (b)	–
Property, plant and equipment, at cost:					
Land	587,347	–	–	–	587,347
Buildings and improvements	2,187,400	–	–	–	2,187,400
Furniture and equipment	399,943	–	–	–	399,943
Rental trailers and other rental equipment	462,379	–	–	–	462,379
Rental trucks	3,514,175	–	–	–	3,514,175
	<u>7,151,244</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>7,151,244</u>
Less: Accumulated depreciation	<u>(2,133,733)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(2,133,733)</u>
Total property, plant and equipment	<u>5,017,511</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>5,017,511</u>
Total assets	\$ <u>6,488,495</u>	\$ <u>427,524</u>	\$ <u>1,682,349</u>	\$ <u>(447,643)</u>	\$ <u>8,150,725</u>

(a) Balances as of December 31, 2015

(b) Eliminate investment in subsidiaries

(c) Eliminate intercompany receivables and payables

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Consolidating balance sheets by industry segment as of March 31, 2016 are as follows:

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Eliminations	AMERCO Consolidated
	(In thousands)				
Liabilities:					
Accounts payable and accrued expenses	\$ 492,982	\$ 1,535	\$ 8,096	\$ –	\$ 502,613
Notes, loans and leases payable	2,688,758	–	–	–	2,688,758
Policy benefits and losses, claims and loss expenses payable	386,366	252,819	432,227	–	1,071,412
Liabilities from investment contracts	–	–	951,490	–	951,490
Other policyholders' funds and liabilities	–	3,017	5,633	–	8,650
Deferred income	22,784	–	–	–	22,784
Deferred income taxes	633,061	7,526	13,025	–	653,612
Related party liabilities	13,138	2,067	161	(15,366) (c)	–
Total liabilities	<u>4,237,089</u>	<u>266,964</u>	<u>1,410,632</u>	<u>(15,366)</u>	<u>5,899,319</u>
Stockholders' equity :					
Series preferred stock:					
Series A preferred stock	–	–	–	–	–
Series B preferred stock	–	–	–	–	–
Series A common stock	–	–	–	–	–
Common stock	10,497	3,301	2,500	(5,801) (b)	10,497
Additional paid-in capital	451,839	91,120	26,271	(117,601) (b)	451,629
Accumulated other comprehensive income (loss)	(60,525)	3,611	10,504	(14,115) (b)	(60,525)
Retained earnings	2,533,431	62,528	232,442	(294,760) (b)	2,533,641
Cost of common shares in treasury, net	(525,653)	–	–	–	(525,653)
Cost of preferred shares in treasury, net	(151,997)	–	–	–	(151,997)
Unearned employee stock ownership plan shares	(6,186)	–	–	–	(6,186)
Total stockholders' equity	<u>2,251,406</u>	<u>160,560</u>	<u>271,717</u>	<u>(432,277)</u>	<u>2,251,406</u>
Total liabilities and stockholders' equity	<u>\$ 6,488,495</u>	<u>\$ 427,524</u>	<u>\$ 1,682,349</u>	<u>\$ (447,643)</u>	<u>\$ 8,150,725</u>

(a) Balances as of December 31, 2015

(b) Eliminate investment in subsidiaries

(c) Eliminate intercompany receivables and payables

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Consolidating balance sheets by industry segment as of March 31, 20 15 are as follows:

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a) (In thousands)	Eliminations	AMERCO Consolidated
Assets:					
Cash and cash equivalents	\$ 431,873	\$ 8,495	\$ 1,482	\$ –	\$ 441,850
Reinsurance recoverables and trade receivables, net	32,364	125,506	31,999	–	189,869
Inventories, net	69,472	–	–	–	69,472
Prepaid expenses	126,296	–	–	–	126,296
Investments, fixed maturities and marketable equities	–	228,530	1,076,432	–	1,304,962
Investments, other	27,637	50,867	190,216	–	268,720
Deferred policy acquisition costs, net	–	–	115,422	–	115,422
Other assets	101,689	1,924	2,544	–	106,157
Related party assets	144,040	13,268	586	(16,104) (c)	141,790
	<u>933,371</u>	<u>428,590</u>	<u>1,418,681</u>	<u>(16,104)</u>	<u>2,764,538</u>
Investment in subsidiaries	443,462	–	–	(443,462) (b)	–
Property, plant and equipment, at cost:					
Land	467,482	–	–	–	467,482
Buildings and improvements	1,728,033	–	–	–	1,728,033
Furniture and equipment	355,349	–	–	–	355,349
Rental trailers and other rental equipment	436,642	–	–	–	436,642
Rental trucks	3,059,987	–	–	–	3,059,987
	<u>6,047,493</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>6,047,493</u>
Less: Accumulated depreciation	(1,939,856)	–	–	–	(1,939,856)
Total property, plant and equipment	<u>4,107,637</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>4,107,637</u>
Total assets	\$ 5,484,470	\$ 428,590	\$ 1,418,681	\$ (459,566)	\$ 6,872,175

(a) Balances as of December 31, 2014

(b) Eliminate investment in subsidiaries

(c) Eliminate intercompany receivables and payables

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Consolidating balance sheets by industry segment as of March 31, 20 15 are as follows:

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Eliminations	AMERCO Consolidated
	(In thousands)				
Liabilities:					
Accounts payable and accrued expenses	\$ 489,140	\$ 1,235	\$ 5,995	\$ –	\$ 496,370
Notes, loans and leases payable	2,190,869	–	–	–	2,190,869
Policy benefits and losses, claims and loss expenses payable	363,552	271,744	426,892	–	1,062,188
Liabilities from investment contracts	–	–	685,745	–	685,745
Other policyholders' funds and liabilities	–	2,837	4,927	–	7,764
Deferred income	18,081	–	–	–	18,081
Deferred income taxes	524,550	(18,592)	20,841	–	526,799
Related party liabilities	13,919	2,073	112	(16,104) (c)	–
Total liabilities	<u>3,600,111</u>	<u>259,297</u>	<u>1,144,512</u>	<u>(16,104)</u>	<u>4,987,816</u>
Stockholders' equity :					
Series preferred stock:					
Series A preferred stock	–	–	–	–	–
Series B preferred stock	–	–	–	–	–
Series A common stock	–	–	–	–	–
Common stock	10,497	3,301	2,500	(5,801) (b)	10,497
Additional paid-in capital	449,878	91,120	26,271	(117,601) (b)	449,668
Accumulated other comprehensive income (loss)	(34,365)	8,871	32,310	(41,181) (b)	(34,365)
Retained earnings (deficit)	2,142,390	66,001	213,088	(278,879) (b)	2,142,600
Cost of common shares in treasury, net	(525,653)	–	–	–	(525,653)
Cost of preferred shares in treasury, net	(151,997)	–	–	–	(151,997)
Unearned employee stock ownership plan shares	(6,391)	–	–	–	(6,391)
Total stockholders' equity (deficit)	<u>\$ 1,884,359</u>	<u>169,293</u>	<u>274,169</u>	<u>(443,462)</u>	<u>1,884,359</u>
Total liabilities and stockholders' equity	<u>\$ 5,484,470</u>	<u>\$ 428,590</u>	<u>\$ 1,418,681</u>	<u>\$ (459,566)</u>	<u>\$ 6,872,175</u>

(a) Balances as of December 31, 2014

(b) Eliminate investment in subsidiaries

(c) Eliminate intercompany receivables and payables

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Consolidating statements of operations by industry segment for period ending March 31, 2016 are as follows:

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Eliminations	AMERCO Consolidated
	(In thousands)				
Revenues:					
Self-moving equipment rentals	\$ 2,301,586	\$ –	\$ –	(3,606) (c)	\$ 2,297,980
Self-storage revenues	247,944	–	–	–	247,944
Self-moving & self-storage products & service sales	251,541	–	–	–	251,541
Property management fees	26,533	–	–	–	26,533
Life insurance premiums	–	–	162,662	–	162,662
Property and casualty insurance premiums	–	50,020	–	–	50,020
Net investment and interest income	8,801	14,783	63,999	(778) (b)	86,805
Other revenue	148,099	–	4,559	(487) (b)	152,171
Total revenues	2,984,504	64,803	231,220	(4,871)	3,275,656
Costs and expenses:					
Operating expenses	1,423,107	27,958	23,037	(4,055) (b,c)	1,470,047
Commission expenses	262,627	–	–	–	262,627
Cost of sales	144,990	–	–	–	144,990
Benefits and losses	–	12,298	155,138	–	167,436
Amortization of deferred policy acquisition costs	–	–	23,272	–	23,272
Lease expense	49,966	–	–	(186) (b)	49,780
Depreciation, net of (gains) losses on disposals	290,690	–	–	–	290,690
Total costs and expenses	2,171,380	40,256	201,447	(4,241)	2,408,842
Earnings from operations before equity in earnings of subsidiaries	813,124	24,547	29,773	(630)	866,814
Equity in earnings of subsidiaries	35,522	–	–	(35,522) (d)	–
Earnings from operations	848,646	24,547	29,773	(36,152)	866,814
Interest expense	(98,533)	–	–	630 (b)	(97,903)
Pretax earnings	750,113	24,547	29,773	(35,522)	768,911
Income tax expense	(261,112)	(8,379)	(10,419)	–	(279,910)
Earnings available to common shareholders	\$ 489,001	\$ 16,168	\$ 19,354	\$ (35,522)	\$ 489,001

(a) Balances for the year ended December 31, 2015

(b) Eliminate intercompany lease / interest income

(c) Eliminate intercompany premiums

(d) Eliminate equity in earnings of subsidiaries

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Consolidating statements of operations by industry segment for period ending March 31, 20 15 are as follows:

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Eliminations	AMERCO Consolidated
	(In thousands)				
Revenues:					
Self-moving equipment rentals	\$ 2,149,986	\$ –	\$ –	(3,595) (c)	\$ 2,146,391
Self-storage revenues	211,136	–	–	–	211,136
Self-moving & self-storage products & service sales	244,177	–	–	–	244,177
Property management fees	25,341	–	–	–	25,341
Life insurance premiums	–	–	156,103	–	156,103
Property and casualty insurance premiums	–	46,456	–	–	46,456
Net investment and interest income	13,644	12,819	59,051	(786) (b)	84,728
Other revenue	156,154	–	4,502	(457) (b)	160,199
Total revenues	2,800,438	59,275	219,656	(4,838)	3,074,531
Costs and expenses:					
Operating expenses	1,436,145	24,802	22,476	(4,014) (b,c)	1,479,409
Commission expenses	249,642	–	–	–	249,642
Cost of sales	146,072	–	–	–	146,072
Benefits and losses	–	10,996	147,764	–	158,760
Amortization of deferred policy acquisition costs	–	–	19,661	–	19,661
Lease expense	79,984	–	–	(186) (b)	79,798
Depreciation, net of (gains) losses on disposals	278,165	–	–	–	278,165
Total costs and expenses	2,190,008	35,798	189,901	(4,200)	2,411,507
Earnings from operations before equity in earnings of subsidiaries	610,430	23,477	29,755	(638)	663,024
Equity in earnings of subsidiaries	34,783	–	–	(34,783) (d)	–
Earnings from operations	645,213	23,477	29,755	(35,421)	663,024
Interest expense	(98,163)	–	–	638 (b)	(97,525)
Fees and amortization on early extinguishment of debt	(4,081)	–	–	–	(4,081)
Pretax earnings	542,969	23,477	29,755	(34,783)	561,418
Income tax expense	(186,228)	(8,060)	(10,389)	–	(204,677)
Earnings available to common shareholders	\$ 356,741	\$ 15,417	\$ 19,366	\$ (34,783)	\$ 356,741

(a) Balances for the year ended December 31, 2014

(b) Eliminate intercompany lease/interest income

(c) Eliminate intercompany premiums

(d) Eliminate equity in earnings of subsidiaries

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Consolidating statements of operations by industry segment for period ending March 31, 20 14 are as follows:

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Eliminations	AMERCO Consolidated
	(In thousands)				
Revenues:					
Self-moving equipment rentals	\$ 1,958,209	\$ –	\$ –	(2,786) (c)	\$ 1,955,423
Self-storage revenues	181,794	–	–	–	181,794
Self-moving & self-storage products & service sales	234,187	–	–	–	234,187
Property management fees	24,493	–	–	–	24,493
Life insurance premiums	–	–	157,919	–	157,919
Property and casualty insurance premiums	–	41,052	–	–	41,052
Net investment and interest income	15,212	10,592	54,398	(611) (b)	79,591
Other revenue	158,055	–	3,211	(473) (b)	160,793
Total revenues	<u>2,571,950</u>	<u>51,644</u>	<u>215,528</u>	<u>(3,870)</u>	<u>2,835,252</u>
Costs and expenses:					
Operating expenses	1,272,406	20,799	23,686	(3,217) (b,c)	1,313,674
Commission expenses	227,332	–	–	–	227,332
Cost of sales	127,270	–	–	–	127,270
Benefits and losses	–	11,513	145,189	–	156,702
Amortization of deferred policy acquisition costs	–	–	19,982	–	19,982
Lease expense	100,649	–	–	(183) (b)	100,466
Depreciation, net of (gains) losses on disposals	259,612	–	–	–	259,612
Total costs and expenses	<u>1,987,269</u>	<u>32,312</u>	<u>188,857</u>	<u>(3,400)</u>	<u>2,205,038</u>
Earnings from operations before equity in earnings of subsidiaries	584,681	19,332	26,671	(470)	630,214
Equity in earnings of subsidiaries	29,992	–	–	(29,992) (d)	–
Earnings from operations	614,673	19,332	26,671	(30,462)	630,214
Interest expense	(93,162)	–	–	470 (b)	(92,692)
Pretax earnings	521,511	19,332	26,671	(29,992)	537,522
Income tax expense	(179,120)	(6,670)	(9,341)	–	(195,131)
Earnings available to common shareholders	<u>\$ 342,391</u>	<u>\$ 12,662</u>	<u>\$ 17,330</u>	<u>\$ (29,992)</u>	<u>\$ 342,391</u>

(a) Balances for the year ended December 31, 2013

(b) Eliminate intercompany lease/interest income

(c) Eliminate intercompany premiums

(d) Eliminate equity in earnings of subsidiaries

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Consolidating cash flow statements by industry segment for the year ended March 31, 2016, are as follows:

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Elimination	AMERCO Consolidated
	(In thousands)				
Cash flows from operating activities:					
Net earnings	\$ 489,001	\$ 16,168	\$ 19,354	\$ (35,522)	\$ 489,001
Earnings from consolidated subsidiaries	(35,522)	-	-	35,522	-
Adjustments to reconcile net earnings to the cash provided by operations:					
Depreciation	389,393	-	-	-	389,393
Amortization of deferred policy acquisition costs	-	-	23,272	-	23,272
Interest credited to policyholders	-	-	20,465	-	20,465
Change in allowance for losses on trade receivables	7	-	(212)	-	(205)
Change in allowance for inventory reserve	(1,343)	-	-	-	(1,343)
Net gain on sale of real and personal property	(98,703)	-	-	-	(98,703)
Net gain on sale of investments	-	(1,317)	(3,174)	-	(4,491)
Deferred income taxes	124,838	9,311	3,926	-	138,075
Net change in other operating assets and liabilities:					
Reinsurance recoverables and trade receivables	(2,169)	13,528	3,406	-	14,765
Inventories	(9,009)	-	-	-	(9,009)
Prepaid expenses	(10,338)	-	-	-	(10,338)
Capitalization of deferred policy acquisition costs	-	-	(32,590)	-	(32,590)
Other assets	16,231	(1,050)	141	-	15,322
Related party assets	55,962	682	-	-	56,644
Accounts payable and accrued expenses	26,093	1,533	9,761	-	37,387
Policy benefits and losses, claims and loss expenses payable	23,215	(18,925)	5,336	-	9,626
Other policyholders' funds and liabilities	-	(1,056)	707	-	(349)
Deferred income	4,757	-	-	-	4,757
Related party liabilities	(779)	115	48	-	(616)
Net cash provided (used) by operating activities	<u>971,634</u>	<u>18,989</u>	<u>50,440</u>	<u>-</u>	<u>1,041,063</u>
Cash flows from investing activities:					
Purchases of:					
Property, plant and equipment	(1,509,154)	-	-	-	(1,509,154)
Short term investments	-	(44,735)	(471,164)	-	(515,899)
Fixed maturities investments	-	(45,048)	(372,014)	-	(417,062)
Equity securities	-	-	(1,315)	-	(1,315)
Preferred stock	-	(1,005)	-	-	(1,005)
Real estate	-	(36)	(39)	-	(75)
Mortgage loans	(15,384)	(1,800)	(85,404)	-	(102,588)
Proceeds from sales and paydowns of:					
Property, plant and equipment	539,256	-	-	-	539,256
Short term investments	-	44,756	483,424	-	528,180
Fixed maturities investments	-	26,193	128,343	-	154,536
Equity securities	-	1,236	808	-	2,044
Preferred stock	-	1,126	-	-	1,126
Real estate	-	-	-	-	-
Mortgage loans	21,589	5,878	21,090	-	48,557
Net cash provided (used) by investing activities	<u>(963,693)</u>	<u>(13,435)</u>	<u>(296,271)</u>	<u>-</u>	<u>(1,273,399)</u>

(a) Balance for the period ended December 31, 2015

(b) Eliminate intercompany investments

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Continuation of consolidating cash flow statements by industry segment for the year ended March 31, 2016, are as follows:

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Elimination	AMERCO Consolidated
	(In thousands)				
Cash flows from financing activities:					
Borrowings from credit facilities	808,972	-	47,000	-	855,972
Principal repayments on credit facilities	(381,403)	-	(47,000)	-	(428,403)
Debt issuance costs	(10,184)	-	-	-	(10,184)
Capital lease payments	(168,661)	-	-	-	(168,661)
Purchases of Employee Stock Ownership Plan Shares	(9,302)	-	-	-	(9,302)
Securitization deposits	544	-	-	-	544
Common stock dividends paid	(78,374)	-	-	-	(78,374)
Investment contract deposits	-	-	298,237	-	298,237
Investment contract withdrawals	-	-	(52,957)	-	(52,957)
Net cash provided (used) by financing activities	<u>161,592</u>	<u>-</u>	<u>245,280</u>	<u>-</u>	<u>406,872</u>
Effects of exchange rate on cash	<u>(15,740)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,740)</u>
Decrease in cash and cash equivalents	153,793	5,554	(551)	-	158,796
Cash and cash equivalents at beginning of period	431,873	8,495	1,482	-	441,850
Cash and cash equivalents at end of period	<u>\$ 585,666</u>	<u>\$ 14,049</u>	<u>\$ 931</u>	<u>\$ -</u>	<u>\$ 600,646</u>

(a) Balance for the period ended December 31, 2015

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Consolidating cash flow statements by industry segment for the year ended March 31, 20 15 , are as follows:

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Elimination	AMERCO Consolidated
	(In thousands)				
Cash flows from operating activities:					
Net earnings	\$ 356,741	\$ 15,417	\$ 19,366	\$ (34,783)	\$ 356,741
Earnings from consolidated subsidiaries	(34,783)	–	–	34,783	–
Adjustments to reconcile net earnings to the cash provided by operations:					
Depreciation	352,796	–	–	–	352,796
Amortization of deferred policy acquisition costs	–	–	19,661	–	19,661
Interest credited to policyholders	–	–	18,110	–	18,110
Change in allowance for losses on trade receivables	(179)	–	11	–	(168)
Change in allowance for inventory reserve	(872)	–	–	–	(872)
Net gain on sale of real and personal property	(74,631)	–	–	–	(74,631)
Net gain on sale of investments	–	(841)	(3,084)	–	(3,925)
Deferred income taxes	66,628	8,030	1,842	–	76,500
Net change in other operating assets and liabilities:					
Reinsurance recoverables and trade receivables	(3,213)	16,830	(3,985)	–	9,632
Inventories	(1,579)	–	–	–	(1,579)
Prepaid expenses	(65,720)	–	–	–	(65,720)
Capitalization of deferred policy acquisition costs	–	–	(27,084)	–	(27,084)
Other assets	4,437	102	(804)	–	3,735
Related party assets	27,753	(258)	–	211 (b)	27,706
Accounts payable and accrued expenses	91,409	22	7,446	–	98,877
Policy benefits and losses, claims and loss expenses payable	(4,327)	(23,472)	10,178	–	(17,621)
Other policyholders' funds and liabilities	–	317	671	–	988
Deferred income	(13,181)	–	–	–	(13,181)
Related party liabilities	(1,016)	428	(67)	(211) (b)	(866)
Net cash provided (used) by operating activities	<u>700,263</u>	<u>16,575</u>	<u>42,261</u>	<u>–</u>	<u>759,099</u>
Cash flows from investing activities:					
Purchases of:					
Property, plant and equipment	(1,041,931)	–	–	–	(1,041,931)
Short term investments	–	(40,583)	(249,796)	–	(290,379)
Fixed maturities investments	–	(43,062)	(171,309)	–	(214,371)
Equity securities	–	(3,333)	(426)	–	(3,759)
Preferred stock	–	(1,006)	(1,000)	–	(2,006)
Real estate	–	(7,857)	(7,542)	–	(15,399)
Mortgage loans	(22,876)	(4,350)	(15,457)	–	(42,683)
Proceeds from sales and paydowns of:					
Property, plant and equipment	411,629	–	–	–	411,629
Short term investments	–	53,112	234,771	–	287,883
Fixed maturities investments	–	18,556	89,311	–	107,867
Equity securities	–	3,082	–	–	3,082
Preferred stock	–	400	2,027	–	2,427
Real estate	–	–	396	–	396
Mortgage loans	28,089	4,203	9,691	–	41,983
Net cash provided (used) by investing activities	<u>(625,089)</u>	<u>(20,838)</u>	<u>(109,334)</u>	<u>–</u>	<u>(755,261)</u>

(a) Balance for the period ended December 31, 2014

(b) Eliminate intercompany investments

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Continuation of consolidating cash flow statements by industry segment for the year ended March 31, 20 15 , are as follows:

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Elimination	AMERCO Consolidated
	(in thousands)				
Cash flows from financing activities:					
Borrowings from credit facilities	657,535	-	-	-	657,535
Principal repayments on credit facilities	(593,722)	-	-	-	(593,722)
Debt issuance costs	(12,327)	-	-	-	(12,327)
Capital lease payments	(121,202)	-	-	-	(121,202)
Purchases of Employee Stock Ownership Plan Shares	(7,939)	-	-	-	(7,939)
Common stock dividends paid	(19,594)	-	-	-	(19,594)
Investment contract deposits	-	-	105,019	-	105,019
Investment contract withdrawals	-	-	(54,108)	-	(54,108)
Net cash provided (used) by financing activities	<u>(97,249)</u>	<u>-</u>	<u>50,911</u>	<u>-</u>	<u>(46,338)</u>
Effects of exchange rate on cash	<u>(10,762)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,762)</u>
Increase (decrease) in cash and cash equivalents	(32,837)	(4,263)	(16,162)	-	(53,262)
Cash and cash equivalents at beginning of period	464,710	12,758	17,644	-	495,112
Cash and cash equivalents at end of period	<u>\$ 431,873</u>	<u>\$ 8,495</u>	<u>\$ 1,482</u>	<u>\$ -</u>	<u>\$ 441,850</u>

(a) Balance for the period ended December 31, 2014

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Consolidating cash flow statements by industry segment for the year ended March 31, 2014 are as follows:

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Elimination	AMERCO Consolidated
	(In thousands)				
Cash flows from operating activities:					
Net earnings	\$ 342,391	\$ 12,662	\$ 17,330	\$ (29,992)	\$ 342,391
Earnings from consolidated subsidiaries	(29,992)	-	-	29,992	-
Adjustments to reconcile net earnings to the cash provided by operations:					
Depreciation	293,169	-	-	-	293,169
Amortization of deferred policy acquisition costs	-	-	19,982	-	19,982
Interest credited to policyholders	-	-	22,890	-	22,890
Change in allowance for losses on trade receivables	(28)	-	(8)	-	(36)
Change in allowance for inventory reserve	871	-	-	-	871
Net gain on sale of real and personal property	(33,557)	-	-	-	(33,557)
Net gain on sale of investments	(1,325)	(536)	(4,550)	-	(6,411)
Deferred income taxes	34,605	7,301	4,465	-	46,371
Net change in other operating assets and liabilities:					
Reinsurance recoverables and trade receivables	14,328	43,675	4,503	-	62,506
Inventories	(11,495)	-	-	-	(11,495)
Prepaid expenses	2,186	-	-	-	2,186
Capitalization of deferred policy acquisition costs	-	-	(32,611)	-	(32,611)
Other assets	8,670	(781)	(222)	-	7,667
Related party assets	11,060	(4,231)	-	725 (b)	7,554
Accounts payable and accrued expenses	32,394	62	3,909	-	36,365
Policy benefits and losses, claims and loss expenses payable	(8,202)	(34,968)	12,674	-	(30,496)
Other policyholders' funds and liabilities	-	513	118	-	631
Deferred income	1,259	-	-	-	1,259
Related party liabilities	5,647	(131)	(61)	(725) (b)	4,730
Net cash provided (used) by operating activities	<u>661,981</u>	<u>23,566</u>	<u>48,419</u>	<u>-</u>	<u>733,966</u>
Cash flows from investing activities:					
Purchases of:					
Property, plant and equipment	(1,000,243)	-	-	-	(1,000,243)
Short term investments	-	(60,551)	(210,139)	-	(270,690)
Fixed maturities investments	-	(58,790)	(223,634)	-	(282,424)
Equity securities	-	(746)	(816)	-	(1,562)
Preferred stock	-	(640)	-	-	(640)
Real estate	-	-	(532)	-	(532)
Mortgage loans	(21,349)	(3,500)	(39,159)	11,589 (b)	(52,419)
Proceeds from sales and paydowns of:					
Property, plant and equipment	270,053	-	-	-	270,053
Short term investments	-	68,852	200,200	-	269,052
Fixed maturities investments	-	17,106	121,295	-	138,401
Equity securities	26,569	2,570	-	-	29,139
Preferred stock	-	4,504	1,500	-	6,004
Real estate	193	-	351	-	544
Mortgage loans	38,959	6,267	15,049	(11,589) (b)	48,686
Net cash provided (used) by investing activities	<u>(685,818)</u>	<u>(24,928)</u>	<u>(135,885)</u>	<u>-</u>	<u>(846,631)</u>

(a) Balance for the period ended December 31, 2013

(b) Eliminate intercompany investments

AMERCO AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Continuation of consolidating cash flow statements by industry segment for the year ended March 31, 2014 are as follows:

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Elimination	AMERCO Consolidated
	(in thousands)				
Cash flows from financing activities:					
Borrowings from credit facilities	431,029	-	-	-	431,029
Principal repayments on credit facilities	(293,068)	-	-	-	(293,068)
Debt issuance costs	(3,943)	-	-	-	(3,943)
Capital lease payments	(53,079)	-	-	-	(53,079)
Purchases of Employee Stock Ownership Plan Shares	(207)	-	-	-	(207)
Securitization deposits	-	-	-	-	-
Common stock dividends paid	(19,568)	-	-	-	(19,568)
Investment contract deposits	-	-	117,723	-	117,723
Investment contract withdrawals	-	-	(34,677)	-	(34,677)
Net cash provided (used) by financing activities	<u>61,164</u>	<u>-</u>	<u>83,046</u>	<u>-</u>	<u>144,210</u>
Effects of exchange rate on cash	<u>(177)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(177)</u>
Increase (decrease) in cash and cash equivalents	37,150	(1,362)	(4,420)	-	31,368
Cash and cash equivalents at beginning of period	427,560	14,120	22,064	-	463,744
Cash and cash equivalents at end of period	<u>\$ 464,710</u>	<u>\$ 12,758</u>	<u>\$ 17,644</u>	<u>\$ -</u>	<u>\$ 495,112</u>

(a) Balance for the period ended December 31, 2013

SCHEDULE I
CONDENSED FINANCIAL INFORMATION OF AMERCO
BALANCE SHEETS

	March 31,	
	2016	2015
	(In thousands)	
ASSETS		
Cash and cash equivalents	\$ 381,690	\$ 291,550
Investment in subsidiaries	1,185,021	813,735
Related party assets	1,249,835	1,225,044
Other assets	94,128	85,409
Total assets	\$ 2,910,674	\$ 2,415,738
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Other liabilities	\$ 653,082	\$ 524,988
	653,082	524,988
Stockholders' equity:		
Preferred stock	—	—
Common stock	10,497	10,497
Additional paid-in capital	451,839	449,878
Accumulated other comprehensive loss	(60,525)	(34,365)
Retained earnings:		
Beginning of period	2,142,390	1,805,243
Net earnings	489,001	356,741
Dividends	(97,960)	(19,594)
End of period	2,533,431	2,142,390
Cost of common shares in treasury	(525,653)	(525,653)
Cost of preferred shares in treasury	(151,997)	(151,997)
Total stockholders' equity	2,257,592	1,890,750
Total liabilities and stockholders' equity	\$ 2,910,674	\$ 2,415,738

The accompanying notes are an integral part of these condensed consolidated financial statements.

CONDENSED FINANCIAL INFORMATION OF AMERCO
STATEMENTS OF OPERATIONS

	Years Ended March 31,		
	2016	2015	2014
	(In thousands, except share and per share data)		
Revenues:			
Net interest income and other revenues	\$ 2,420	\$ 4,862	\$ 6,465
Expenses:			
Operating expenses	7,525	7,055	6,636
Other expenses	111	99	97
Total expenses	7,636	7,154	6,733
Equity in earnings of subsidiaries	417,087	300,566	287,803
Interest income	93,873	75,241	86,916
Pretax earnings	505,744	373,515	374,451
Income tax expense	(16,743)	(16,774)	(32,060)
Earnings available to common shareholders	\$ 489,001	\$ 356,741	\$ 342,391
Basic and diluted earnings per common share	\$ 24.95	\$ 18.21	\$ 17.51
Weighted average common shares outstanding: Basic and diluted	19,596,110	19,586,633	19,558,758

The accompanying notes are an integral part of these condensed consolidated financial statements.

CONDENSED FINANCIAL INFORMATION OF AMERCO
STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended March 31,		
	2016	2015	2014
	(In thousands, except share and per share data)		
Net earnings	\$ 489,001	\$ 356,741	\$ 342,391
Other comprehensive income (loss)	(26,160)	19,558	(31,243)
Total comprehensive income	\$ 462,841	\$ 376,299	\$ 311,148

The accompanying notes are an integral part of these condensed consolidated financial statements.

CONDENSED FINANCIAL INFORMATION OF AMERCO
STATEMENTS OF CASH FLOW

	Years Ended March 31,		
	2016	2015	2014
	(In thousands)		
Cash flows from operating activities:			
Net earnings	\$ 489,001	\$ 356,741	\$ 342,391
Change in investments in subsidiaries	(417,087)	(300,566)	(287,803)
Adjustments to reconcile net earnings to cash provided by operations:			
Depreciation	6	6	5
Net gain on sale of investments	-	-	(1,325)
Deferred income taxes	124,838	66,628	34,605
Net change in other operating assets and liabilities:			
Prepaid expenses	(8,723)	(66,786)	3,938
Other assets	6	84	(41)
Related party assets	56,849	(539)	-
Accounts payable and accrued expenses	(14)	5,239	6,589
Net cash provided by operating activities	244,876	60,807	98,359
Cash flows from investing activities:			
Purchases of property, plant and equipment	(8)	-	(2)
Proceeds of equity securities	-	-	26,569
Net cash provided by investing activities	(8)	-	26,567
Cash flows from financing activities:			
Proceeds from (repayments) of intercompany loans	(76,354)	(71,207)	(110,933)
Common stock dividends paid	(78,374)	(19,594)	(19,568)
Net cash provided (used) by financing activities	(154,728)	(90,801)	(130,501)
Increase (decrease) in cash and cash equivalents	90,140	(29,994)	(5,575)
Cash and cash equivalents at beginning of period	291,550	321,544	327,119
Cash and cash equivalents at end of period	\$ 381,690	\$ 291,550	\$ 321,544

Income taxes paid, net of income taxes refunds received, amounted to \$ 141.9 million, \$1 95.1 million and \$1 38 . 4 million for fiscal 201 6 , 201 5 and 201 4 , respectively.

The accompanying notes are an integral part of these condensed consolidated financial statements.

CONDENSED FINANCIAL INFORMATION OF AMERCO
NOTES TO CONDENSED FINANCIAL INFORMATION
MARCH 31, 20 16 , 20 15 , AND 20 14

1. Summary of Significant Accounting Policies

AMERCO, a Nevada corporation, was incorporated in April, 1969, and is the holding Company for U-Haul International, Inc., Amerco Real Estate Company, Rep w est Insurance Company and Oxford Life Insurance Company. The financial statements of the Registrant should be read in conjunction with the Consolidated Financial Statements and notes thereto included in this Annual Report .

AMERCO is included in a consolidated Federal income tax return with all of its U.S. subsidiaries. Accordingly, the provision for income taxes has been calculated for Federal income taxes of AMERCO and subsidiaries included in the consolidated return of the Registrant. State taxes for all subsidiaries are allocated to the respective subsidiaries.

The financial statements include only the accounts of AMERCO, which include certain of the corporate operations of AMERCO . The interest in AMERCO's majority owned subsidiaries is accounted for on the equity method. The intercompany interest income and expenses are eliminated in the Consolidated Financial Statements.

2. Guarantees

AMERCO has guaranteed performance of certain long-term leases and other obligations. See Note 17 , Contingent Liabilities and Commitments and Note 19, Related Party Transactions of the Notes to Consolidated Financial Statements.

SCHEDULE II
AMERCO AND CONSOLIDATED SUBSIDIARIES
VALUATION AND QUALIFYING ACCOUNTS

	<u>Balance at Beginning of Year</u>	<u>Additions Charged to Costs and Expenses</u>	<u>Additions Charged to Other Accounts</u>	<u>Deductions</u>	<u>Balance at Year End</u>
(In thousands)					
Year ended March 31, 2016					
Allowance for doubtful accounts					
(deducted from trade receivable) \$	790	967	–	(1,172)	585
Allowance for obsolescence					
(deducted from inventory) \$	1,384	213	–	–	1,597
Allowance for LIFO					
(deducted from inventory) \$	15,019	–	–	(1,556)	13,463
Allowance for probable losses					
(deducted from mortgage loans) \$	370	–	–	(2)	368
Year ended March 31, 2015					
Allowance for doubtful accounts					
(deducted from trade receivable) \$	958	994	–	(1,162)	790
Allowance for obsolescence					
(deducted from inventory) \$	2,487	–	–	(1,103)	1,384
Allowance for LIFO					
(deducted from inventory) \$	14,788	231	–	–	15,019
Allowance for probable losses					
(deducted from mortgage loans) \$	370	–	–	–	370
Year ended March 31, 2014					
Allowance for doubtful accounts					
(deducted from trade receivable) \$	994	958	–	(994)	958
Allowance for obsolescence					
(deducted from inventory) \$	1,711	776	–	–	2,487
Allowance for LIFO					
(deducted from inventory) \$	14,693	95	–	–	14,788
Allowance for probable losses					
(deducted from mortgage loans) \$	370	–	–	–	370

SCHEDULE V
AMERCO AND CONSOLIDATED SUBSIDIARIES
SUPPLEMENTAL INFORMATION (FOR PROPERTY-CASUALTY INSURANCE OPERATIONS)
YEARS ENDED DECEMBER 31, 20 15 , 20 14 AND 20 13

Fiscal Year	Affiliation with Registrant	Deferred Policy Acquisition Cost	Reserves for Unpaid Claims and Adjustment Expenses	Discount if any, Deducted	Unearned Premiums	Net Earned Premiums (1)	Net Investment Income (2)	Claim and Claim Adjustment Expenses Incurred Related to Current Year	Claim and Claim Adjustment Expenses Incurred Related to Prior Year	Amortization of Deferred Policy Acquisition Costs	Paid Claims and Claim Adjustment Expense	Net Premiums Written (1)
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
						(In thousands)						
2016	Consolidated property casualty entity	-	251,964	N/A	59	50,020	13,491	12,214	84	-	18,360	50,034
2015	Consolidated property casualty entity	-	271,609	N/A	45	46,456	11,980	11,690	(694)	-	18,872	46,452
2014	Consolidated property casualty entity	-	295,126	N/A	49	41,052	10,057	9,861	1,652	-	6,576	41,065

(1) The earned and written premiums are reported net of intersegment transactions. There were no earned premiums eliminated for the years ended December 31, 2015, 2014 and 2013, respectively.

(2) Net Investment Income excludes net realized (gains) losses on investments of (\$1.3) million, (\$0.8) million and (\$0.5) million for the years ended December 31, 2015, 2014 and 2013, respectively.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AMERCO

Date: May 25, 2016

/s/ Edward J. Shoen

Edward J. Shoen
President and Chairman of the Board
(Duly Authorized Officer)

Date: May 25, 2016

/s/ Jason A. Berg

Jason A. Berg
Chief Accounting Officer
(Principal Financial Officer)

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Edward J. Shoen his true and lawful attorney-in-fact and agent, with full power 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 Annual Report on Form 10-K, and to file the same, with all exhibits thereto and other documents in connection therewith with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent, full power and authority to do and perform each and every act or things 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 attorney-in-fact and agent, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Jason A. Berg</u> J ason A. Berg	Chief Accounting Officer (Principal Financial Officer)	May 25, 2016
<u>/s/ James E. Acridge</u> J ames E. Acridge	Director	May 25, 2016
<u>/s/ Charles J. Bayer</u> C harles J. Bayer	Director	May 25, 2016
<u>/s/ John P. Brogan</u> J ohn P. Brogan	Director	May 25, 2016
<u>/s/ John M. Dodds</u> J ohn M. Dodds	Director	May 25, 2016
<u>/s/ Michael L. Gallagher</u> M ichael L. Gallagher	Director	May 25, 2016
<u>/s/ Daniel R. Mullen</u> D aniel R. Mullen	Director	May 25, 2016
<u>/s/ Samuel J. Shoen</u> S amuel J. Shoen	Director	May 25, 2016

PROPERTY MANAGEMENT AGREEMENT

THIS PROPERTY MANAGEMENT AGREEMENT (this "Agreement") is entered into as of December 11, 2014 among Three SAC Self-Storage Corporation, a Nevada corporation ("Owner"), and U-Haul Co (Canada), Ltd. ("Manager").

RECITALS

A.Owner is the lessee of the real property and all improvements thereon and appurtenances thereto located at the street addresses identified on Exhibit A hereto (hereinafter, collectively the "Property").

B.Owner intends that the Property be rented on a space-by-space retail basis to corporations, partnerships, individuals and/or other entities for use as self-storage facilities.

C.Owner desires that Manager manage the Property and Manager desires to act as the property manager for the Property, all in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto hereby agree as follows.

1. Employment.

A. Owner hereby retains Manager, and Manager agrees to act as manager of the Property upon the terms and conditions hereinafter set forth. Any prior property management agreement between Owner and Manager is hereby terminated.

B. Owner acknowledges that Manager, and/or Manager affiliates, is in the business of managing self-storage facilities and businesses conducted thereat, including, but not limited to, the sale of packing supplies and rental of trucks and equipment, both for its own account and for the account of others. It is hereby expressly agreed that notwithstanding this Agreement, Manager and such affiliates may continue to engage in such activities, may manage facilities other than those presently managed by Manager and its affiliates (whether or not such other facilities may be in direct or indirect competition with Owner) and may in the future engage in other business which may compete directly or indirectly with activities of Owner.

C. In the performance of its duties under this Agreement, Manager shall occupy the position of an independent contractor with respect to Owner. Nothing contained herein shall be construed as making the parties hereto (or any of them) partners or co-parties to a joint venture, nor construed as making Manager an employee of Owner.

2. Duties and Authority of Manager.

Subject to the terms and conditions of this Agreement, on behalf of, and as agent of, the Owner:

A. **General Duties and Authority** . Manager shall have the sole and exclusive duty and authority to fully manage the Property and supervise and direct the business and affairs associated or related to the daily operation thereof, to collect on behalf of Owner all revenues related

to the Property, to pay on behalf of Owner all expenses of the Property, and to execute on behalf of Owner such documents and instruments as, in the sole judgment of Manager, are reasonably necessary or advisable under the circumstances in order to fulfill Manager's duties hereunder. Such duties and authority shall include, without limitation, those set forth below. Notwithstanding the foregoing or any other term or provision herein, upon notice to Manager, Owner shall have the right to assume responsibility for the direct payment of certain expenses of Owner, as may be determined by Owner. In such event, Owner shall provide an accounting of such costs to Manager. In the event Owner fails to provide such accounting to Manager, Manager shall assume no liability for nonpayment for such expenses so assumed by Owner. The parties acknowledge and agree that Owner will retain title to, ownership of, and exclusive right to control the Property, subject to the terms of this Agreement, and that portion of the Gross Revenue (as hereinafter defined) owned by Owner ("Owner's Revenue"); and that Manager will not acquire title to, any interest in, or any income or revenues from the Property or Owner's Revenue. For purposes of this Agreement, Owner's Revenue consists of the revenue from storage operations, retail sales, miscellaneous income and the commissions ("U-Move Commissions") paid to Owner pursuant to the terms of that Dealer Contract between Owner and Manager dated as of the date hereof (the "Dealer Contract"), in each case with respect to the Property. In performing its services and making any payments hereunder, Manager will make known to third parties that Manager is acting solely as the agent of Owner. Under no circumstances will Manager represent or hold itself out to any third party as having any title to or property interest in the Property or Owner's Revenue.

B. Renting of the Property . Manager shall establish policies and procedures for the marketing activities for the Property, and shall advertise the Property through such media as Manager deems advisable. Manager's marketing activities for the Property shall be consistent with the scope and quality implemented by Manager and its affiliates at any other properties operated by Manager or its affiliates. Manager shall have the sole discretion, which discretion shall be exercised in good faith, to establish the terms and conditions of occupancy by the tenants of the Property, and Manager is hereby authorized to enter into rental agreements on behalf and for the account of Owner with such tenants and to collect rent from such tenants on behalf and for the account of Owner. Manager may jointly advertise the Property with other properties owned or managed by Manager or its Affiliates, and in that event, Manager shall reasonably allocate the cost of such advertising among such properties.

C. Repair, Maintenance and Improvements . Manager shall make, execute, supervise and have control over the making and executing of all decisions concerning the acquisition of furniture, fixtures and supplies for the Property, and may purchase, lease or otherwise acquire the same and which items shall be owned by Manager. Manager shall make and execute, or supervise and have control over the making and executing of all decisions concerning the maintenance, repair and landscaping of the Property, provided, however, that such maintenance, repair and landscaping shall be consistent with the maintenance, repair and landscaping implemented by Manager and its affiliates at any other properties operated by Manager or its affiliates. Manager shall, on behalf of Owner, negotiate and contract for and supervise the installation of all capital improvements related to the Property; provided, however, that Manager agrees to secure the prior written approval of Owner on all such expenditures in excess of \$10,000.00 for any one item, except monthly or recurring operating charges and/or emergency repairs if in the opinion of Manager such emergency repairs are necessary to protect the Property from damage or to maintain services to the Owner or any customers. In the event such emergency repairs exceed \$10,000, Manager shall notify Owner and the insurer as applicable of the cost estimate for such work.

A. **Personnel** . Manager shall select all vendors, suppliers, contractors, subcontractors and employees with respect to the Property and shall hire, discharge and supervise all labor and employees required for the operation and maintenance of the Property. Any employees so hired shall be employees of Manager, and shall be carried on the payroll of Manager. Employees may include, but need not be limited to, on-site resident managers, on-site assistant managers, and relief managers located, rendering services, or performing activities on the Property in connection with its operation and management. The cost of employing such persons shall not exceed prevailing rates for comparable persons performing the same or similar services with respect to real estate similar to the Property in the general vicinity of each respective Property. Manager shall be responsible for all legal and insurance requirements relating to its employees.

B. **Service Agreements** . Manager shall negotiate and execute on behalf of Owner such agreements which Manager deems necessary or advisable for the furnishing of utilities, services, concessions and supplies, for the maintenance, repair and operation of the Property and such other agreements which may benefit the Property or be incidental to the matters for which Manager is responsible hereunder.

C. **Other Decisions** . Manager shall make the decisions in connection with the day-to-day operations of the Property.

D. **Regulations and Permits** . Manager shall comply in all respects with any statute, ordinance, law, rule, regulation or order of any governmental or regulatory body pertaining to the Property (collectively, "Laws"), respecting the use of the Property or the maintenance or operation thereof, the non-compliance with which could reasonably be expected to have a material adverse effect on Owner or any Property. Manager shall apply for and obtain and maintain, on behalf of Owner, all licenses and permits required or advisable (in the reasonable judgment of Manager) in connection with the management and operation of the Property. Notwithstanding the foregoing, Manager shall be permitted to contest any Applicable Laws to the extent and pursuant to the same conditions that Owner is permitted to contest any Laws. To the extent that Manager does not comply, Manager will be responsible for the costs and penalties incurred as a result of the non-compliance.

E. **Records and Reports of Disbursements and Collections** . Manager shall establish, supervise, direct and maintain the operation of a system of cash record keeping and bookkeeping with respect to all receipts and disbursements and all business activities and operations conducted by Manager in connection with the management and operation of the Property. Manager shall be responsible for cash shortages and discrepancies incurred in the normal course of management operations. The books, records and accounts shall be maintained at the Manager's office or at Owner's office, or at such other location as Manager and Owner shall determine, and shall be available and open to examination and audit quarterly by Owner, its representatives, its lender, if any ("Lender"), and as provided by Owner, and, subject to any mortgagee of the Property, and such mortgagee's representative. Manager shall cause to be prepared and delivered to Owner a monthly statement on a per-Property basis, of receipts, expenses and charges, and any other information as reasonably required by Owner to prepare its financials statements, together with a statement, on a per-Property basis, of the disbursements made by Manager during such period on Owner's behalf, which shall include separate lines for prepaid items and inventory. Manager shall provide Owner with rent rolls and occupancy reports if requested.

A. **Collection** . Manager shall be responsible for the billing and collection of all receipts and for payment of all expenses with respect to the Property and shall be responsible for establishing policies and procedures to minimize the amount of bad debts. Bad debt incurred as a result of non compliance with management policies and procedures (such as improper verifications or acceptance of bad credit cards or bad checks) will be the responsibility of Manager.

B. **Legal Action** . Manager shall cause to be instituted, on behalf and in its name or in the name of Owner as appropriate, any and all legal actions or proceedings Manager deems necessary or advisable in connection with the Property, including, without limitation, to collect charges, rent or other income due to Owner with respect to the Property and to oust or dispossess tenants where appropriate or other persons unlawfully in possession under any lease, license, concession agreement or otherwise, and to collect damages for breach thereof or default thereunder by such Owner, licensee, concessionaire or occupant.

C. **Insurance** . Manager will insure, on its Master Policy, against all liabilities at the Property at Manager's sole cost and expense ("General Liability Insurance"). Any deductibles or self-insured retentions with respect to the General Liability Insurance shall be at Manager's (or Manager's U-Haul affiliates') responsibility and sole cost and expense. Manager will insure equipment at Manager's cost, as determined by Manager. If requested by Owner, Manager will obtain for Owner, at Owner's sole cost and expense, a policy of property insurance ("Property and Casualty Insurance"). Any such Property & Casualty Insurance shall meet Lender's required coverage, to include earthquake, flood and other Lender requirements, as the case may be, and shall be the cost of Owner.

D. **Taxes** . During the term of this Agreement, Manager shall pay on behalf of Owner, prior to delinquency, real estate taxes, personal property taxes, and other taxes assessed to, or levied upon, the Property, but only in the event requested by Owner. If requested, Manager will charge to Owner an expense monthly equal to 1/12 of annual- real property taxes.

E. **Limitations on Manager Authority** . Notwithstanding anything to the contrary set forth in this Section 2, Manager shall not, without obtaining the prior written consent of Owner, (i) rent storage space in the Property by written lease or agreement for a stated term in excess of one year unless such lease or agreement is terminable by the giving of not more than thirty (30) days written notice, (ii) alter the building or other structures of the Property in violation of loan documents executed by Owner in connection with the Property ("Loan Documents"); (iii) enter on behalf of Owner any other agreements which exceed a term of one year and are not terminable on thirty day's notice at the will of Owner, without penalty, payment or surcharge; (iv) act in violation of any Law, (v) violate any term or condition of the Loan Documents; (vi) fail to correct any misunderstanding of any third party of which Manager becomes aware as to the separateness of Owner and Manager; or (vii) except as explicitly set forth in this Agreement, exercise any authority to act on behalf of, or hold itself out as having authority to act on behalf of, Owner.

F. **Shared Expenses** . Owner acknowledges that certain economies may be achieved with respect to certain expenses to be incurred by Manager on behalf of Owner hereunder if materials, supplies, insurance or services are purchased by Manager in quantity for use not only in connection with Owner's business at the Property but in connection with other properties owned or managed by Manager or its affiliates. Manager shall have the right to purchase such materials, supplies, insurance (subject to the terms of this Agreement) and/or services in its own name and charge Owner a pro rata allocable share of the cost of the foregoing; provided, however, that the pro

rata cost of such purchase to Owner shall not result in expenses that are either inconsistent with the expenses of other "U-Haul branded" locations in the general vicinity of the applicable Property or greater than would otherwise be incurred at competitive prices and terms available in the area where the Property is located; and provided further, Manager shall give Owner access to records (at no cost to Owner) so Owner may review any such expenses incurred.

- **Deposit of Gross Revenues** . All revenue from operations at the Property ("Gross Revenue") shall be deposited daily by Manager into (i) a bank account that has been established for the benefit of Owner (the "Deposit Account") and maintained by Manager (or its parent company); or (ii) a collective bank account (the "Collective Account") maintained by Manager (or its parent company) for the benefit of multiple property owners. In either case, although the account may be in Owner's name, Owner's right to the proceeds therein only extends to Owner's Revenue. On a daily basis, Manager shall transfer Owner's Revenue in the Deposit Account or Collective Account, as the case may be, to Owner's separately identified depository account pledged to Lender ("Blocked Account"). To the extent that Gross Revenue is deposited into a Collective Account, Manager (or its parent company) shall on a daily basis reconcile such Collective Account and maintain such records as shall clearly identify the respective interest of each property owner in such account. Manager shall not, and shall not permit any other property owner or any affiliate of Manager to borrow, lend or use Owner's Revenue while it is in a Collective Account. The payment of Owner's U-Move Commissions shall be governed by the terms of the Dealer Contract. Nothing in this Section shall be construed to limit Owner's access to Owner's Revenue. All funds shall be deposited and applied as required pursuant to Owner's loan documents with Lender.

- **Obligations under Loan Documents and other Material Contracts** . Manager shall take such actions as are necessary or appropriate under the circumstances to ensure, to the extent Manager is privy to the information, that Owner is in compliance with the terms of the Loan Documents and any other material agreement relating to the Property to which Owner is a party and for which Manager is privy to the information. Notwithstanding the foregoing, nothing herein contained shall be deemed to obligate Manager to fund from its own resources any payments owed by Owner under the Loan Documents or otherwise be deemed to make Manager a direct obligor under the Loan Documents.

- **Obligations notwithstanding other Tenancy at the Property** . Manager shall perform all of its obligations under this Agreement in a professional manner consistent with the standards it employs at all of its managed locations.

- **Segregation** . Owner and Manager shall maintain the Property and Owner's Revenue in such a manner that it is not costly or difficult to segregate, ascertain or identify Owner's individual assets from those of Manager or any other person.

3. Duties of Owner.

Owner shall cooperate with Manager in the performance of Manager's duties under this Agreement and to that end, upon the request of Manager, shall provide, at such rental charges, if any, as are deemed appropriate, reasonable office space for Manager employees on the premises of the Property (to the extent available). Owner shall not unreasonably withhold or delay any consent or authorization to Manager required or appropriate under this Agreement. Owner shall provide Manager with copies of all Loan Documents and any amendments thereto.

4. Compensation of Manager.

A. **Reimbursement of Expenses** . Manager shall be entitled to request and receive timely reimbursement for all timely authorized out-of-pocket reasonable and customary expenses ("Expenses") actually incurred by Manager in the discharge of its duties hereunder. Such expense reimbursement shall be due by the last business day of each month, for all expenses billed during such month, unless a written request is received by Manager detailing a legitimate dispute as to a billed amount. Such reimbursement shall be the obligation of Owner, whether or not Owner's Revenues are sufficient to pay such amounts. Unpaid balances shall accrue interest at the rate of the 30 day libor + 100 basis points, commencing as of the first day of the month following the due date therefor, or the first day of the month following resolution of the dispute.

B. **Management Fee** . Owner shall pay to Manager as the full amount due for the services herein provided a monthly fee (the "Management Fee") which shall be six percent (6%) of the Property's current month Owner's Revenue, as determined on a cash basis. The Management Fee payment shall be included with the reimbursement of Expenses pursuant to Section 4(a) above, for the same month. The invoice for the management fee shall be itemized and shall include reasonable detail to explain the expenses incurred.

Except as provided in this Section 4, it is further understood and agreed that Manager shall not be entitled to additional compensation of any kind in connection with the performance by it of its duties under this Agreement.

C. **Inspection of Books and Records** . Owner shall have the right, upon prior reasonable notice to Manager, to inspect Manager's books and records with respect to the Property, to assure that proper fees and charges are assessed hereunder. Manager shall cooperate with any such inspection. Owner shall bear the cost of any such inspection; provided, however, that if it is clearly demonstrated that Manager has overcharged Owner by more than 5% in any given quarter and such overcharge was not caused in whole or part by Owner, the cost of such inspection shall be borne by Manager. Manager shall promptly reimburse Owner for any overpayment.

5. Use of Trademarks, Service Marks and Related Items.

Owner acknowledges the significant value of the "U-Haul" name in the operations of Owner's property and it is therefore understood and agreed that the name, trademark and service mark "U-Haul", and related marks, slogans, caricatures, designs and other trade or service items (the "Manager Trade Marks") shall be utilized for the non-exclusive benefit of Owner in the rental and operation of the Property, and in comparable operations elsewhere. It is further understood and agreed that this name and all such marks, slogans, caricatures, designs and other trade or service items shall remain and be at all times the property of Manager and its affiliates, and that, except as expressly provided in this Agreement, Owner shall have no right whatsoever therein. Owner agrees that during the term of this agreement the sign faces at the property will have the name "U-Haul." Upon termination of this agreement at any time for any reason, all such use by and for the benefit of Owner of any such name, mark, slogan, caricature, design or other trade or service item in connection with the Property shall be terminated and any signs bearing any of the foregoing shall be removed from view and no longer used by Owner. In addition, upon termination of this Agreement at any time for any reason, Owner shall not enter into any new leases of Property using the Manager lease form or use other forms prepared by Manager. It is understood and agreed that Manager will use and shall be unrestricted in its use of such name, mark, slogan, caricature, design or other trade or

service item in the management and operation of other storage facilities both during and after the expiration or termination of the term of this Agreement.

6. Default; Termination.

A. Any material failure by Manager or Owner (a "Defaulting Party") to perform its respective duties or obligations hereunder (other than a default by Owner under Section 4 of this Agreement), which material failure is not cured within thirty (30) calendar days after receipt of written notice of such failure from the non-defaulting party, shall constitute an event of default hereunder; provided, however, the foregoing shall not constitute an event of default hereunder in the event the Defaulting Party commences cure of such material failure within such thirty (30) day period and diligently prosecutes the cure of such material failure thereafter but in no event shall such extended cure period exceed ninety (90) days from the date of receipt by the non-defaulting party of written notice of such material default; provided further, however, that in the event such material failure constitutes a default under the terms of the Loan Documents and the cure period for such matter under the Loan Documents is shorter than the cure period specified herein, the cure period specified herein shall automatically shorten such that it shall match the cure period for such matter as specified under the Loan Documents. In addition, following notice to Manager of the existence of any such material failure by Manager, Owner shall have the right to cure any such material failure by Manager, and any sums so expended in curing shall be owed by Manager to such curing party and may be offset against any sums owed to Manager under this Agreement.

B. Any material failure by Owner to perform its duties or obligations under Section 4, which material failure is not cured within ten (10) calendar days after receipt of written notice of such failure from Manager, shall constitute an event of default hereunder.

C. Subject to the terms of the Loan Documents, either party hereto shall have the right to terminate this Agreement, with or without cause, by giving not less than ninety (90) days' written notice to the other party hereto, pursuant to Section 14 hereof.

D. Upon termination of this Agreement, (x) Manager shall promptly return to Owner all monies, books, records and other materials held by Manager for or on behalf of Owner and shall otherwise cooperate with Owner to promote and ensure a smooth transition to the new manager and (y) Manager shall be entitled to receive its Management Fee and reimbursement of expenses through the effective date of such termination, including the reimbursement of any prepaid expenses for periods beyond the date of termination (such as Yellow Pages advertising).

7. Indemnification.

Manager hereby agrees to indemnify, defend and hold Owner, all persons and companies affiliated with Owner, and all officers, shareholders, directors, employees and agents of Owner and of any affiliated companies or persons (collectively, the "Indemnified Persons") harmless from any and all costs, expenses, attorneys' fees, suits, liabilities, judgments, damages, and claims in connection with the management of the Property and operations thereon (including the loss of use thereof following any damage, injury or destruction), arising from any cause or matter whatsoever, including, without limitation, any environmental condition or matter caused by Manager's operation of the Property, except to the extent attributable to the willful misconduct or negligence on the part of the Indemnified Persons.

8. Assignment.

Manager shall not assign this Agreement, or any portion hereof of the duties hereunder, to any party without the consent of Owner.

9. Standard for Property Manager's Responsibility.

Manager agrees that it will perform its obligations hereunder according to industry standards, in good faith, and in a commercially reasonable manner.

10. Estoppel Certificate.

Each of Owner and Manager agree to execute and deliver to one another, from time to time, within ten (10) business days of the requesting party's request, a statement in writing certifying, to the extent true, that this Agreement is in full force and effect, and acknowledging that there are not, to such parties knowledge, any uncured defaults or specifying such defaults if they are claimed and any such other matters as may be reasonably requested by such requesting party.

11. Term; Scope.

Subject to the provisions hereof, this Agreement shall have an initial term (such term, as extended or renewed in accordance with the provisions hereof, being called the "Term") commencing on the date hereof (the "Commencement Date") and ending on the later of (i) the last day of the two hundred and fortieths (240th) calendar month next following the date hereof or (ii) the maturity date, repayment or prepayment of the applicable Loan Documents (the "Expiration Date"); provided however, the parties shall have the right upon mutual agreement to terminate this Agreement with respect to any individual Property no longer subject to the Loan Documents (for instance due to a significant casualty or condemnation of such Property).

12. Headings.

The headings contained herein are for convenience of reference only and are not intended to define, limit or describe the scope or intent of any provision of this Agreement.

13. Governing Law.

The validity of this Agreement, the construction of its terms and the interpretation of the rights and duties of the parties shall be governed by the internal laws of the State of Nevada.

14. Notices.

Any notice required or permitted herein shall be in writing and shall be personally delivered or mailed first class postage prepaid or delivered by an overnight delivery service to the respective addresses of the parties set forth above on the first page of this Agreement, or to such other address as any party may give to the other in writing. Any notice required by this Agreement will be deemed to have been given when personally served or one day after delivery to an overnight delivery service or five days after deposit in the first class mail. Any notice to Owner shall be to the attention of c/o U-Haul International, Inc., 2727 N. Central Avenue, Phoenix, AZ 85004, Attn: Secretary. Any notice to Manager shall be to the attention of c/o U-Haul International, Inc., 2721 North Central Avenue, Phoenix, AZ 85004, Attn: Chief Financial Officer.

15. Severability.

Should any term or provision hereof be deemed invalid, void or unenforceable either in its entirety or in a particular application, the remainder of this Agreement shall nonetheless remain in full force and effect and, if the subject term or provision is deemed to be invalid, void or unenforceable only with respect to a particular application, such term or provision shall remain in full force and effect with respect to all other applications.

16. Successors.

This Agreement shall be binding upon and inure to the benefit of the respective parties hereto and their permitted assigns and successors in interest.

17. Attorneys' Fees.

If it shall become necessary for any party hereto to engage attorneys to institute legal action for the purpose of enforcing their respective rights hereunder or for the purpose of defending legal action brought by the other party hereto, the party or parties prevailing in such litigation shall be entitled to receive all costs, expenses and fees (including reasonable attorneys' fees) incurred by it in such litigation (including appeals).

18. Counterparts.

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

19. Supersedes Prior Agreement.

This Agreement supersedes and serves to terminate any prior property management agreement among the parties hereto with respect to the Properties.

IN WITNESS WHEREOF, the undersigned execute this Agreement as of the date set forth above.

Owner:

Three SAC Self-Storage Corporation, a Nevada corporation

By: _____
Bruce Brockhagen, Secretary and Treasurer

Manager:

U-Haul Co. (Canada), Ltd.

By: _____
Jennifer M. Settles, Secretary

Exhibit A

List of Properties

886001 , U- H aul Storage Aurora , 51 Industrial Parkway North , Aurora , ON , L4G4C4
886002 , U-H aul Storage Hamilton , 1070-1088 Rymal Road East , Hamilton , ON , L8W3N6
886003 , U-Haul Storage Waterloo , 585 Colby Drive , Waterloo , ON , N2V1A1
852028 , U-Haul Storage Fairway Road , 555 Fairway Road SouthKitchener , ON , N2C1X4
886005 , U-Haul Storage Newmarket , 225 Harry Walker Parkway S ., Newmarket , ON , L3Y7G3
886006 , U-Haul Storage Walker Road , 5025 Walker RoadWindsor , ON , N9A6J3
841032 , U-Haul Storage Oakville , 478 Woody RoadOakville , ON , L6K3T6
886009 , U-Haul Storage Vine Street , 72 Vine Street , Saint Catharines , ON, L2R7N4
886010 , U-Haul Storage Towerline Place , 95 Towerline Place , London , ONN6E2T3
886011 , U-Haul Storage Of Burlington , 3476 Mainway Avenue , Burlington , ON, 7M1A8

PROPERTY MANAGEMENT AGREEMENT

THIS PROPERTY MANAGEMENT AGREEMENT (this "Agreement") is entered into as of December 16, 2014 among Galaxy Storage Two, L.P., a Nevada limited partnership ("Owner"), and the subsidiaries of U-Haul International, Inc. set forth on the signature block hereto (collectively or individually, as the case may be, "Manager").

RECITALS

A. Owner is the owner of the real property and all improvements thereon and appurtenances thereto located at the street addresses identified on Exhibit A hereto (hereinafter, collectively the "Property").

B. Owner intends that the Property be rented on a space-by-space retail basis to corporations, partnerships, individuals and/or other entities for use as self-storage facilities.

C. Owner desires that Manager manage the Property and Manager desires to act as the property manager for the Property, all in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto hereby agree as follows.

1. Employment.

A. Owner hereby retains Manager, and Manager agrees to act as manager of the Property upon the terms and conditions hereinafter set forth. Any prior property management agreement between Owner and Manager is hereby terminated.

B. Owner acknowledges that Manager, and/or Manager affiliates, is in the business of managing self-storage facilities and businesses conducted thereat, including, but not limited to, the sale of packing supplies and rental of trucks and equipment, both for its own account and for the account of others. It is hereby expressly agreed that notwithstanding this Agreement, Manager and such affiliates may continue to engage in such activities, may manage facilities other than those presently managed by Manager and its affiliates (whether or not such other facilities may be in direct or indirect competition with Owner) and may in the future engage in other business which may compete directly or indirectly with activities of Owner.

C. In the performance of its duties under this Agreement, Manager shall occupy the position of an independent contractor with respect to Owner. Nothing contained herein shall be construed as making the parties hereto (or any of them) partners or co-parties to a joint venture, nor construed as making Manager an employee of Owner.

2. Duties and Authority of Manager.

Subject to the terms and conditions of this Agreement, on behalf of, and as agent of, the Owner:

A. **General Duties and Authority** . Manager shall have the sole and exclusive duty and authority to fully manage the Property and supervise and direct the business and affairs

associated or related to the daily operation thereof, to collect on behalf of Owner all revenues related to the Property, to pay on behalf of Owner all expenses of the Property, and to execute on behalf of Owner such documents and instruments as, in the sole judgment of Manager, are reasonably necessary or advisable under the circumstances in order to fulfill Manager's duties hereunder. Such duties and authority shall include, without limitation, those set forth below. Notwithstanding the foregoing or any other term or provision herein, upon notice to Manager, Owner shall have the right to assume responsibility for the direct payment of certain expenses of Owner, as may be determined by Owner. In such event, Owner shall provide an accounting of such costs to Manager. In the event Owner fails to provide such accounting to Manager, Manager shall assume no liability for nonpayment for such expenses so assumed by Owner. The parties acknowledge and agree that Owner will retain title to, ownership of, and exclusive right to control the Property, subject to the terms of this Agreement, and that portion of the Gross Revenue (as hereinafter defined) owned by Owner ("Owner's Revenue"); and that Manager will not acquire title to, any interest in, or any income or revenues from the Property or Owner's Revenue. For purposes of this Agreement, Owner's Revenue consists of the revenue from storage operations, retail sales, miscellaneous income and the commissions ("U-Move Commissions") paid to Owner pursuant to the terms of that Dealer Contract between Owner and Manager dated as of the date hereof (the "Dealer Contract"), in each case with respect to the Property. In performing its services and making any payments hereunder, Manager will make known to third parties that Manager is acting solely as the agent of Owner. Under no circumstances will Manager represent or hold itself out to any third party as having any title to or property interest in the Property or Owner's Revenue.

B. Renting of the Property . Manager shall establish policies and procedures for the marketing activities for the Property, and shall advertise the Property through such media as Manager deems advisable. Manager's marketing activities for the Property shall be consistent with the scope and quality implemented by Manager and its affiliates at any other properties operated by Manager or its affiliates. Manager shall have the sole discretion, which discretion shall be exercised in good faith, to establish the terms and conditions of occupancy by the tenants of the Property, and Manager is hereby authorized to enter into rental agreements on behalf and for the account of Owner with such tenants and to collect rent from such tenants on behalf and for the account of Owner. Manager may jointly advertise the Property with other properties owned or managed by Manager or its Affiliates, and in that event, Manager shall reasonably allocate the cost of such advertising among such properties.

C. Repair, Maintenance and Improvements . Manager shall make, execute, supervise and have control over the making and executing of all decisions concerning the acquisition of furniture, fixtures and supplies for the Property, and may purchase, lease or otherwise acquire the same and which items shall be owned by Manager. Manager shall make and execute, or supervise and have control over the making and executing of all decisions concerning the maintenance, repair and landscaping of the Property, provided, however, that such maintenance, repair and landscaping shall be consistent with the maintenance, repair and landscaping implemented by Manager and its affiliates at any other properties operated by Manager or its affiliates. Manager shall, on behalf of Owner, negotiate and contract for and supervise the installation of all capital improvements related to the Property; provided, however, that Manager agrees to secure the prior written approval of Owner on all such expenditures in excess of \$10,000.00 for any one item, except monthly or recurring operating charges and/or emergency repairs if in the opinion of Manager such emergency repairs are necessary to protect the Property from damage or to maintain services to the Owner or any customers. In the event such emergency repairs exceed \$10,000, Manager shall notify Owner and the insurer as applicable of the cost estimate for such work.

A. **Personnel** . Manager shall select all vendors, suppliers, contractors, subcontractors and employees with respect to the Property and shall hire, discharge and supervise all labor and employees required for the operation and maintenance of the Property. Any employees so hired shall be employees of Manager, and shall be carried on the payroll of Manager. Employees may include, but need not be limited to, on-site resident managers, on-site assistant managers, and relief managers located, rendering services, or performing activities on the Property in connection with its operation and management. The cost of employing such persons shall not exceed prevailing rates for comparable persons performing the same or similar services with respect to real estate similar to the Property in the general vicinity of each respective Property. Manager shall be responsible for all legal and insurance requirements relating to its employees.

B. **Service Agreements** . Manager shall negotiate and execute on behalf of Owner such agreements which Manager deems necessary or advisable for the furnishing of utilities, services, concessions and supplies, for the maintenance, repair and operation of the Property and such other agreements which may benefit the Property or be incidental to the matters for which Manager is responsible hereunder.

C. **Other Decisions** . Manager shall make the decisions in connection with the day-to-day operations of the Property.

D. **Regulations and Permits** . Manager shall comply in all respects with any statute, ordinance, law, rule, regulation or order of any governmental or regulatory body pertaining to the Property (collectively, "Laws"), respecting the use of the Property or the maintenance or operation thereof, the non-compliance with which could reasonably be expected to have a material adverse effect on Owner or any Property. Manager shall apply for and obtain and maintain, on behalf of Owner, all licenses and permits required or advisable (in the reasonable judgment of Manager) in connection with the management and operation of the Property. Notwithstanding the foregoing, Manager shall be permitted to contest any Applicable Laws to the extent and pursuant to the same conditions that Owner is permitted to contest any Laws. To the extent that Manager does not comply, Manager will be responsible for the costs and penalties incurred as a result of the non-compliance.

E. **Records and Reports of Disbursements and Collections** . Manager shall establish, supervise, direct and maintain the operation of a system of cash record keeping and bookkeeping with respect to all receipts and disbursements and all business activities and operations conducted by Manager in connection with the management and operation of the Property. Manager shall be responsible for cash shortages and discrepancies incurred in the normal course of management operations. The books, records and accounts shall be maintained at the Manager's office or at Owner's office, or at such other location as Manager and Owner shall determine, and shall be available and open to examination and audit quarterly by Owner, its representatives, its lender, if any ("Lender"), and as provided by Owner, and, subject to any mortgagee of the Property, and such mortgagee's representative. Manager shall cause to be prepared and delivered to Owner a monthly statement on a per-Property basis, of receipts, expenses and charges, and any other information as reasonably required by Owner to prepare its financials statements, together with a statement, on a per-Property basis, of the disbursements made by Manager during such period on Owner's behalf, which shall include separate lines for prepaid items and inventory. Manager shall provide Owner with rent rolls and occupancy reports if requested.

A. **Collection** . Manager shall be responsible for the billing and collection of all receipts and for payment of all expenses with respect to the Property and shall be responsible for establishing policies and procedures to minimize the amount of bad debts. Bad debt incurred as a result of non compliance with management policies and procedures (such as improper verifications or acceptance of bad credit cards or bad checks) will be the responsibility of Manager.

B. **Legal Action** . Manager shall cause to be instituted, on behalf and in its name or in the name of Owner as appropriate, any and all legal actions or proceedings Manager deems necessary or advisable in connection with the Property, including, without limitation, to collect charges, rent or other income due to Owner with respect to the Property and to oust or dispossess tenants where appropriate or other persons unlawfully in possession under any lease, license, concession agreement or otherwise, and to collect damages for breach thereof or default thereunder by such Owner, licensee, concessionaire or occupant.

C. **Insurance** . Manager will insure, on its Master Policy, against all liabilities at the Property at Manager's sole cost and expense ("General Liability Insurance"). Any deductibles or self-insured retentions with respect to the General Liability Insurance shall be at Manager's (or Manager's U-Haul affiliates') responsibility and sole cost and expense. Manager will insure equipment at Manager's cost, as determined by Manager. If requested by Owner, Manager will obtain for Owner, at Owner's sole cost and expense, a policy of property insurance ("Property and Casualty Insurance"). Any such Property & Casualty Insurance shall meet Lender's required coverage, to include earthquake, flood and other Lender requirements, as the case may be, and shall be the cost of Owner.

D. **Taxes** . During the term of this Agreement, Manager shall pay on behalf of Owner, prior to delinquency, real estate taxes, personal property taxes, and other taxes assessed to, or levied upon, the Property, but only in the event requested by Owner. If requested, Manager will charge to Owner an expense monthly equal to 1/12 of annual- real property taxes.

E. **Limitations on Manager Authority** . Notwithstanding anything to the contrary set forth in this Section 2, Manager shall not, without obtaining the prior written consent of Owner, (i) rent storage space in the Property by written lease or agreement for a stated term in excess of one year unless such lease or agreement is terminable by the giving of not more than thirty (30) days written notice, (ii) alter the building or other structures of the Property in violation of loan documents executed by Owner in connection with the Property ("Loan Documents"); (iii) enter on behalf of Owner any other agreements which exceed a term of one year and are not terminable on thirty day's notice at the will of Owner, without penalty, payment or surcharge; (iv) act in violation of any Law, (v) violate any term or condition of the Loan Documents; (vi) fail to correct any misunderstanding of any third party of which Manager becomes aware as to the separateness of Owner and Manager; or (vii) except as explicitly set forth in this Agreement, exercise any authority to act on behalf of, or hold itself out as having authority to act on behalf of, Owner.

F. **Shared Expenses** . Owner acknowledges that certain economies may be achieved with respect to certain expenses to be incurred by Manager on behalf of Owner hereunder if materials, supplies, insurance or services are purchased by Manager in quantity for use not only in connection with Owner's business at the Property but in connection with other properties owned or managed by Manager or its affiliates. Manager shall have the right to purchase such materials, supplies, insurance (subject to the terms of this Agreement) and/or services in its own name and charge Owner a pro rata allocable share of the cost of the foregoing; provided, however, that the pro

rata cost of such purchase to Owner shall not result in expenses that are either inconsistent with the expenses of other "U-Haul branded" locations in the general vicinity of the applicable Property or greater than would otherwise be incurred at competitive prices and terms available in the area where the Property is located; and provided further, Manager shall give Owner access to records (at no cost to Owner) so Owner may review any such expenses incurred.

- **Deposit of Gross Revenues** . All revenue from operations at the Property ("Gross Revenue") shall be deposited daily by Manager into (i) a bank account that has been established for the benefit of Owner (the "Deposit Account") and maintained by Manager (or its parent company); or (ii) a collective bank account (the "Collective Account") maintained by Manager (or its parent company) for the benefit of multiple property owners. In either case, although the account may be in Owner's name, Owner's right to the proceeds therein only extends to Owner's Revenue. On a daily basis, Manager shall transfer Owner's Revenue in the Deposit Account or Collective Account, as the case may be, to Owner's separately identified depository account pledged to Lender ("Blocked Account"). To the extent that Gross Revenue is deposited into a Collective Account, Manager (or its parent company) shall on a daily basis reconcile such Collective Account and maintain such records as shall clearly identify the respective interest of each property owner in such account. Manager shall not, and shall not permit any other property owner or any affiliate of Manager to borrow, lend or use Owner's Revenue while it is in a Collective Account. The payment of Owner's U-Move Commissions shall be governed by the terms of the Dealer Contract. Nothing in this Section shall be construed to limit Owner's access to Owner's Revenue. All funds shall be deposited and applied as required pursuant to Owner's loan documents with Lender.

- **Obligations under Loan Documents and other Material Contracts** . Manager shall take such actions as are necessary or appropriate under the circumstances to ensure, to the extent Manager is privy to the information, that Owner is in compliance with the terms of the Loan Documents and any other material agreement relating to the Property to which Owner is a party and for which Manager is privy to the information. Notwithstanding the foregoing, nothing herein contained shall be deemed to obligate Manager to fund from its own resources any payments owed by Owner under the Loan Documents or otherwise be deemed to make Manager a direct obligor under the Loan Documents.

- **Obligations notwithstanding other Tenancy at the Property** . Manager shall perform all of its obligations under this Agreement in a professional manner consistent with the standards it employs at all of its managed locations.

- **Segregation** . Owner and Manager shall maintain the Property and Owner's Revenue in such a manner that it is not costly or difficult to segregate, ascertain or identify Owner's individual assets from those of Manager or any other person.

3. Duties of Owner.

Owner shall cooperate with Manager in the performance of Manager's duties under this Agreement and to that end, upon the request of Manager, shall provide, at such rental charges, if any, as are deemed appropriate, reasonable office space for Manager employees on the premises of the Property (to the extent available). Owner shall not unreasonably withhold or delay any consent or authorization to Manager required or appropriate under this Agreement. Owner shall provide Manager with copies of all Loan Documents and any amendments thereto.

4. Compensation of Manager.

A. **Reimbursement of Expenses** . Manager shall be entitled to request and receive timely reimbursement for all timely authorized out-of-pocket reasonable and customary expenses ("Expenses") actually incurred by Manager in the discharge of its duties hereunder. Such expense reimbursement shall be due by the last business day of each month, for all expenses billed during such month, unless a written request is received by Manager detailing a legitimate dispute as to a billed amount. Such reimbursement shall be the obligation of Owner, whether or not Owner's Revenues are sufficient to pay such amounts. Unpaid balances shall accrue interest at the rate of the 30 day labor + 100 basis points, commencing as of the first day of the month following the due date therefor, or the first day of the month following resolution of the dispute.

B. **Management Fee** . Owner shall pay to Manager as the full amount due for the services herein provided a monthly fee (the "Management Fee") which shall be six percent (6%) of the Property's current month Owner's Revenue, as determined on a cash basis. The Management Fee payment shall be included with the reimbursement of Expenses pursuant to Section 4(a) above, for the same month. The invoice for the management fee shall be itemized and shall include reasonable detail to explain the expenses incurred.

Except as provided in this Section 4, it is further understood and agreed that Manager shall not be entitled to additional compensation of any kind in connection with the performance by it of its duties under this Agreement.

C. **Inspection of Books and Records** . Owner shall have the right, upon prior reasonable notice to Manager, to inspect Manager's books and records with respect to the Property, to assure that proper fees and charges are assessed hereunder. Manager shall cooperate with any such inspection. Owner shall bear the cost of any such inspection; provided, however, that if it is clearly demonstrated that Manager has overcharged Owner by more than 5% in any given quarter and such overcharge was not caused in whole or part by Owner, the cost of such inspection shall be borne by Manager. Manager shall promptly reimburse Owner for any overpayment.

5. Use of Trademarks, Service Marks and Related Items.

Owner acknowledges the significant value of the "U-Haul" name in the operations of Owner's property and it is therefore understood and agreed that the name, trademark and service mark "U-Haul", and related marks, slogans, caricatures, designs and other trade or service items (the "Manager Trade Marks") shall be utilized for the non-exclusive benefit of Owner in the rental and operation of the Property, and in comparable operations elsewhere. It is further understood and agreed that this name and all such marks, slogans, caricatures, designs and other trade or service items shall remain and be at all times the property of Manager and its affiliates, and that, except as expressly provided in this Agreement, Owner shall have no right whatsoever therein. Owner agrees that during the term of this agreement the sign faces at the property will have the name "U-Haul." Upon termination of this agreement at any time for any reason, all such use by and for the benefit of Owner of any such name, mark, slogan, caricature, design or other trade or service item in connection with the Property shall be terminated and any signs bearing any of the foregoing shall be removed from view and no longer used by Owner. In addition, upon termination of this Agreement at any time for any reason, Owner shall not enter into any new leases of Property using the Manager lease form or use other forms prepared by Manager. It is understood and agreed that Manager will use and shall be unrestricted in its use of such name, mark, slogan, caricature, design or other trade or

service item in the management and operation of other storage facilities both during and after the expiration or termination of the term of this Agreement.

6. Default; Termination.

A. Any material failure by Manager or Owner (a "Defaulting Party") to perform its respective duties or obligations hereunder (other than a default by Owner under Section 4 of this Agreement), which material failure is not cured within thirty (30) calendar days after receipt of written notice of such failure from the non-defaulting party, shall constitute an event of default hereunder; provided, however, the foregoing shall not constitute an event of default hereunder in the event the Defaulting Party commences cure of such material failure within such thirty (30) day period and diligently prosecutes the cure of such material failure thereafter but in no event shall such extended cure period exceed ninety (90) days from the date of receipt by the non-defaulting party of written notice of such material default; provided further, however, that in the event such material failure constitutes a default under the terms of the Loan Documents and the cure period for such matter under the Loan Documents is shorter than the cure period specified herein, the cure period specified herein shall automatically shorten such that it shall match the cure period for such matter as specified under the Loan Documents. In addition, following notice to Manager of the existence of any such material failure by Manager, Owner shall have the right to cure any such material failure by Manager, and any sums so expended in curing shall be owed by Manager to such curing party and may be offset against any sums owed to Manager under this Agreement.

B. Any material failure by Owner to perform its duties or obligations under Section 4, which material failure is not cured within ten (10) calendar days after receipt of written notice of such failure from Manager, shall constitute an event of default hereunder.

C. Subject to the terms of the Loan Documents, either party hereto shall have the right to terminate this Agreement, with or without cause, by giving not less than ninety (90) days' written notice to the other party hereto, pursuant to Section 14 hereof.

D. Upon termination of this Agreement, (x) Manager shall promptly return to Owner all monies, books, records and other materials held by Manager for or on behalf of Owner and shall otherwise cooperate with Owner to promote and ensure a smooth transition to the new manager and (y) Manager shall be entitled to receive its Management Fee and reimbursement of expenses through the effective date of such termination, including the reimbursement of any prepaid expenses for periods beyond the date of termination (such as Yellow Pages advertising).

7. Indemnification.

Manager hereby agrees to indemnify, defend and hold Owner, all persons and companies affiliated with Owner, and all officers, shareholders, directors, employees and agents of Owner and of any affiliated companies or persons (collectively, the "Indemnified Persons") harmless from any and all costs, expenses, attorneys' fees, suits, liabilities, judgments, damages, and claims in connection with the management of the Property and operations thereon (including the loss of use thereof following any damage, injury or destruction), arising from any cause or matter whatsoever, including, without limitation, any environmental condition or matter caused by Manager's operation of the Property, except to the extent attributable to the willful misconduct or negligence on the part of the Indemnified Persons.

8. Assignment.

Manager shall not assign this Agreement, or any portion hereof of the duties hereunder, to any party without the consent of Owner.

9. Standard for Property Manager's Responsibility.

Manager agrees that it will perform its obligations hereunder according to industry standards, in good faith, and in a commercially reasonable manner.

10. Estoppel Certificate.

Each of Owner and Manager agree to execute and deliver to one another, from time to time, within ten (10) business days of the requesting party's request, a statement in writing certifying, to the extent true, that this Agreement is in full force and effect, and acknowledging that there are not, to such parties knowledge, any uncured defaults or specifying such defaults if they are claimed and any such other matters as may be reasonably requested by such requesting party.

11. Term; Scope.

Subject to the provisions hereof, this Agreement shall have an initial term (such term, as extended or renewed in accordance with the provisions hereof, being called the "Term") commencing on the date hereof (the "Commencement Date") and ending on the later of (i) the last day of the two hundred and fortieths (240th) calendar month next following the date hereof or (ii) the maturity date, repayment or prepayment of the applicable Loan Documents (the "Expiration Date"); provided however, the parties shall have the right upon mutual agreement to terminate this Agreement with respect to any individual Property no longer subject to the Loan Documents (for instance due to a significant casualty or condemnation of such Property).

12. Headings.

The headings contained herein are for convenience of reference only and are not intended to define, limit or describe the scope or intent of any provision of this Agreement.

13. Governing Law.

The validity of this Agreement, the construction of its terms and the interpretation of the rights and duties of the parties shall be governed by the internal laws of the State of Nevada.

14. Notices.

Any notice required or permitted herein shall be in writing and shall be personally delivered or mailed first class postage prepaid or delivered by an overnight delivery service to the respective addresses of the parties set forth above on the first page of this Agreement, or to such other address as any party may give to the other in writing. Any notice required by this Agreement will be deemed to have been given when personally served or one day after delivery to an overnight delivery service or five days after deposit in the first class mail. Any notice to Owner shall be to the attention of c/o U-Haul International, Inc., 2727 N. Central Avenue, Phoenix, AZ 85004, Attn: Secretary. Any notice to Manager shall be to the attention of c/o U-Haul International, Inc., 2721 North Central Avenue, Phoenix, AZ 85004, Attn: Chief Financial Officer.

15. Severability.

Should any term or provision hereof be deemed invalid, void or unenforceable either in its entirety or in a particular application, the remainder of this Agreement shall nonetheless remain in full force and effect and, if the subject term or provision is deemed to be invalid, void or unenforceable only with respect to a particular application, such term or provision shall remain in full force and effect with respect to all other applications.

16. Successors.

This Agreement shall be binding upon and inure to the benefit of the respective parties hereto and their permitted assigns and successors in interest.

17. Attorneys' Fees.

If it shall become necessary for any party hereto to engage attorneys to institute legal action for the purpose of enforcing their respective rights hereunder or for the purpose of defending legal action brought by the other party hereto, the party or parties prevailing in such litigation shall be entitled to receive all costs, expenses and fees (including reasonable attorneys' fees) incurred by it in such litigation (including appeals).

18. Counterparts.

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

19. Supersedes Prior Agreement.

This Agreement supersedes and serves to terminate any prior property management agreement among the parties hereto with respect to the Properties.

IN WITNESS WHEREOF, the undersigned execute this Agreement as of the date set forth above.

Owner:

Galaxy Storage Two, L.P., a Nevada limited partnership

By: Galaxy Storage Two GP Corporation,
a Nevada corporation, its General Partner

By: _____
Bruce Brockhagen, Secretary and Treasurer

Manager:

U-Haul Co. of Arizona, an Arizona corporation
U-Haul Co. of Florida, a Florida corporation
U-Haul Co. of Missouri, a Missouri corporation
U-Haul Co. of New York and Vermont, Inc., a New York corporation
U-Haul Co. of North Carolina, a North Carolina corporation
U-Haul Co. of North Dakota, a North Dakota corporation
U-Haul Co. of Pennsylvania, a Pennsylvania corporation
U-Haul Co of Rhode Island, a Rhode Island corporation
U-Haul Co. of Washington, a Washington corporation

By: _____
Jennifer M. Settles, Secretary

Exhibit A

List of Properties

786055	U-Haul Moving & Storage at Westchase	11401 W Hillsborough Ave	TAMPA	FL	33635
796049	U-Haul Moving & Storage of Pawtucket	125. Ne well Ave	PAWTUCKET	RI	2860
882058	U-Haul Moving & Storage of Sunsplash	125. W. Hampton Ave	MESA	AZ	85210
882067	U-Haul Moving & Storage at E 32nd St	1175. E. 3 2nd St	YUMA	AZ	85365
884086	U-Haul Moving & Storage at Mexico Rd	7440. Mexi co Rd	SAINT PETERS	MO	63376
725041	U-Haul Moving & Storage of Bismarck	1453. Inter state Loop	BISMARCK	ND	58503
797030	U-Haul Moving & Storage of Newburgh/Middlehope	5336. Rte. 9 W	NEWBURGH	NY	12550
801038	U-Haul Moving & Storage of Bellingham	4549. Merid ian St	BELLINGHAM	WA	98226
810036	U-Haul Moving & Storage of Easton	2413. Naza reth Rd	EASTON	PA	18045
882072	U-Haul Moving & Storage at Commercial Ave	5505. Comm ercial Ave	RALEIGH	NC	27612
884006	U-Haul Moving & Storage of Menands	40 Simmons Ln	MENANDS	NY	12204

PROPERTY MANAGEMENT AGREEMENT

THIS PROPERTY MANAGEMENT AGREEMENT (this "Agreement") is entered into as of June 25, 2015 among 2015 SAC Self-Storage, LLC, a Delaware limited liability company ("Owner"), and the subsidiaries of U-Haul International, Inc. set forth on the signature block hereto (collectively or individually, as the case may be, "Manager").

RECITALS

A.Owner is the owner of the real property and all improvements thereon and appurtenances thereto located at the street addresses identified on Exhibit A hereto (hereinafter, collectively the "Property").

B.Owner intends that the Property be rented on a space-by-space retail basis to corporations, partnerships, individuals and/or other entities for use as self-storage facilities.

C.Owner desires that Manager manage the Property and Manager desires to act as the property manager for the Property, all in accordance with the terms and conditions of this Agreement.

D.The parties agree that this Agreement supersedes and replaces any other property management agreement ("Prior Agreement") between the parties hereto and/or their respective predecessors in interest, as the case may be, with respect to the Property, any such Prior Agreement being hereby terminated as of the date hereof.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto hereby agree as follows.

1. Employment

(a) Owner hereby retains Manager, and Manager agrees to act as manager of the Property upon the terms and conditions hereinafter set forth. Any prior property management agreement between Owner and Manager is hereby terminated.

(b) Owner acknowledges that Manager, and/or Manager affiliates, is in the business of managing self-storage facilities and businesses conducted thereat, including, but not limited to, the sale of packing supplies and rental of trucks and equipment, both for its own account and for the account of others. It is hereby expressly agreed that notwithstanding this Agreement, Manager and such affiliates may continue to engage in such activities, may manage facilities other than those presently managed by Manager and its affiliates (whether or not such other facilities may be in direct or indirect competition with Owner) and may in the future engage in other business which may compete directly or indirectly with activities of Owner.

(c) In the performance of its duties under this Agreement, Manager shall occupy the position of an independent contractor with respect to Owner. Nothing contained herein shall be construed as making the parties hereto (or any of them) partners or co-parties to a joint venture, nor construed as making Manager an employee of Owner.

2. Duties and Authority of Manager

Subject to the terms and conditions of this Agreement, on behalf of, and as agent of, the Owner:

(a) **General Duties and Authority** . Manager shall have the sole and exclusive duty and authority to fully manage the Property and supervise and direct the business and affairs associated or related to the daily operation thereof, to collect on behalf of Owner all revenues related to the Property, to pay on behalf of Owner all expenses of the Property, and to execute on behalf of Owner such documents and instruments as, in the sole judgment of Manager, are reasonably necessary or advisable under the circumstances in order to fulfill Manager's duties hereunder. Such duties and authority shall include, without limitation, those set forth below. Notwithstanding the foregoing or any other term or provision herein, upon notice to Manager, Owner shall have the right to assume responsibility for the direct payment of certain expenses of Owner, as may be determined by Owner. In such event, Owner shall provide an accounting of such costs to Manager. In the event Owner fails to provide such accounting to Manager, Manager shall assume no liability for nonpayment for such expenses so assumed by Owner. The parties acknowledge and agree that Owner will retain title to, ownership of, and exclusive right to control the Property, subject to the terms of this Agreement, and that portion of the Gross Revenue (as hereinafter defined) owned by Owner ("Owner's Revenue"); and that Manager will not acquire title to, any interest in, or any income or revenues from the Property or Owner's Revenue. For purposes of this Agreement, Owner's Revenue consists of the revenue from storage operations, retail sales, miscellaneous income and the commissions ("U-Move Commissions") paid to Owner pursuant to the terms of that Dealer Contract between Owner and Manager dated as of the date hereof (the "Dealer Contract"), in each case with respect to the Property. In performing its services and making any payments hereunder, Manager will make known to third parties that Manager is acting solely as the agent of Owner. Under no circumstances will Manager represent or hold itself out to any third party as having any title to or property interest in the Property or Owner's Revenue.

(b) **Renting of the Property** . Manager shall establish policies and procedures for the marketing activities for the Property, and shall advertise the Property through such media as Manager deems advisable. Manager's marketing activities for the Property shall be consistent with the scope and quality implemented by Manager and its affiliates at any other properties operated by Manager or its affiliates. Manager shall have the sole discretion, which discretion shall be exercised in good faith, to establish the terms and conditions of occupancy by the tenants of the Property, and Manager is hereby authorized to enter into rental agreements on behalf and for the account of Owner with such tenants and to collect rent from such tenants on behalf and for the account of Owner. Manager may jointly advertise the Property with other properties owned or managed by Manager or its Affiliates, and in that event, Manager shall reasonably allocate the cost of such advertising among such properties.

(c) **Repair, Maintenance and Improvements** . Manager shall make, execute, supervise and have control over the making and executing of all decisions concerning the acquisition of furniture, fixtures and supplies for the Property, and may purchase, lease or otherwise acquire the same and which items shall be owned by Manager. Manager shall make and execute, or supervise and have control over the making and executing of all decisions concerning the maintenance, repair and landscaping of the Property, provided, however, that such maintenance, repair and landscaping shall be consistent with the maintenance, repair and landscaping implemented by Manager and its affiliates at any other properties operated by Manager or its affiliates. Manager shall, on behalf of

Owner, negotiate and contract for and supervise the installation of all capital improvements related to the Property; provided, however, that Manager agrees to secure the prior written approval of Owner on all such expenditures in excess of \$10,000.00 for any one item, except monthly or recurring operating charges and/or emergency repairs if in the opinion of Manager such emergency repairs are necessary to protect the Property from damage or to maintain services to the Owner or any customers. In the event such emergency repairs exceed \$10,000, Manager shall notify Owner and the insurer as applicable of the cost estimate for such work.

(d) **Personnel** . Manager shall select all vendors, suppliers, contractors, subcontractors and employees with respect to the Property and shall hire, discharge and supervise all labor and employees required for the operation and maintenance of the Property. Any employees so hired shall be employees of Manager, and shall be carried on the payroll of Manager. Employees may include, but need not be limited to, on-site resident managers, on-site assistant managers, and relief managers located, rendering services, or performing activities on the Property in connection with its operation and management. The cost of employing such persons shall not exceed prevailing rates for comparable persons performing the same or similar services with respect to real estate similar to the Property in the general vicinity of each respective Property. Manager shall be responsible for all legal and insurance requirements relating to its employees.

(e) **Service Agreements** . Manager shall negotiate and execute on behalf of Owner such agreements which Manager deems necessary or advisable for the furnishing of utilities, services, concessions and supplies, for the maintenance, repair and operation of the Property and such other agreements which may benefit the Property or be incidental to the matters for which Manager is responsible hereunder.

(f) **Other Decisions** . Manager shall make the decisions in connection with the day-to-day operations of the Property.

(g) **Regulations and Permits** . Manager shall comply in all respects with any statute, ordinance, law, rule, regulation or order of any governmental or regulatory body pertaining to the Property (collectively, "Laws"), respecting the use of the Property or the maintenance or operation thereof, the non-compliance with which could reasonably be expected to have a material adverse effect on Owner or any Property. Manager shall apply for and obtain and maintain, on behalf of Owner, all licenses and permits required or advisable (in the reasonable judgment of Manager) in connection with the management and operation of the Property. Notwithstanding the foregoing, Manager shall be permitted to contest any Applicable Laws to the extent and pursuant to the same conditions that Owner is permitted to contest any Laws. To the extent that Manager does not comply, Manager will be responsible for the costs and penalties incurred as a result of the non-compliance.

(h) **Records and Reports of Disbursements and Collections** . Manager shall establish, supervise, direct and maintain the operation of a system of cash record keeping and bookkeeping with respect to all receipts and disbursements and all business activities and operations conducted by Manager in connection with the management and operation of the Property. Manager shall be responsible for cash shortages and discrepancies incurred in the normal course of management operations. The books, records and accounts shall be maintained at the Manager's office or at Owner's office, or at such other location as Manager and Owner shall determine, and shall be available and open to examination and audit quarterly by Owner, its representatives, its lender, if any ("Lender"), and as provided by Owner, and, subject to any mortgagee of the Property, and such

mortgagee's representative. Manager shall cause to be prepared and delivered to Owner a monthly statement on a per-Property basis, of receipts, expenses and charges, and any other information as reasonably required by Owner to prepare its financials statements, together with a statement, on a per-Property basis, of the disbursements made by Manager during such period on Owner's behalf, which shall include separate lines for prepaid items and inventory. Manager shall provide Owner with rent rolls and occupancy reports if requested.

(i) **Collection** . Manager shall be responsible for the billing and collection of all receipts and for payment of all expenses with respect to the Property and shall be responsible for establishing policies and procedures to minimize the amount of bad debts. Bad debt incurred as a result of non compliance with management policies and procedures (such as improper verifications or acceptance of bad credit cards or bad checks) will be the responsibility of Manager.

(j) **Legal Actions** . Manager shall cause to be instituted, on behalf and in its name or in the name of Owner as appropriate, any and all legal actions or proceedings Manager deems necessary or advisable in connection with the Property, including, without limitation, to collect charges, rent or other income due to Owner with respect to the Property and to oust or dispossess tenants where appropriate or other persons unlawfully in possession under any lease, license, concession agreement or otherwise, and to collect damages for breach thereof or default thereunder by such Owner, licensee, concessionaire or occupant.

(k) **Insurance** . Manager will insure, on its Master Policy, against all liabilities at the Property at Manager's sole cost and expense ("General Liability Insurance"). Any deductibles or self-insured retentions with respect to the General Liability Insurance shall be at Manager's (or Manager's U-Haul affiliates') responsibility and sole cost and expense. Manager will insure equipment at Manager's cost, as determined by Manager. If requested by Owner, Manager will obtain for Owner, at Owner's sole cost and expense, a policy of property insurance ("Property and Casualty Insurance"). Any such Property & Casualty Insurance shall meet Lender's required coverage, to include earthquake, flood and other Lender requirements, as the case may be, and shall be the cost of Owner.

(l) **Taxes** . During the term of this Agreement, Manager shall pay on behalf of Owner, prior to delinquency, real estate taxes, personal property taxes, and other taxes assessed to, or levied upon, the Property, but only in the event requested by Owner. If requested, Manager will charge to Owner an expense monthly equal to 1/12 of annual- real property taxes.

(m) **Limitations on Manager Authority** . Notwithstanding anything to the contrary set forth in this Section 2, Manager shall not, without obtaining the prior written consent of Owner, (i) rent storage space in the Property by written lease or agreement for a stated term in excess of one year unless such lease or agreement is terminable by the giving of not more than thirty (30) days written notice, (ii) alter the building or other structures of the Property in violation of loan documents executed by Owner in connection with the Property ("Loan Documents"); (iii) enter on behalf of Owner any other agreements which exceed a term of one year and are not terminable on thirty day's notice at the will of Owner, without penalty, payment or surcharge; (iv) act in violation of any Law, (v) violate any term or condition of the Loan Documents; (vi) fail to correct any misunderstanding of any third party of which Manager becomes aware as to the separateness of Owner and Manager; or (vii) except as explicitly set forth in this Agreement, exercise any authority to act on behalf of, or hold itself out has having authority to act on behalf of, Owner.

(n) **Shared Expenses** . Owner acknowledges that certain economies may be achieved with respect to certain expenses to be incurred by Manager on behalf of Owner hereunder if materials, supplies, insurance or services are purchased by Manager in quantity for use not only in connection with Owner's business at the Property but in connection with other properties owned or managed by Manager or its affiliates. Manager shall have the right to purchase such materials, supplies, insurance (subject to the terms of this Agreement) and/or services in its own name and charge Owner a pro rata allocable share of the cost of the foregoing; provided, however, that the pro rata cost of such purchase to Owner shall not result in expenses that are either inconsistent with the expenses of other "U-Haul branded" locations in the general vicinity of the applicable Property or greater than would otherwise be incurred at competitive prices and terms available in the area where the Property is located; and provided further, Manager shall give Owner access to records (at no cost to Owner) so Owner may review any such expenses incurred.

(o) **Deposit of Gross Revenues** . All revenue from operations at the Property ("Gross Revenue") shall be deposited daily by Manager into (i) a bank account that has been established for the benefit of Owner (the "Deposit Account") and maintained by Manager (or its parent company); or (ii) a collective bank account (the "Collective Account") maintained by Manager (or its parent company) for the benefit of multiple property owners. In either case, although the account may be in Owner's name, Owner's right to the proceeds therein only extends to Owner's Revenue. On a daily basis, Manager shall transfer Owner's Revenue in the Deposit Account or Collective Account, as the case may be, to Owner's separately identified depository account pledged to Lender ("Blocked Account"). To the extent that Gross Revenue is deposited into a Collective Account, Manager (or its parent company) shall on a daily basis reconcile such Collective Account and maintain such records as shall clearly identify the respective interest of each property owner in such account. Manager shall not, and shall not permit any other property owner or any affiliate of Manager to borrow, lend or use Owner's Revenue while it is in a Collective Account. The payment of Owner's U-Move Commissions shall be governed by the terms of the Dealer Contract. Nothing in this Section shall be construed to limit Owner's access to Owner's Revenue. All funds shall be deposited and applied as required pursuant to Owner's loan documents with Lender.

(p) **Obligations under Loan Documents and other Material Contracts** . Manager shall take such actions as are necessary or appropriate under the circumstances to ensure, to the extent Manager is privy to the information, that Owner is in compliance with the terms of the Loan Documents and any other material agreement relating to the Property to which Owner is a party and for which Manager is privy to the information. Notwithstanding the foregoing, nothing herein contained shall be deemed to obligate Manager to fund from its own resources any payments owed by Owner under the Loan Documents or otherwise be deemed to make Manager a direct obligor under the Loan Documents.

(q) **Obligations notwithstanding other Tenancy at the Property** . Manager shall perform all of its obligations under this Agreement in a professional manner consistent with the standards it employs at all of its managed locations.

(r) **Segregation** . Owner and Manager shall maintain the Property and Owner's Revenue in such a manner that it is not costly or difficult to segregate, ascertain or identify Owner's individual assets from those of Manager or any other person.

3. Duties of Owner.

Owner shall cooperate with Manager in the performance of Manager's duties under this Agreement and to that end, upon the request of Manager, shall provide, at such rental charges, if any, as are deemed appropriate, reasonable office space for Manager employees on the premises of the Property (to the extent available). Owner shall not unreasonably withhold or delay any consent or authorization to Manager required or appropriate under this Agreement. Owner shall provide Manager with copies of all Loan Documents and any amendments thereto.

4. Compensation of Manager.

(a) **Reimbursement of Expenses** . Manager shall be entitled to request and receive timely reimbursement for all timely authorized out-of-pocket reasonable and customary expenses ("Expenses") actually incurred by Manager in the discharge of its duties hereunder. Such expense reimbursement shall be due by the last business day of each month, for all expenses billed during such month, unless a written request is received by Manager detailing a legitimate dispute as to a billed amount. Such reimbursement shall be the obligation of Owner, whether or not Owner's Revenues are sufficient to pay such amounts. Unpaid balances shall accrue interest at the rate of the 30 day labor + 100 basis points, commencing as of the first day of the month following the due date therefor, or the first day of the month following resolution of the dispute.

(b) **Management Fee** . Owner shall pay to Manager as the full amount due for the services herein provided a monthly fee (the "Property Management Fee") which shall be five percent (5 %) of the Property's current month Owner's Revenue , and a monthly fee ("Asset Management Fee") which shall be one percent (1%) such Property's current month Owner's Revenue, both as determined on a cash basis. The Property Management Fee and Asset Management Fee payment shall be included with the reimbursement of Expenses pursuant to Section 4(a) above, for the same month. The invoice for the management fee s shall be itemized and shall include reasonable detail to explain the expenses incurred.

Notwithstanding the foregoing or any other term or provision herein, the Asset Management Fee shall be due and payable only to the extent amounts are available to pay such amount after the prior payment from Gross Revenues of all operating expenses for the Property (other than the Asset Management Fee) and all payments of principal, interest, funding of reserves and all other monetary obligations due and payable under the Loan Documents. Except as provided in this Section 4, it is further understood and agreed that Manager shall not be entitled to additional compensation of any kind in connection with the performance by it of its duties under this Agreement.

(c) **Inspection of Books and Records** . Owner shall have the right, upon prior reasonable notice to Manager, to inspect Manager's books and records with respect to the Property, to assure that proper fees and charges are assessed hereunder. Manager shall cooperate with any such inspection. Owner shall bear the cost of any such inspection; provided, however, that if it is clearly demonstrated that Manager has overcharged Owner by more than 5% in any given quarter and such overcharge was not caused in whole or part by Owner, the cost of such inspection shall be borne by Manager. Manager shall promptly reimburse Owner for any overpayment.

5. Use of Trademarks, Service Marks and Related Items.

Owner acknowledges the significant value of the "U-Haul" name in the operations of Owner's property and it is therefore understood and agreed that the name, trademark and service mark "U-Haul", and related marks, slogans, caricatures, designs and other trade or service items (the "Manager Trade Marks") shall be utilized for the non-exclusive benefit of Owner in the rental and operation of the Property, and in comparable operations elsewhere. It is further understood and agreed that this name and all such marks, slogans, caricatures, designs and other trade or service items shall remain and be at all times the property of Manager and its affiliates, and that, except as expressly provided in this Agreement, Owner shall have no right whatsoever therein. Owner agrees that during the term of this agreement the sign faces at the property will have the name "U-Haul." Upon termination of this agreement at any time for any reason, all such use by and for the benefit of Owner of any such name, mark, slogan, caricature, design or other trade or service item in connection with the Property shall be terminated and any signs bearing any of the foregoing shall be removed from view and no longer used by Owner. In addition, upon termination of this Agreement at any time for any reason, Owner shall not enter into any new leases of Property using the Manager lease form or use other forms prepared by Manager. It is understood and agreed that Manager will use and shall be unrestricted in its use of such name, mark, slogan, caricature, design or other trade or service item in the management and operation of other storage facilities both during and after the expiration or termination of the term of this Agreement.

6. Default: Termination.

(a) Any material failure by Manager or Owner (a "Defaulting Party") to perform its respective duties or obligations hereunder (other than a default by Owner under Section 4 of this Agreement), which material failure is not cured within thirty (30) calendar days after receipt of written notice of such failure from the non-defaulting party, shall constitute an event of default hereunder; provided, however, the foregoing shall not constitute an event of default hereunder in the event the Defaulting Party commences cure of such material failure within such thirty (30) day period and diligently prosecutes the cure of such material failure thereafter but in no event shall such extended cure period exceed ninety (90) days from the date of receipt by the non-defaulting party of written notice of such material default; provided further, however, that in the event such material failure constitutes a default under the terms of the Loan Documents and the cure period for such matter under the Loan Documents is shorter than the cure period specified herein, the cure period specified herein shall automatically shorten such that it shall match the cure period for such matter as specified under the Loan Documents. In addition, following notice to Manager of the existence of any such material failure by Manager, Owner shall have the right to cure any such material failure by Manager, and any sums so expended in curing shall be owed by Manager to such curing party and may be offset against any sums owed to Manager under this Agreement.

(b) Any material failure by Owner to perform its duties or obligations under Section 4, which material failure is not cured within ten (10) calendar days after receipt of written notice of such failure from Manager, shall constitute an event of default hereunder.

(c) Subject to the terms of the Loan Documents, either party hereto shall have the right to terminate this Agreement, with or without cause, by giving not less than ninety (90) days' written notice to the other party hereto, pursuant to Section 14 hereof.

(d) Upon termination of this Agreement, (x) Manager shall promptly return to Owner all monies, books, records and other materials held by Manager for or on behalf of Owner and shall otherwise cooperate with Owner to promote and ensure a smooth transition to the new manager and (y) Manager shall be entitled to receive its Property Management Fee and Asset Management Fee and reimbursement of expenses through the effective date of such termination, including the reimbursement of any prepaid expenses for periods beyond the date of termination (such as Yellow Pages advertising).

7. Indemnification.

Manager hereby agrees to indemnify, defend and hold Owner, all persons and companies affiliated with Owner, and all officers, shareholders, directors, employees and agents of Owner and of any affiliated companies or persons (collectively, the "Indemnified Persons") harmless from any and all costs, expenses, attorneys' fees, suits, liabilities, judgments, damages, and claims in connection with the management of the Property and operations thereon (including the loss of use thereof following any damage, injury or destruction), arising from any cause or matter whatsoever, including, without limitation, any environmental condition or matter caused by Manager's operation of the Property, except to the extent attributable to the willful misconduct or negligence on the part of the Indemnified Persons.

8. Assignment.

Manager shall not assign this Agreement, or any portion hereof of the duties hereunder, to any party without the consent of Owner.

9. Standard for Property Manager's Responsibility.

Manager agrees that it will perform its obligations hereunder according to industry standards, in good faith, and in a commercially reasonable manner.

10. Estoppel Certificate.

Each of Owner and Manager agree to execute and deliver to one another, from time to time, within ten (10) business days of the requesting party's request, a statement in writing certifying, to the extent true, that this Agreement is in full force and effect, and acknowledging that there are not, to such parties knowledge, any uncured defaults or specifying such defaults if they are claimed and any such other matters as may be reasonably requested by such requesting party.

11. Term: Scope.

Subject to the provisions hereof, this Agreement shall have an initial term (such term, as extended or renewed in accordance with the provisions hereof, being called the "Term") commencing on the date hereof (the "Commencement Date") and ending on the later of (i) the last day of the two hundred and fortieths (240th) calendar month next following the date hereof or (ii) the maturity date, repayment or prepayment of the applicable Loan Documents (the "Expiration Date"); provided however, the parties shall have the right upon mutual agreement to terminate this Agreement with respect to any individual Property no longer subject to the Loan Documents (for instance due to a significant casualty or condemnation of such Property).

12. Headings.

The headings contained herein are for convenience of reference only and are not intended to define, limit or describe the scope or intent of any provision of this Agreement.

13. Governing Law.

The validity of this Agreement, the construction of its terms and the interpretation of the rights and duties of the parties shall be governed by the internal laws of the State of Nevada.

14. Notices.

Any notice required or permitted herein shall be in writing and shall be personally delivered or mailed first class postage prepaid or delivered by an overnight delivery service to the respective addresses of the parties set forth above on the first page of this Agreement, or to such other address as any party may give to the other in writing. Any notice required by this Agreement will be deemed to have been given when personally served or one day after delivery to an overnight delivery service or five days after deposit in the first class mail. Any notice to Owner shall be to the attention of c/o U-Haul International, Inc., 2727 N. Central Avenue, Phoenix, AZ 85004, Attn: Secretary. Any notice to Manager shall be to the attention of c/o U-Haul International, Inc., 2721 North Central Avenue, Phoenix, AZ 85004, Attn: Chief Financial Officer.

15. Severability.

Should any term or provision hereof be deemed invalid, void or unenforceable either in its entirety or in a particular application, the remainder of this Agreement shall nonetheless remain in full force and effect and, if the subject term or provision is deemed to be invalid, void or unenforceable only with respect to a particular application, such term or provision shall remain in full force and effect with respect to all other applications.

16. Successors.

This Agreement shall be binding upon and inure to the benefit of the respective parties hereto and their permitted assigns and successors in interest.

17. Attorneys' Fees.

If it shall become necessary for any party hereto to engage attorneys to institute legal action for the purpose of enforcing their respective rights hereunder or for the purpose of defending legal action brought by the other party hereto, the party or parties prevailing in such litigation shall be entitled to receive all costs, expenses and fees (including reasonable attorneys' fees) incurred by it in such litigation (including appeals).

18. Counterparts.

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

19. Supersedes Prior Agreement.

This Agreement supersedes and serves to terminate any prior property management agreement among the parties hereto with respect to the Properties.

IN WITNESS WHEREOF, the undersigned execute this Agreement as of the date set forth above.

Owner:

2015 SAC Self-Storage, LLC, a Delaware limited liability company

By: _____
Bruce Brockhagen, Secretary and Treasurer

Manager:

U-Haul Co. of Alabama, Inc., an Alabama corporation
U-Haul Co. of Florida, a Florida corporation
U-Haul Co. of Georgia, a Georgia corporation
U-Haul Co. of North Carolina, a North Carolina corporation
U-Haul Co. of South Carolina, Inc., a South Carolina corporation
U-Haul Co. of Texas, a Texas corporation

By: _____
Gary B. Horton, Treasurer

Exhibit A

List of Properties

ENTITY	CENTER NAME	CITY	ST
753032	U-Haul Moving & Storage Of Palm Harbor	Palm Harbor	FL
885002	U-Haul Moving & Storage Of Huntsville	Huntsville	AL
885004	U-Haul Moving & Storage Of Mountainbrook	Birmingham	AL
885007	U-Haul Moving & Storage At 103Rd And I-295	Jacksonville	FL
885013	U-Haul Moving & Storage At Florida Ave	Tampa	FL
885014	U-Haul Moving & Storage At Walsingham Rd	Largo	FL
885017	U-Haul Moving & Storage At Lake Ella	Tallahassee	FL
885019	U-Haul Storage Of Melbourne	Melbourne	FL
885021	U-Haul Moving & Storage At Eastlake	Oldsmar	FL
885023	U-Haul Moving & Storage Of Nesbit Ferry	Alpharetta	GA
885028	U-Haul Moving & Storage At Lancaster	Pineville	NC
885029	U-Haul Moving & Storage Of Safe Harbor	Cornelius	NC
885031	U-Haul Moving & Storage At Elmwood	Columbia	SC
885041	U-Haul Moving & Storage Of La Marque	La Marque	TX
885042	U-Haul Moving & Storage At I-10 & Beltway 8	Houston	TX
885043	U-Haul Storage Of League City	League City	TX
885044	U-Haul Moving & Storage Of Champion Forest	Houston	TX
885045	U-Haul Moving & Storage Of Westpark	Houston	TX
885046	U-Haul Moving & Storage Of Westbelt	Houston	TX
885051	U-Haul Moving & Storage Of Castle Hills	San Antonio	TX
885054	U-Haul Moving & Storage At Central & Midpark	Dallas	TX
885062	U-Haul Moving & Storage At Hwy 620	Austin	TX
885001	U-Haul Moving & Storage Of Vestavia Hill	Vestavia Hills	AL
885003	U-Haul Moving & Storage Of Birmingham	Birmingham	AL
885005	U-Haul Moving & Storage Of Springdale	Mobile	AL
885006	U-Haul Moving & Storage Of North Pensacola	Pensacola	FL
885009	U-Haul Moving & Storage At Atlantic Blvd	Jacksonville	FL
885010	U-Haul Moving & Storage At Phillips & Emerson	Jacksonville	FL
885011	U-Haul Moving & Storage At Belcher Rd	Largo	FL
885015	U-Haul Moving & Storage Of Pinellas Park	Pinellas Park	FL
885016	U-Haul Moving & Storage Of Ocala	Ocala	FL
885018	U-Haul Moving & Storage At Us Hwy 19 N	New Port Richey	FL
885020	U-Haul Moving & Storage Of Fort Walton	Ft Walton Beach	FL
885022	U-Haul Moving & Storage Of Northeast Tallahassee	Tallahassee	FL
885024	U-Haul Moving & Storage At Clairmont Rd	Atlanta	GA
885025	U-Haul Moving & Storage At Piedmont	Atlanta	GA
885026	U-Haul Moving & Storage At Sharon Rd	Charlotte	NC
885027	U-Haul Moving & Storage Of Lake Norman	Cornelius	NC
885030	U-Haul Moving & Storage Of Mooresville	Mooresville	NC
885032	U-Haul Moving & Storage At I26	Columbia	SC
885033	U-Haul Moving & Storage At Fort Jackson	Columbia	SC
885034	U-Haul Moving & Storage At Roper Mountain	Greenville	SC
885035	U-Haul Moving & Storage At Blanding & I-295	Jacksonville	FL
885036	U-Haul Moving & Storage At Voss	Houston	TX
885037	U-Haul Moving & Storage At Bissonnet	Houston	TX
885040	U-Haul Moving & Storage Of Fuqua	Houston	TX
885047	U-Haul Moving & Storage Of Terrace Oaks	Houston	TX

885048	U-Haul Moving & Storage Of Corpus Christi	Corpus Christi	TX
885049	U-Haul Moving & Storage At I-35 & Airport Blvd.	Austin	TX
885050	U-Haul Moving & Storage Of Wurzbach	San Antonio	TX
885052	U-Haul Moving & Storage Of Woodlands	Spring	TX
885053	U-Haul Moving & Storage Of Midtown	Houston	TX
885055	U-Haul Moving & Storage At Greenville Ave	Dallas	TX
885056	U-Haul Moving & Storage Of Cedar Park	Cedar Park	TX
885057	U-Haul Moving & Storage Of Plano Allen	Plano	TX
885058	U-Haul Moving & Storage Of Stafford	Stafford	TX
885059	U-Haul Moving & Storage Of Rogerdale	Houston	TX
885060	U-Haul Moving & Storage At Burnet Rd & Fm 2222	Austin	TX
885061	U-Haul Moving & Storage At Dairy Ashford	Houston	TX
885063	U-Haul Moving & Storage At Clearlake	Webster	TX

PROPERTY MANAGEMENT AGREEMENT

THIS PROPERTY MANAGEMENT AGREEMENT (this "Agreement") is entered into as of March 21, 2016 among Five SAC RW, LLC, a Delaware limited liability company ("Owner"), and the subsidiaries of U-Haul International, Inc. set forth on the signature block hereto (collectively or individually, as the case may be, "Manager").

RECITALS

A.Owner is the owner of the real property and all improvements thereon and appurtenances thereto located at the street addresses identified on Exhibit A hereto (hereinafter, collectively the "Property").

B.Owner intends that the Property be rented on a space-by-space retail basis to corporations, partnerships, individuals and/or other entities for use as self-storage facilities.

C.Owner desires that Manager manage the Property and Manager desires to act as the property manager for the Property, all in accordance with the terms and conditions of this Agreement.

D.The parties agree that this Agreement supersedes and replaces any other property management agreement ("Prior Agreement") between the parties hereto and/or their respective predecessors in interest, as the case may be, with respect to the Property, any such Prior Agreement being hereby terminated as of the date hereof.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto hereby agree as follows.

1. Employment

(a) Owner hereby retains Manager, and Manager agrees to act as manager of the Property upon the terms and conditions hereinafter set forth. Any prior property management agreement between Owner and Manager is hereby terminated.

(b) Owner acknowledges that Manager, and/or Manager affiliates, is in the business of managing self-storage facilities and businesses conducted thereat, including, but not limited to, the sale of packing supplies and rental of trucks and equipment, both for its own account and for the account of others. It is hereby expressly agreed that notwithstanding this Agreement, Manager and such affiliates may continue to engage in such activities, may manage facilities other than those presently managed by Manager and its affiliates (whether or not such other facilities may be in direct or indirect competition with Owner) and may in the future engage in other business which may compete directly or indirectly with activities of Owner.

(c) In the performance of its duties under this Agreement, Manager shall occupy the position of an independent contractor with respect to Owner. Nothing contained herein shall be construed as making the parties hereto (or any of them) partners or co-parties to a joint venture, nor construed as making Manager an employee of Owner.

2. Duties and Authority of Manager

Subject to the terms and conditions of this Agreement, on behalf of, and as agent of, the Owner:

(a) **General Duties and Authority** . Manager shall have the sole and exclusive duty and authority to fully manage the Property and supervise and direct the business and affairs associated or related to the daily operation thereof, to collect on behalf of Owner all revenues related to the Property, to pay on behalf of Owner all expenses of the Property, and to execute on behalf of Owner such documents and instruments as, in the sole judgment of Manager, are reasonably necessary or advisable under the circumstances in order to fulfill Manager's duties hereunder. Such duties and authority shall include, without limitation, those set forth below. Notwithstanding the foregoing or any other term or provision herein, upon notice to Manager, Owner shall have the right to assume responsibility for the direct payment of certain expenses of Owner, as may be determined by Owner. In such event, Owner shall provide an accounting of such costs to Manager. In the event Owner fails to provide such accounting to Manager, Manager shall assume no liability for nonpayment for such expenses so assumed by Owner. The parties acknowledge and agree that Owner will retain title to, ownership of, and exclusive right to control the Property, subject to the terms of this Agreement, and that portion of the Gross Revenue (as hereinafter defined) owned by Owner ("Owner's Revenue"); and that Manager will not acquire title to, any interest in, or any income or revenues from the Property or Owner's Revenue. For purposes of this Agreement, Owner's Revenue consists of the revenue from storage operations, retail sales, miscellaneous income and the commissions ("U-Move Commissions") paid to Owner pursuant to the terms of that Dealer Contract between Owner and Manager dated as of the date hereof (the "Dealer Contract"), in each case with respect to the Property. In performing its services and making any payments hereunder, Manager will make known to third parties that Manager is acting solely as the agent of Owner. Under no circumstances will Manager represent or hold itself out to any third party as having any title to or property interest in the Property or Owner's Revenue.

(b) **Renting of the Property** . Manager shall establish policies and procedures for the marketing activities for the Property, and shall advertise the Property through such media as Manager deems advisable. Manager's marketing activities for the Property shall be consistent with the scope and quality implemented by Manager and its affiliates at any other properties operated by Manager or its affiliates. Manager shall have the sole discretion, which discretion shall be exercised in good faith, to establish the terms and conditions of occupancy by the tenants of the Property, and Manager is hereby authorized to enter into rental agreements on behalf and for the account of Owner with such tenants and to collect rent from such tenants on behalf and for the account of Owner. Manager may jointly advertise the Property with other properties owned or managed by Manager or its Affiliates, and in that event, Manager shall reasonably allocate the cost of such advertising among such properties.

(c) **Repair, Maintenance and Improvements** . Manager shall make, execute, supervise and have control over the making and executing of all decisions concerning the acquisition of furniture, fixtures and supplies for the Property, and may purchase, lease or otherwise acquire the same and which items shall be owned by Manager. Manager shall make and execute, or supervise and have control over the making and executing of all decisions concerning the maintenance, repair and landscaping of the Property, provided, however, that such maintenance, repair and landscaping shall be consistent with the maintenance, repair and landscaping implemented by Manager and its affiliates at any other properties operated by Manager or its affiliates. Manager shall, on behalf of

Owner, negotiate and contract for and supervise the installation of all capital improvements related to the Property; provided, however, that Manager agrees to secure the prior written approval of Owner on all such expenditures in excess of \$10,000.00 for any one item, except monthly or recurring operating charges and/or emergency repairs if in the opinion of Manager such emergency repairs are necessary to protect the Property from damage or to maintain services to the Owner or any customers. In the event such emergency repairs exceed \$10,000, Manager shall notify Owner and the insurer as applicable of the cost estimate for such work.

(d) **Personnel** . Manager shall select all vendors, suppliers, contractors, subcontractors and employees with respect to the Property and shall hire, discharge and supervise all labor and employees required for the operation and maintenance of the Property. Any employees so hired shall be employees of Manager, and shall be carried on the payroll of Manager. Employees may include, but need not be limited to, on-site resident managers, on-site assistant managers, and relief managers located, rendering services, or performing activities on the Property in connection with its operation and management. The cost of employing such persons shall not exceed prevailing rates for comparable persons performing the same or similar services with respect to real estate similar to the Property in the general vicinity of each respective Property. Manager shall be responsible for all legal and insurance requirements relating to its employees.

(e) **Service Agreements** . Manager shall negotiate and execute on behalf of Owner such agreements which Manager deems necessary or advisable for the furnishing of utilities, services, concessions and supplies, for the maintenance, repair and operation of the Property and such other agreements which may benefit the Property or be incidental to the matters for which Manager is responsible hereunder.

(f) **Other Decisions** . Manager shall make the decisions in connection with the day-to-day operations of the Property.

(g) **Regulations and Permits** . Manager shall comply in all respects with any statute, ordinance, law, rule, regulation or order of any governmental or regulatory body pertaining to the Property (collectively, "Laws"), respecting the use of the Property or the maintenance or operation thereof, the non-compliance with which could reasonably be expected to have a material adverse effect on Owner or any Property. Manager shall apply for and obtain and maintain, on behalf of Owner, all licenses and permits required or advisable (in the reasonable judgment of Manager) in connection with the management and operation of the Property. Notwithstanding the foregoing, Manager shall be permitted to contest any Applicable Laws to the extent and pursuant to the same conditions that Owner is permitted to contest any Laws. To the extent that Manager does not comply, Manager will be responsible for the costs and penalties incurred as a result of the non-compliance.

(h) **Records and Reports of Disbursements and Collections** . Manager shall establish, supervise, direct and maintain the operation of a system of cash record keeping and bookkeeping with respect to all receipts and disbursements and all business activities and operations conducted by Manager in connection with the management and operation of the Property. Manager shall be responsible for cash shortages and discrepancies incurred in the normal course of management operations. The books, records and accounts shall be maintained at the Manager's office or at Owner's office, or at such other location as Manager and Owner shall determine, and shall be available and open to examination and audit quarterly by Owner, its representatives, its lender, if any ("Lender"), and as provided by Owner, and, subject to any mortgagee of the Property, and such

mortgagee's representative. Manager shall cause to be prepared and delivered to Owner a monthly statement on a per-Property basis, of receipts, expenses and charges, and any other information as reasonably required by Owner to prepare its financials statements, together with a statement, on a per-Property basis, of the disbursements made by Manager during such period on Owner's behalf, which shall include separate lines for prepaid items and inventory. Manager shall provide Owner with rent rolls and occupancy reports if requested.

(i) **Collection** . Manager shall be responsible for the billing and collection of all receipts and for payment of all expenses with respect to the Property and shall be responsible for establishing policies and procedures to minimize the amount of bad debts. Bad debt incurred as a result of non compliance with management policies and procedures (such as improper verifications or acceptance of bad credit cards or bad checks) will be the responsibility of Manager.

(j) **Legal Actions** . Manager shall cause to be instituted, on behalf and in its name or in the name of Owner as appropriate, any and all legal actions or proceedings Manager deems necessary or advisable in connection with the Property, including, without limitation, to collect charges, rent or other income due to Owner with respect to the Property and to oust or dispossess tenants where appropriate or other persons unlawfully in possession under any lease, license, concession agreement or otherwise, and to collect damages for breach thereof or default thereunder by such Owner, licensee, concessionaire or occupant.

(k) **Insurance** . Manager will insure, on its Master Policy, against all liabilities at the Property at Manager's sole cost and expense ("General Liability Insurance"). Any deductibles or self-insured retentions with respect to the General Liability Insurance shall be at Manager's (or Manager's U-Haul affiliates') responsibility and sole cost and expense. Manager will insure equipment at Manager's cost, as determined by Manager. If requested by Owner, Manager will obtain for Owner, at Owner's sole cost and expense, a policy of property insurance ("Property and Casualty Insurance"). Any such Property & Casualty Insurance shall meet Lender's required coverage, to include earthquake, flood and other Lender requirements, as the case may be, and shall be the cost of Owner.

(l) **Taxes** . During the term of this Agreement, Manager shall pay on behalf of Owner, prior to delinquency, real estate taxes, personal property taxes, and other taxes assessed to, or levied upon, the Property, but only in the event requested by Owner. If requested, Manager will charge to Owner an expense monthly equal to 1/12 of annual- real property taxes.

(m) **Limitations on Manager Authority** . Notwithstanding anything to the contrary set forth in this Section 2, Manager shall not, without obtaining the prior written consent of Owner, (i) rent storage space in the Property by written lease or agreement for a stated term in excess of one year unless such lease or agreement is terminable by the giving of not more than thirty (30) days written notice, (ii) alter the building or other structures of the Property in violation of loan documents executed by Owner in connection with the Property ("Loan Documents"); (iii) enter on behalf of Owner any other agreements which exceed a term of one year and are not terminable on thirty day's notice at the will of Owner, without penalty, payment or surcharge; (iv) act in violation of any Law, (v) violate any term or condition of the Loan Documents; (vi) fail to correct any misunderstanding of any third party of which Manager becomes aware as to the separateness of Owner and Manager; or (vii) except as explicitly set forth in this Agreement, exercise any authority to act on behalf of, or hold itself out has having authority to act on behalf of, Owner.

(n) **Shared Expenses** . Owner acknowledges that certain economies may be achieved with respect to certain expenses to be incurred by Manager on behalf of Owner hereunder if materials, supplies, insurance or services are purchased by Manager in quantity for use not only in connection with Owner's business at the Property but in connection with other properties owned or managed by Manager or its affiliates. Manager shall have the right to purchase such materials, supplies, insurance (subject to the terms of this Agreement) and/or services in its own name and charge Owner a pro rata allocable share of the cost of the foregoing; provided, however, that the pro rata cost of such purchase to Owner shall not result in expenses that are either inconsistent with the expenses of other "U-Haul branded" locations in the general vicinity of the applicable Property or greater than would otherwise be incurred at competitive prices and terms available in the area where the Property is located; and provided further, Manager shall give Owner access to records (at no cost to Owner) so Owner may review any such expenses incurred.

(o) **Deposit of Gross Revenues** . All revenue from operations at the Property ("Gross Revenue") shall be deposited daily by Manager into (i) a bank account that has been established for the benefit of Owner (the "Deposit Account") and maintained by Manager (or its parent company); or (ii) a collective bank account (the "Collective Account") maintained by Manager (or its parent company) for the benefit of multiple property owners. In either case, although the account may be in Owner's name, Owner's right to the proceeds therein only extends to Owner's Revenue. On a daily basis, Manager shall transfer Owner's Revenue in the Deposit Account or Collective Account, as the case may be, to Owner's separately identified depository account pledged to Lender ("Blocked Account"). To the extent that Gross Revenue is deposited into a Collective Account, Manager (or its parent company) shall on a daily basis reconcile such Collective Account and maintain such records as shall clearly identify the respective interest of each property owner in such account. Manager shall not, and shall not permit any other property owner or any affiliate of Manager to borrow, lend or use Owner's Revenue while it is in a Collective Account. The payment of Owner's U-Move Commissions shall be governed by the terms of the Dealer Contract. Nothing in this Section shall be construed to limit Owner's access to Owner's Revenue. All funds shall be deposited and applied as required pursuant to Owner's loan documents with Lender.

(p) **Obligations under Loan Documents and other Material Contracts** . Manager shall take such actions as are necessary or appropriate under the circumstances to ensure, to the extent Manager is privy to the information, that Owner is in compliance with the terms of the Loan Documents and any other material agreement relating to the Property to which Owner is a party and for which Manager is privy to the information. Notwithstanding the foregoing, nothing herein contained shall be deemed to obligate Manager to fund from its own resources any payments owed by Owner under the Loan Documents or otherwise be deemed to make Manager a direct obligor under the Loan Documents.

(q) **Obligations notwithstanding other Tenancy at the Property** . Manager shall perform all of its obligations under this Agreement in a professional manner consistent with the standards it employs at all of its managed locations.

(r) **Segregation** . Owner and Manager shall maintain the Property and Owner's Revenue in such a manner that it is not costly or difficult to segregate, ascertain or identify Owner's individual assets from those of Manager or any other person.

3. Duties of Owner.

Owner shall cooperate with Manager in the performance of Manager's duties under this Agreement and to that end, upon the request of Manager, shall provide, at such rental charges, if any, as are deemed appropriate, reasonable office space for Manager employees on the premises of the Property (to the extent available). Owner shall not unreasonably withhold or delay any consent or authorization to Manager required or appropriate under this Agreement. Owner shall provide Manager with copies of all Loan Documents and any amendments thereto.

4. Compensation of Manager.

(a) **Reimbursement of Expenses** . Manager shall be entitled to request and receive timely reimbursement for all timely authorized out-of-pocket reasonable and customary expenses ("Expenses") actually incurred by Manager in the discharge of its duties hereunder. Such expense reimbursement shall be due by the last business day of each month, for all expenses billed during such month, unless a written request is received by Manager detailing a legitimate dispute as to a billed amount. Such reimbursement shall be the obligation of Owner, whether or not Owner's Revenues are sufficient to pay such amounts. Unpaid balances shall accrue interest at the rate of the 30 day labor + 100 basis points, commencing as of the first day of the month following the due date therefor, or the first day of the month following resolution of the dispute.

(b) **Management Fee** . Owner shall pay to Manager as the full amount due for the services herein provided a monthly fee (the "Property Management Fee") which shall be five percent (5 %) of the Property's current month Owner's Revenue , and a monthly fee ("Asset Management Fee") which shall be one percent (1%) such Property's current month Owner's Revenue, both as determined on a cash basis. The Property Management Fee and Asset Management Fee payment shall be included with the reimbursement of Expenses pursuant to Section 4(a) above, for the same month. The invoice for the management fee s shall be itemized and shall include reasonable detail to explain the expenses incurred.

Notwithstanding the foregoing or any other term or provision herein, the Asset Management Fee shall be due and payable only to the extent amounts are available to pay such amount after the prior payment from Gross Revenues of all operating expenses for the Property (other than the Asset Management Fee) and all payments of principal, interest, funding of reserves and all other monetary obligations due and payable under the Loan Documents. Except as provided in this Section 4, it is further understood and agreed that Manager shall not be entitled to additional compensation of any kind in connection with the performance by it of its duties under this Agreement.

(c) **Inspection of Books and Records** . Owner shall have the right, upon prior reasonable notice to Manager, to inspect Manager's books and records with respect to the Property, to assure that proper fees and charges are assessed hereunder. Manager shall cooperate with any such inspection. Owner shall bear the cost of any such inspection; provided, however, that if it is clearly demonstrated that Manager has overcharged Owner by more than 5% in any given quarter and such overcharge was not caused in whole or part by Owner, the cost of such inspection shall be borne by Manager. Manager shall promptly reimburse Owner for any overpayment.

5. Use of Trademarks, Service Marks and Related Items.

Owner acknowledges the significant value of the "U-Haul" name in the operations of Owner's property and it is therefore understood and agreed that the name, trademark and service mark "U-Haul", and related marks, slogans, caricatures, designs and other trade or service items (the "Manager Trade Marks") shall be utilized for the non-exclusive benefit of Owner in the rental and operation of the Property, and in comparable operations elsewhere. It is further understood and agreed that this name and all such marks, slogans, caricatures, designs and other trade or service items shall remain and be at all times the property of Manager and its affiliates, and that, except as expressly provided in this Agreement, Owner shall have no right whatsoever therein. Owner agrees that during the term of this agreement the sign faces at the property will have the name "U-Haul." Upon termination of this agreement at any time for any reason, all such use by and for the benefit of Owner of any such name, mark, slogan, caricature, design or other trade or service item in connection with the Property shall be terminated and any signs bearing any of the foregoing shall be removed from view and no longer used by Owner. In addition, upon termination of this Agreement at any time for any reason, Owner shall not enter into any new leases of Property using the Manager lease form or use other forms prepared by Manager. It is understood and agreed that Manager will use and shall be unrestricted in its use of such name, mark, slogan, caricature, design or other trade or service item in the management and operation of other storage facilities both during and after the expiration or termination of the term of this Agreement.

6. Default: Termination.

(a) Any material failure by Manager or Owner (a "Defaulting Party") to perform its respective duties or obligations hereunder (other than a default by Owner under Section 4 of this Agreement), which material failure is not cured within thirty (30) calendar days after receipt of written notice of such failure from the non-defaulting party, shall constitute an event of default hereunder; provided, however, the foregoing shall not constitute an event of default hereunder in the event the Defaulting Party commences cure of such material failure within such thirty (30) day period and diligently prosecutes the cure of such material failure thereafter but in no event shall such extended cure period exceed ninety (90) days from the date of receipt by the non-defaulting party of written notice of such material default; provided further, however, that in the event such material failure constitutes a default under the terms of the Loan Documents and the cure period for such matter under the Loan Documents is shorter than the cure period specified herein, the cure period specified herein shall automatically shorten such that it shall match the cure period for such matter as specified under the Loan Documents. In addition, following notice to Manager of the existence of any such material failure by Manager, Owner shall have the right to cure any such material failure by Manager, and any sums so expended in curing shall be owed by Manager to such curing party and may be offset against any sums owed to Manager under this Agreement.

(b) Any material failure by Owner to perform its duties or obligations under Section 4, which material failure is not cured within ten (10) calendar days after receipt of written notice of such failure from Manager, shall constitute an event of default hereunder.

(c) Subject to the terms of the Loan Documents, either party hereto shall have the right to terminate this Agreement, with or without cause, by giving not less than ninety (90) days' written notice to the other party hereto, pursuant to Section 14 hereof.

(d) Upon termination of this Agreement, (x) Manager shall promptly return to Owner all monies, books, records and other materials held by Manager for or on behalf of Owner and shall otherwise cooperate with Owner to promote and ensure a smooth transition to the new manager and (y) Manager shall be entitled to receive its Property Management Fee and Asset Management Fee and reimbursement of expenses through the effective date of such termination, including the reimbursement of any prepaid expenses for periods beyond the date of termination (such as Yellow Pages advertising).

7. Indemnification.

Manager hereby agrees to indemnify, defend and hold Owner, all persons and companies affiliated with Owner, and all officers, shareholders, directors, employees and agents of Owner and of any affiliated companies or persons (collectively, the "Indemnified Persons") harmless from any and all costs, expenses, attorneys' fees, suits, liabilities, judgments, damages, and claims in connection with the management of the Property and operations thereon (including the loss of use thereof following any damage, injury or destruction), arising from any cause or matter whatsoever, including, without limitation, any environmental condition or matter caused by Manager's operation of the Property, except to the extent attributable to the willful misconduct or negligence on the part of the Indemnified Persons.

8. Assignment.

Manager shall not assign this Agreement, or any portion hereof of the duties hereunder, to any party without the consent of Owner.

9. Standard for Property Manager's Responsibility.

Manager agrees that it will perform its obligations hereunder according to industry standards, in good faith, and in a commercially reasonable manner.

10. Estoppel Certificate.

Each of Owner and Manager agree to execute and deliver to one another, from time to time, within ten (10) business days of the requesting party's request, a statement in writing certifying, to the extent true, that this Agreement is in full force and effect, and acknowledging that there are not, to such parties knowledge, any uncured defaults or specifying such defaults if they are claimed and any such other matters as may be reasonably requested by such requesting party.

11. Term: Scope.

Subject to the provisions hereof, this Agreement shall have an initial term (such term, as extended or renewed in accordance with the provisions hereof, being called the "Term") commencing on the date hereof (the "Commencement Date") and ending on the later of (i) the last day of the two hundred and fortieths (240th) calendar month next following the date hereof or (ii) the maturity date, repayment or prepayment of the applicable Loan Documents (the "Expiration Date"); provided however, the parties shall have the right upon mutual agreement to terminate this Agreement with respect to any individual Property no longer subject to the Loan Documents (for instance due to a significant casualty or condemnation of such Property).

12. Headings.

The headings contained herein are for convenience of reference only and are not intended to define, limit or describe the scope or intent of any provision of this Agreement.

13. Governing Law.

The validity of this Agreement, the construction of its terms and the interpretation of the rights and duties of the parties shall be governed by the internal laws of the State of Nevada.

14. Notices.

Any notice required or permitted herein shall be in writing and shall be personally delivered or mailed first class postage prepaid or delivered by an overnight delivery service to the respective addresses of the parties set forth above on the first page of this Agreement, or to such other address as any party may give to the other in writing. Any notice required by this Agreement will be deemed to have been given when personally served or one day after delivery to an overnight delivery service or five days after deposit in the first class mail. Any notice to Owner shall be to the attention of c/o U-Haul International, Inc., 2727 N. Central Avenue, Phoenix, AZ 85004, Attn: Secretary. Any notice to Manager shall be to the attention of c/o U-Haul International, Inc., 2721 North Central Avenue, Phoenix, AZ 85004, Attn: Chief Financial Officer.

15. Severability.

Should any term or provision hereof be deemed invalid, void or unenforceable either in its entirety or in a particular application, the remainder of this Agreement shall nonetheless remain in full force and effect and, if the subject term or provision is deemed to be invalid, void or unenforceable only with respect to a particular application, such term or provision shall remain in full force and effect with respect to all other applications.

16. Successors.

This Agreement shall be binding upon and inure to the benefit of the respective parties hereto and their permitted assigns and successors in interest.

17. Attorneys' Fees.

If it shall become necessary for any party hereto to engage attorneys to institute legal action for the purpose of enforcing their respective rights hereunder or for the purpose of defending legal action brought by the other party hereto, the party or parties prevailing in such litigation shall be entitled to receive all costs, expenses and fees (including reasonable attorneys' fees) incurred by it in such litigation (including appeals).

18. Counterparts.

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

19. Supersedes Prior Agreement.

This Agreement supersedes and serves to terminate any prior property management agreement among the parties hereto with respect to the Properties.

IN WITNESS WHEREOF, the undersigned execute this Agreement as of the date set forth above.

Owner :

Five SAC RW, LLC a Delaware limited liability company

By: _____
Bruce Brockhagen, Secretary and Treasurer

Man ager:

U-Haul Co. of Arizona
U-Haul Co. of Texas
U-Haul Co. of Massachusetts & Ohio, Inc.
U-Haul Co. of Georgia
U-Haul Co. of Florida
U-Haul Co. of the District of Columbia, Inc.
U-Haul Co. of Maryland, Inc.
U-Haul Co. of Illinois, Inc.
U-Haul Co. of Nevada, Inc.

By: _____
Gary B. Horton, Treasurer

Exhibit A

List of Properties

Property	City	State	Zip
(1) 24908 S. Arizona Avenue	Chandler	AZ	85248
(2) 2560 Kathryn Lane	Plano	TX	75025
(3) 8901 Telegraph Road	Taylor	MI	48180
(4) 1921 Riverway Drive	Lancaster	OH	43130
(5) 9416 Highway 5	Douglasville	GA	30135
(6) 5404 West Waters Avenue	Tampa	FL	33634
(7) 1501 South Capitol Street SW	Washington	DC	20003
(8) 8501 Snouffer School Road	Gaithersburg	MD	20879
(9) 240 N. Frontage Road	Bolingbrook	IL	60440
(10) 6111 Gunn Highway	Tampa	FL	33625
(11) 989 S. Boulder Highway	Henderson	NV	89015
(12) 3900 White Tire Road	Landover	MD	20785
(13) 1566 U.S. Highway 380 W.	Prosper	TX	75078

The Properties shall automatically include, without any further action necessary under this Agreement, any After Acquired Adjacent Property and After Acquired Leasehold Property as defined in the Loan Documents .

**AMENDED AND RESTATED AMERCO
EMPLOYEE SAVINGS AND PROFIT SHARING PLAN**

PREAMBLE AND INTRODUCTION

On March 16, 1973 , AMERCO, a Nevada corporation (the "Corporation") established the AMERCO Profit Sharing Retirement Trust (the "Profit Sharing Plan") for certain of its employees. The Profit Sharing Plan was subsequently amended from time to time. Effective April 1, 1984 , the Corporation established the AMERCO Employee Savings and Protection Plan (the "Savings Plan") to permit employee contributions to be made on a favorable tax basis through utilization of the provisions of Section 401(k) of the Internal Revenue Code (the "Code"). The Savings Plan was subsequently amended from time to time. Effective January 1, 1988 , the Profit Sharing Plan and the Savings Plan were merged into a single plan called the "AMERCO Retirement Savings and Profit Sharing Plan" (the "Employee Savings and Profit Sharing Plan").

Effective as of July 24, 1988 , AMERCO established an "employee stock ownership plan" (as defined in Section 407(d)(6) of the Employee Retirement Income Security Act of 1974 (the "Act") and Section 4975(e)(7) of the Code) designed to invest primarily in "qualifying employer securities" (as defined in Section 407(d)(5) of the Act and Section 4975(e)(8) of the Code) of the Corporation (the "ESOP"). At the time, the ESOP was contained in a single document with the Employee Savings and Profit Sharing Plan and became known as the "AMERCO Employee Savings, Profit Sharing and Employee Stock Ownership Plan." Notwithstanding the fact that the ESOP was contained in a single document, it was in fact a "stand alone" plan.

The AMERCO Employee Savings, Profit Sharing and Employee Stock Ownership Plan was subsequently amended and restated in its entirety effective January 1, 1989 to comply with the Tax Reform Act of 1986 (" TRA 86") and to make certain other modifications. The AMERCO Employee Savings, Profit Sharing and Employee Stock Ownership Plan was then amended on four occasions.

The AMERCO Employee Savings, Profit Sharing and Employee Stock Ownership Plan was then amended and restated in its entirety to comply with the Small Business Job Protection Act of 1996 ("SBJPA"), the Uniformed Services Employment and Reemployment Rights Act of 1994 ("USERRA"), the Taxpayer Relief Act of 1997 (" TRA 97").

The AMERCO Employee Savings, Profit Sharing and Employee Stock Ownership Plan was subsequently amended to comply with GUST and EGTRRA legislative changes and to make certain other modifications.

Effective January 1, 2007, the Employee Savings and Profit Sharing Plan (hereinafter, the "Plan") was subsequently amended and restated in its entirety in a separate

plan document to incorporate certain amendments, and make certain administrative as well as other miscellaneous changes.

Effective January 1, 2010, the Plan was amended and restated in its entirety and submitted for a determination letter on January 21, 2011.

It is the intention of the Corporation that the Plan shall continue to be qualified under the provisions of Section 401 (a) of the Code and that the Trust Fund maintained pursuant to the Plan shall continue to be exempt from taxation pursuant to Section 501(a) of the Code. The Plan shall be qualified as a profit sharing plan.

ARTICLE ONE

EFFECTIVE DATE

1.1. EFFECTIVE DATE.

Except as specifically provided with respect to a particular provision of the Plan, the provisions of this amended and restated Plan shall be effective January 1, 2014 or such other date as determined by the Board of Directors of AMERCO. This plan document does not set forth a new Plan succeeding the Plan as previously in effect, but, rather, is an amendment and restatement of the Plan as currently in effect. The amount, right to and form of any benefits under the Plan, if any, of each person who is an Employee on and after the Effective Date, or of persons who are claiming through such an Employee, shall be determined under this Plan. The amount, right to and form of any benefits under this Plan, if any, of each person who has separated from employment with the Corporation or any participating Employer prior to the Effective Date, or of other persons who are claiming benefits through such a former Employee, shall be determined in accordance with the provisions of the Plan in effect on the date of his separation from employment, except as may otherwise be expressly provided under this Plan, unless he shall again become an Employee on or after the Effective Date.

ARTICLE TWO

DEFINITIONS AND CONSTRUCTION

2.1. DEFINITIONS.

When a word or phrase shall appear in this Plan with the initial letter capitalized, and the word or phrase does not commence a sentence, the word or phrase shall generally be a term defined in this Section 2.1 or in the Preamble. The following words and phrases utilized in the Plan with the initial letter capitalized shall have the meanings set forth in this Section 2.1, unless a clearly different meaning is required by the context in which the word or phrase is use:

(a) “ ACCOUNTING DATE ” - The Accounting Date for Profit Sharing Accounts, After-Tax Contribution Accounts, Pre-Tax Contribution Accounts, Rollover Contribution Accounts and the Employer Matching Contribution Accounts shall be the last day of each calendar month. The Accounting Date shall also be any other date so designated by the Advisory Committee.

(b)“ ACCOUNTS ” - The Pre-Tax Contribution Account, After-Tax Contribution Account, Employer Matching Contribution Account, Profit Sharing Account and the Rollover Contribution Account of a Participant.

(c)“ ADMINISTRATIVE TRUSTEE ” - The trustee or trustees which are charged under the Trust Agreement with certain duties as well the investment of assets of the Trust Fund generally.

(d)“ ADVISORY COMMITTEE ” - The Committee appointed by the President of AMERCO pursuant to Section 12.1 to serve as the Advisory Committee.

(e) “ AFFILIATE ” - Any member of a "controlled group of corporations" (within the meaning of Section 414(b) of the Code as modified by Section 415(h) of the Code) that includes the Employer as a member of the group; any member of an "affiliated service group" (within the meaning of Section 414(m)(2) of the Code) that includes the Employer as a member of the group; any member of a group of trades or businesses under common control (within the meaning of Section 414(c) of the Code as modified by Section 415(h) of the Code) that includes the Employer as a member of the group; and any other entity required to be aggregated with the Employer pursuant to regulations issued by the United States Treasury Department pursuant to Section 414(o) of the Code.

(f)“ AFTER-TAX CONTRIBUTION ACCOUNT ” - The account established pursuant to Section 8.1 to which a Participant's After-Tax Contributions and the earnings thereon are credited.

(g)“ AFTER-TAX CONTRIBUTIONS ” - The contributions made by a Participant on an "after-tax" basis prior to March 31, 1987 .

(h)“ ANNIVERSARY DATE ” - January 1 of each calendar year.

(i)“ ANNUAL ADDITION ” - The sum of the following amounts allocable for a Plan Year to a Participant under this Plan or under any defined contribution plan or defined benefit plan maintained by the Employer or any Affiliate:

(1) The Employer contributions allocable for a Plan Year to the Accounts of the Participant under this Plan or any other defined contribution plan, including any amount allocable from a suspense account maintained pursuant to such plan on account of a prior Plan Year (computed as though no part of the ESOP Contribution is allocable to the Loan Suspense Account); amounts deemed to be Employer contributions pursuant to a cash-or-deferred arrangement qualified under Section 401(k) of the Code (including the Pre-Tax Contributions allocable to a Participant pursuant to this Plan); and amounts allocated to a medical account which must be treated as annual additions pursuant to Section 415(1)(1) or Section 419A(d)(2) of the Code;

(2)All nondeductible Employee contributions allocable during a Plan Year to the Accounts of the Participant; and

(3)Forfeitures allocable for a Plan Year to the Accounts of the Participant.

Any rollover contributions or transfers from other qualified plans, restorations of forfeitures, or other items similarly enumerated in Treasury Regulation Section 1.415-6(b)(3) shall not be considered in calculating a Participant's Annual Additions for any Plan Year.

(j)“ AUTHORIZED OR APPROVED LEAVE OF ABSENCE ” - A leave of absence from the performance of active service for an Employer that is approved by the Employer in accordance with the Employer's rules regarding leave of absence. An Authorized Leave of Absence shall include an approved leave of absence for sickness or Disability. An absence from employment as a result of an Employee's service as a member of the armed forces of the United States shall also be treated as an Authorized Leave of Absence upon the Employee's return to employment with the Employer, provided that the Employee left employment with his Employer directly to enter the armed forces and returns directly to the employment of an Employer within the period during which his employment rights are protected by the Selective Service Act (or any similar law) as now in effect or as hereafter amended. Absence shall be deemed to be approved by an Employer for any period of an Employee's Disability prior to his separation from employment.

(k)“ AUTOMATIC ENROLLMENT DATE ” shall mean the first day of the first payroll period following a participant's completion of one Year of Eligibility Service.

(l)“ BALANCED FUND ” - A diversified fund that is designed to invest its holdings in bonds and stocks to achieve a high amount of current income while preserving capital.

(m)“ BENEFICIARY ” - The person or persons designated by a Participant to receive benefits under the Plan in the event of the death of the Participant.

(n)“ BENEFIT COMMENCEMENT DATE ” - The first day on which all events (including the passing of the day on which benefit payments are scheduled to commence) have occurred which entitle the Participant to receive his first benefit payment from the Plan.

(n-1)“ BENEFITS DEPARTMENT ” – The department within the Human Resources Department of U-Haul International, Inc. responsible for the administration and record-keeping associated with this Plan.

(o)“ BOARD ” - The Board of Directors of the Corporation.

(p)“ BOND FUND ” - A fund that is primarily designed to invest its holdings in corporate and government bonds and mortgages and is designed to achieve a high amount of current income with moderate risk. This fund was previously known as the "Profit Sharing Fund."

(q)“ BREAK IN CONTINUOUS SERVICE ” - A twelve (12) continuous month period, commencing with an Employee's Termination Date, in which the Employee is not credited with at least one (1) Hour of Service.

(q-1)“ CANADIAN AFFILIATE ” - Any corporation or company wholly owned by AMERCO which does business in Canada .

(r)“ CLAIMS REVIEW BOARD ” – the Committee appointed by the President of AMERCO to review certain decisions of the Advisory Committee pursuant to Section 12.3 of the Plan

(s)“ COMPENSATION ” - The term “*Compensation*” for a Plan Year means the wages paid to a Participant within the meaning of section 3401(a) of the Code (for purposes of income tax withholding at the source), determined without regard to any rules that limit the remuneration included in wages based on the nature or location of the employment or the services performed but including for such Plan Year all of a Participant ’ s salary reductions made pursuant to an arrangement maintained by an Employer under Sections 125, 132(f)(4), or 401(k) of the Code during the Plan year, and any contributions on such Participant ’ s behalf described in Sections 402(e)(3) or 402(g)(3) of the Code.

In no event shall the amount of a Participant ' s Compensation taken into account for purposes of the Plan for any Plan Year exceed the dollar limitation in effect under Code Section 401(a)(17) (as that limitation is adjusted from time to time by the Secretary of the Treasury pursuant to Code Section 401(a)(17) and which is \$260,000 for the Plan Year commencing January 1, 2014). If this period consists of fewer than 12 months, the annual compensation limit shall be an amount equal to the otherwise applicable annual compensation limit multiplied by a fraction, the numerator of which is the number of months in the short determination period, and the denominator of which is 12.

The definition of Compensation shall comply with Treasury Regulations 1.413(c)-2(b) and (c) and shall be subject to the following:

(a) Compensation shall be included in a Plan Year only if actually paid or made available during such Plan Year, but also shall include amounts earned but not paid during the Plan Year solely because of the timing of pay periods and pay dates, provided the amounts are paid during the first few weeks of the next Plan Year, the amounts are included on a uniformed and consistent basis with respect to all similarly situated employees, and no Compensation is included in more than 1 Plan Year.

(b) Compensation for a Plan Year shall also include amounts paid no later than 2½ months after the Participant ' s severance from employment with an Employer or the end of the Plan Year that includes the date of the Participant ' s severance from employment. In such instances, amounts shall be included only if one of the following applies:

(i) The payment is regular compensation for services during the Participant ' s regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments, and, absent a severance from employment, the payments would have been made to the Participant continued in employment with an Employer.

(ii) The payment is for unused accrued bona fide sick, vacation or other leave that the Participant would have been able to use if employment had continued; or

(iii) The payment is received by the Participant pursuant to a nonqualified deferred compensation plan and would have been paid at the same time of employment had continued; but only to the extent includible in gross income.

Any payment not described above will not be included in Compensation if paid after severance from employment, even if paid by the later of 2 ½ months after the date of severance of employment or the end of the Plan Year that includes the date of severance from employment; provided, however, the Compensation shall include amounts paid to an

individual who does not currently perform services for the Employer by reason of qualified military service (within the meaning of 414(u)(1) of the Code) to the extent the Compensation does not exceed the amounts the individual would have received if the individual had continued to perform services for the Employer rather than entering qualified military service.

(c) Compensation shall also include any deemed Section 125 Compensation as defined in Revenue Ruling 2002-27.

(d) Compensation shall include differential wage payments, as defined in Code Section 3401(h)(2), that are paid by an Affiliate.

(s-1)“ CONTINUOUS SERVICE ” - The aggregated service of the Employee measured in years and completed calendar months, based on the Employee's period of elapsed time of employment determined in accordance with Section 3.3 and the applicable regulations of the United States Treasury Department.

(s-2)“ CORPORATION” OR “COMPANY” – AMERCO, a Nevada Corporation.

(t) “ DISABILITY ” - A continuous period of absence resulting from accidental bodily injury, sickness, mental illness or substance abuse that, in the judgment of the Advisory Committee, supported by the written opinion of a licensed physician (who may be designated by the Advisory Committee), prevents a Participant from performing the essential duties of his own occupation or a reasonable alternative made available by the Company. If a Participant is also a participant in the Amerco Disability Plan, a determination of disability thereunder shall be binding upon, and be deemed a determination of Disability for all purposes hereunder.

(u)“ DIVERSIFIED EQUITY FUND” or “LARGE- CAP FUND” - A fund designed to invest its holdings in a broadly diversified group of common stocks to seek both dividend income and capital appreciation over the long term.

(v)“ EARNINGS ” - The term "Earnings" shall mean all of the Participant's wages within the meaning of Section 3401(a) of the Code and all payments of compensation to the Employee by the Employer (in the course of the Employer's trade or business) for which the Employer is required to furnish the Employee a written statement under Sections 6041(d), 6051(a)(3) and 6502 of the Code, determined without regard to any rules under Section 3401(a) that limit the remuneration included in wages based on the nature or location of the employment or the services performed. "Earnings" shall also include the amount of Pre-Tax Contributions that would have been paid to the Participant as current Earnings reportable on Internal Revenue Service Form W-2 but for the Participant's election to direct Pre-Tax Contributions. Only Earnings paid during periods of actual Plan participation shall be

includable as Earnings hereunder. Notwithstanding the foregoing, Earnings in excess of Two Hundred Sixty Thousand Dollars (\$260,000) shall be disregarded for all purposes. The limitations specified in the preceding sentence shall be adjusted to take into account any cost-of-living increase adjustment for that Plan Year allowable pursuant to the applicable regulations or rulings of the United States Treasury Department under Section 401(a)(17)(B) of the Code. Earnings shall include qualified transportation fringe benefits as described in Section 132(f)(2) of the Code.

For purposes of applying the limitations of Code Section 415, in the case of an Employee who is an Employee within the meaning of Code Section 401(c)(1) and the Regulations thereunder, the Employee's Earned Income (as described in Code Section 401(c)(2) and the Regulations thereunder) shall include amounts deferred at the election of the Employee that would be includable in gross income but for the rules of Code Sections 402(h)(1)(B), 402(k), or 457(b)."

(w)“ EFFECTIVE DATE ” - As provided in Section 1.1.

(x)“ EMPLOYEE ” - Each person who is classified by the Employer as a common law employee (or who would be considered a common law employee if such person were not on an Authorized Leave of Absence). Regardless of any subsequent determination by a court or a governmental agency that an individual should be treated as a common law employee, an individual will be considered an Employee under the Plan only if such individual has been so classified by the Employer for purposes of this Plan and is not a private contractor. If the Employer modifies its classification or treatment of an individual, the modification shall be applied prospectively only unless the Employer indicates otherwise, in which case the modification will be effective as of the date specified by the Employer . If an individual is characterized as a common law employee of the Employer by a governmental agency or court but not by the Employer , such individual shall be treated as an employee who has not been designated for participation in this Plan. Leased employees shall not be regarded as Employees for purposes of actual participation in the Plan. A “leased employee” is any person who is not an Employee of the Employer but who has provided services to the Employer, which services are performed under the primary direction or control of the employer, on a substantially full-time basis for a period of at least one (1) year, pursuant to an agreement between the Employer and a leasing organization. If a leased employee is subsequently employed by the Employer, the period during which the leased employee performs services for the Employer shall be taken into account for calculation of eligibility and vesting credit .

(y)“ EMPLOYEE SELECTED INVESTMENT FUNDS ” - The investment funds, if any, established pursuant to Section 6.1.

(z)“ EMPLOYER ” - The Corporation and any Affiliate of the Company (unless the Board has determined that the Employees of said Company should not participate in the Plan) which is designated by the Board as an Employer under the Plan and whose designation as such has become effective and has continued in effect. The designation shall become effective only when it has been accepted by the board of directors of the designated Employer . Any Employer may revoke its acceptance of such designation at any time, but until such acceptance is revoked all the provisions of the Plan and the Trust Agreement and any amendments thereto shall apply to the Employees of the Employer . In the event that the designation of an Employer as such is revoked by the board of directors of the Employer , the Plan shall be deemed terminated only as to such Employer .

(aa)“ EMPLOYER MATCHING CONTRIBUTION ACCOUNT ”- The account established pursuant to Section 8.1 to which Employer Matching Contributions are credited.

AB. “ EMPLOYER MATCHING CONTRIBUTIONS ” - The contributions of the Employers as described in Section 5.4 of the Plan.

(cc)INTENTIONALLY DELETED

(dd)“ FUNDS ” - The various investment alternatives under the Plan, including, but not limited to, the Balanced Fund, the Income Fund, the Bond Fund, the Diversified Equity Fund (Large-Cap Fund) , the Small - Cap Fund, the Mid-Cap Fund, the World Fund and the Target Funds.

(ee)“ HIGHLY COMPENSATED EMPLOYEE ” - Each individual who is treated as a "Highly Compensated Employee" pursuant to Section 2.3 of this Plan.

(ff)“ HOUR OF SERVICE ” -

(1)An hour for which an Employee is directly or indirectly compensated, or is entitled to Compensation, by an Employer or an Affiliate for the performance of duties. Such Hours of Service shall be credited in the respective eligibility and vesting service computation periods in which the duties were performed.

(2) An hour for which an Employee is directly or indirectly compensated, or is entitled to Compensation, by an Employer or an Affiliate on account of a period of time during which no duties are performed (irrespective of whether the employment relationship has terminated) due to vacation, holiday, illness, incapacity (including Disability), layoff, jury duty, military duty or leave of absence. No more than five hundred one (501) Hours of Service shall be credited under this paragraph for any single continuous

period (whether or not such period occurs in a single computation period). Hours of Service under this paragraph shall be calculated and credited pursuant to Section 2530.200b-2 of the Department of Labor Regulations governing the computation of Hours of Service, which are incorporated herein by this reference.

(3) An hour for which back pay (irrespective of mitigation of damages) is either awarded or agreed to by an Employer or an Affiliate. The same Hours of Service shall not be credited both under paragraphs (1) or (2) above, as the case may be, and under this paragraph (3). Hours of Service attributable to back pay credits will be credited to the respective computation period or periods to which the back pay pertains, rather than to the period in which the award, agreement or payment is made.

(4) In lieu of determining Hours of Service under the foregoing paragraphs, the Benefits Department may credit an Employee with ten (10) Hours of Service for each day for which any service must be credited, or forty-five (45) Hours of Service for each week for which any service must be credited, or one hundred ninety (190) Hours of Service for each month for which any service must be credited. Such crediting of hours shall be performed on a nondiscriminatory basis.

(5) Employees also shall be credited with any additional Hours of Service required to be credited pursuant to Federal law other than the Act or the Code.

(6) Solely for purposes of determining whether an Employee has incurred a Break in Service, an Employee shall be credited with Hours of Service in accordance with the provisions of this paragraph (6) for periods of absence (with or without pay) by reason of the pregnancy of the Employee, the birth of a child of the Employee, the placement of a child with the Employee in connection with the adoption of such child by the Employee, or for purposes of caring for a child of the Employee for a period beginning immediately following the child's birth or placement. An Employee who is on an Authorized Leave of Absence for any of the foregoing reasons shall receive credit for the Hours of Service which the Employee would normally have been credited with but for such absence. If the Benefits Department and the Employer are unable to determine the Hours which would have otherwise been credited to the Employee, the Employee shall receive credit for eight (8) Hours of Service for each day of such absence. The maximum number of Hours of Service credited to an Employee pursuant to this paragraph for any one absence or any series of related absences shall not exceed five hundred one

(501). The hours credited pursuant to this paragraph will be treated as Hours of Service for the service computation period during which the absence begins if the Employee would be prevented from incurring a Break in Service during such twelve (12) consecutive month period solely because of the Hours of Service credited pursuant to this paragraph. In all other cases, the Hours of Service shall be credited to the Employee for the service computation period which begins immediately following the day on which the absence commences. This paragraph (6) shall not be construed as entitling any Employee to an Authorized Leave of Absence for any of the reasons enumerated above. An Employee's entitlement to an Authorized Leave of Absence will be determined in accordance with the standard policies of the Employer. No credit will be given pursuant to this paragraph (6) unless the Employee furnishes to the Benefits Department such timely information as the Benefits Department may reasonably require to establish the number of days for which there was such an absence and that the absence was for one of the reasons enumerated above.

(gg) “ INACTIVE PARTICIPANT ” - A Participant for who Accounts are maintained under the Plan, but who is not eligible to make Pre-Tax Contributions or to receive allocations of Employer Matching Contributions or Profit Sharing Contributions. An Inactive Participant shall continue to share in the earnings or losses on Trust investments.

(hh) “ INCOME FUND ” - A fund invested in high quality short and intermediate term bonds, insurance contracts, and money market securities, with the objective of earning interest income without exposing the fund to significant fluctuations in value.

(ii) “ KEY EMPLOYEE ” – As defined in Section 2.2.

“(ii-1) “ MID- CAP FUND ” - A fund that is primarily designed to invest its holdings in the stocks of midsize companies - those with market capitalization of \$1-10 billion - and which seek s to provide long-term growth of capital.

(jj) “ NON-CONTRIBUTING PARTICIPANT ” - A Participant who is not eligible to direct his Employer to make Pre-Tax Contributions, has not elected to direct (or as of the Automatic Enrollment Date has elected not to direct) his Employer to make Pre-Tax Contributions, or has stopped directing or making Pre-Tax Contributions. This Plan refers to Non-Contributing Participants to distinguish between an Employee who does not elect to direct (or as of the Automatic Enrollment Date elects not to direct) Pre-Tax Contributions under this Plan, but who nonetheless is eligible to receive an allocation of Profit Sharing Contributions under the Plan, and an Employee who directs Pre-Tax Contributions under this Plan. An Employee who is eligible to participate in the Plan, but who does not elect to direct (or as of the Automatic Enrollment Date elects not to direct) Pre-Tax Contributions, shall

automatically be a Non-Contributing Participant for the period during which he does not elect to direct (or as of the Automatic Enrollment Date elects not to direct) Pre-Tax Contributions.

(kk)“ NORMAL RETIREMENT AGE ” or “ NORMAL RETIREMENT DATE ” -

(1) Normal Retirement Age - The date on which a Participant attains the age of sixty-five (65) years.

(2) Normal Retirement Date - The last day of the month in which the Participant attains his Normal Retirement Age.

(ll)“ PARTICIPANT ” - An Employee who has satisfied the eligibility requirements specified in Section 3.1, who has elected to participate pursuant to Section 3.2 and whose participation in the Plan has not been terminated. An Employee who is otherwise eligible to participate who does not elect to make any Pre-Tax Contributions (who is occasionally referred to as a “Non-Contributing Participant”) will be treated as a Participant for purposes of the application of the actual deferral percentage tests of Section 4.3, for purposes of the actual contribution percentage tests of Section 5.4 and for purposes of the allocation of Profit Sharing Contributions. If so indicated by the context, the term Participant shall also include former Participants whose active participation in the Plan has terminated but who have not received all amounts to which they are entitled pursuant to the terms and provisions of this Plan. Whether former Participants are allowed to exercise an option or election extended to "Participants" will be determined by the Benefits Department in the exercise of its discretion, but in making such determinations the Benefits Department shall act in a uniform, nondiscriminatory manner. In order to distinguish between individuals who are actively participating in all phases of the Plan and former active Participants and individuals who are not making Pre-Tax Contributions, the Plan occasionally refers to Inactive Participants or Non-Contributing Participants. Whether the term Participant includes Inactive Participants and/or Non-Contributing Participants will be determined by the Benefits Department based on the context in which the term is used.

(mm)“ PLAN ENTRY DATE ” - For other than eligibility to make Pre-Tax Contributions, the last day of each calendar quarter – March 31, June 30, September 30 and December 31.

(nn)“ PLAN YEAR ” - A twelve (12) month period commencing on each January 1 and ending on each following December 31.

(oo)“ PRE -TAX CONTRIBUTION ACCOUNT ” - The separate bookkeeping account established pursuant to Section 8.1 to record and credit the Pre-Tax Contributions directed by a Participant and the net gains and losses thereon.

(pp) “ PRE -TAX CONTRIBUTIONS ” - The contributions directed by a Participant pursuant to Section 4.1 of the Plan.

(qq)“ PRE -TAX CONTRIBUTION ENTRY DATE ”- The first day of the first payroll period following a Participant's completion of three months of Continuous Service.

(rr) “ PROFIT SHARING ACCOUNT ” - The account established pursuant to Section 8.1 to which Profit Sharing Contributions are credited.

(ss)“ PROFIT SHARING CONTRIBUTION ” - The regular, special, or per capita Profit Sharing Contributions made by the Employer s pursuant to Section 5.1(a), (b) or (c).

(tt)“ QUALIFIED DOMESTIC RELATIONS ORDER ” - A domestic relations order meeting the requirements specified in Section 14.2.

(uu)“ REQUIRED BEGINNING DATE ”

(1) 5 Percent Owners - For a Participant who is a "5-Percent Owner" as defined in Code Section 416(i)(1)(B)(i), Required Beginning Date means April 1 of the calendar year following the calendar year in which the Participant attains age 70½, regardless of whether the Participant has terminated employment with the Employer .

(2) Non 5-Percent Owners - For a Participant who is not a "5-Percent Owner" as defined in Code Section 416(i)(1)(B)(i), Required Beginning Date shall mean April 1 of the calendar year following the later of (i) the calendar year in which the Participant attains age 70½, or (ii) the calendar year in which the Participant terminates employment with the Employer . Notwithstanding the above, for any Participant who attains age 70½ prior to the Plan Year beginning January 1, 1999 , Required Beginning Date shall mean, at the Participant's election, April 1 of the calendar year following (i) the calendar year in which the Participant attains age 70½, or (ii) the calendar year in which the Participant terminates employment with the Employer .

(vv) “ ROLLOVER CONTRIBUTION ” - The amounts transferred to the Trust Fund by Employees in accordance with Section 4.7.

(ww) “ ROLLOVER CONTRIBUTION ACCOUNT ” - A separate account established pursuant to Section 8.1 to which are credited the Rollover Contributions of an Employee.

(ww-1) “ SMALL- CAP FUND ” - A fund that is primarily designed to invest its holdings in stocks with a relatively small market capitalization , generally between \$300 million and \$ 1 billion.

(xx)INTENTIONALLY OMITTED.

(xx-1) “ TARGET FUND(S) ” - Funds featuring an asset mix determined by the level of risk and return that is appropriate for an individual investor's age, level of risk aversion, the investment's purpose and the length of time until the principal will be withdrawn.

(yy) “ TERMINATION DATE ” - The earliest of (1) the date on which an Employee voluntarily separates from employment, retires, is discharged or dies, or (2) the second anniversary of the first day of the period during which the Employee was absent from service with the Employer by reason of a maternity or paternity leave (within the meaning of Section 3.3), or (3) the first anniversary of the first day of the period during which the Employee was absent from service with the Employer for any reason other than a maternity or paternity leave or a severance from employment due to voluntarily resignation, discharge, retirement or death.

(zz) “ TOP HEAVY PLAN ” - A "Top Heavy Plan," as defined in Section 2.2.

(aaa)“ TRUST AGREEMENT ” - The instrument or instruments executed in connection with the Plan by the Corporation and the Trustees to provide for the investment and administration of all of the Trust Fund. The Trust Agreement shall constitute a part of the Plan.

(bbb) “ TRUST FUND ” - The fund established by the Corporation to provide for the holding, investment, administration and distribution of all amounts contributed under the Plan, and the net gains and losses thereon. The Trust Fund will be held, administered and distributed for the exclusive benefit of Participants and their Beneficiaries. The Trust Fund shall be administered and invested by the Administrative Trustee pursuant to the Trust Agreement.

(ccc) “ TRUSTEE ” or “ TRUSTEES ” - The Administrative Trustee acting as such under the Trust Agreement.

(ccc-1) “ WORLD FUND ” - A fund that is primarily designed to invest its holdings in companies located outside the United States.

(ddd)“ YEAR OF ELIGIBILITY SERVICE ” - A twelve (12) month period (the "Computation Period") in which an Employee is credited with at least one thousand (1,000) Hours of Service, regardless of whether the Employee is employed on the last day of said period. The initial Computation Period shall commence with the first Hour of Service of the

Employee. Following this initial Computation Period, a Year of Eligibility Service shall be determined on the Computation Period commencing on the first day of the Plan Year which includes the first anniversary of the date on which the Employee first performed an Hour of Service. Thereafter, the Benefits Department shall measure any subsequent Computation Period necessary for a determination of a Year of Eligibility Service by reference to succeeding Plan Years. If an individual terminates employment with the Employer s prior to completing one thousand (1,000) Hours of Service in any of such Computation Periods and returns to an Employer or any Affiliate after the close of the Computation Period during which his employment was terminated, in the future the relevant Computation Periods shall commence on the date the individual first performs an Hour of Service for an Employer or any Affiliate following his reemployment and the anniversaries thereof. Once a Participant enters the Plan pursuant to Section 3.1, the Participant need not complete any particular number of Hours of Service in order to make Pre-Tax Contributions pursuant to Section 4.1. The Participant may, however, be required to complete one thousand (1,000) Hours of Service during the Plan Year in order to receive an allocation of Employer contributions pursuant to Section 8.2(e). All years of service with any of the Employer 's Canadian Affiliate(s) shall be taken into account. Effective November 1, 1997 , for purposes of determining an Employee's Years of Eligibility Service under this Plan, service with North American Insurance Company and Safemate Life Insurance Company shall be taken into account.

2.2. TOP HEAVY PLAN PROVISIONS.

The provisions of this Section 2.2 shall be observed in determining the Plan's status as a Top Heavy Plan or a Super Top Heavy Plan:

(a) GENERAL RULES. The Plan will be a Top Heavy Plan for a Plan Year if, on the last day of the prior Plan Year (hereinafter referred to as the "determination date "), more than sixty percent (60%) of the cumulative balances credited to all accounts of all Participants are credited to or allocable to the accounts of Key Employees. For purposes of making these determinations, the following rules will apply:

- (1) The balance credited to or allocable to a Participant's accounts for purposes of this Section 2.2 shall include contributions made on or before the applicable determination date, together with withdrawals and distributions made during the five (5) year period ending on the determination date.
- (2) The accounts of any Participant who was formerly (but no longer is) a Key Employee shall be disregarded. In addition, the accounts of any Participant who has not performed any services for the Employer or an Affiliate during the five (5) year period ending on the determination date shall be disregarded.

(3) Rollover contributions that are both initiated by the Employee and are not derived from a plan maintained by the Employer or any Affiliate shall be disregarded unless otherwise provided in lawful regulations issued by the United States Treasury Department. Other amounts rolled over to or from this Plan to or from another qualified plan will be considered in calculating the Plan's status as a Top Heavy Plan if and to the extent required by said regulations.

(b) AGGREGATION OF PLANS. Notwithstanding anything in this Section 2.2 to the contrary, in the event that the Plan shall be determined by the Benefits Department (in its sole and absolute discretion, but pursuant to the provisions of Section 416 of the Code) to be a constituent in an "aggregation group", this Plan shall be considered a Top Heavy Plan only if the "aggregation group" is a "top heavy group". For purposes of this Section 2.2, an "aggregation group" shall include the following:

- (1) Each plan intended to qualify under Section 401(a) of the Code sponsored by the Employer or an Affiliate in which one (1) or more Key Employees participate;
- (2) Each other plan of the Employer or an Affiliate that is considered in conjunction with a plan referred to in clause (1) in determining whether or not the nondiscrimination and coverage requirements of Section 401(a)(4) or Section 410 of the Code are met; and
- (3) If the Benefits Department, in the exercise of its discretion, so chooses, any other such plan of the Employer or an Affiliate which, if considered as a unit with the plans referred to in clauses (1) and (2), satisfies the requirements of Code Section 401(a) and Code Section 410.

A "top heavy group" for purposes of this Section 2.2 is an "aggregation group" in which the sum of the present value of the cumulative accrued benefits for Key Employees under all "defined benefit plans" (as defined in Section 414(j) of the Code) included in such group plus the aggregate of the account balances of Key Employees on the last Accounting Date in the twelve (12) month period ending on the respective determination date under all "defined contribution plans" (as defined in Section 414(i) of the Code) included in such group exceeds sixty percent (60%) of the total of such similar sum determined for all employees and beneficiaries covered by all such plans (where such present values and account balances are those present values applicable to those determination dates of each plan which fall in the same calendar year). The Benefits Department will calculate the present value of the cumulative annual benefits under a defined benefit plan in accordance with the rules set forth

in the defined benefit plan. All determinations will be made in accordance with applicable regulations under Section 416 of the Code.

(c) This Section shall apply for purposes of determining whether the Plan is a top-heavy plan under Section 416(g) of the Code for Plan Years beginning after December 31, 2001, and whether the Plan satisfies the minimum benefits requirements of Section 416(c) of the Code for such years.

(i) Determination of Top-heavy Status.

(A) Key Employee. In determining whether the Plan is Top-Heavy for Plan Years beginning after December 31, 2001, Key Employee means any employee or former employee (including any deceased employee) who at any time during the plan year that includes the determination date (as defined in Section 7.6) is an officer of the Employer having annual Compensation greater than \$130,000 (as adjusted under § 416(i)(1) of the Code for Plan Years beginning after December 31, 2002), a 5-percent owner of the Employer, or a 1-percent owner of the Employer having an annual compensation of more than \$150,000.

In determining whether the Plan is top-heavy for plan years beginning before January 1, 2002, Key Employee means any employee or former employee (including any deceased employee) who at any time during the 5-year period ending on the determination date, is an officer of the employer having an annual compensation that exceeds 50 percent of the dollar limitation under § 415(b)(1)(A), an owner (or considered an owner under § 318) of one of the ten largest interests in the employer if such individual's compensation exceeds 100 percent of the dollar limitation under § 415(c)(1)(A), a 5-percent owner of the employer, or a 1-percent owner of the employer who has an annual Compensation of more than \$150,000. For purposes hereof, "annual compensation" means compensation within the meaning of Code Section 415(c)(3).

The determination of who is a key employee will be made in accordance with § 416(i)(1) of the Code and the applicable regulations and other guidance of general applicability issued thereunder.

(B) Determination of Present Values and Amounts. This Section 2.2(c) shall apply for purposes of determining the present values of accrued benefits and the amounts of account balances of employees as of the determination date.

(1) Distributions During Year Ending on the Determination Date. The present value of accrued benefits and the amounts of account balances of an employee as of the determination date shall be increased by the distributions made with respect to the employee under the Plan and any plan aggregated with the Plan under Section

416(g)(2) of the Code during the one year period ending on the determination date. The preceding sentence shall also apply to distributions under a terminated plan which, had it not been terminated, would have been aggregated with the Plan under Section 416(g)(2)(A)(i) of the Code. In the case of a distribution made for a reason other than severance from employment, death, or disability, this provision shall be applied by substituting 5-year period for 1-year period.

(2) Employees Not Performing Services Having Year Ending on the Determination Date. The accrued benefits and accounts of any individual who has not performed services for the employer during the 1-year period ending on the determination date shall not be taken into account.

(C) Minimum Benefits. Employer matching contributions shall be taken into account for purposes of satisfying the minimum contribution requirements of Section 416(c)(2) of the Code and the Plan. The preceding sentence shall apply with respect to matching contributions under the Plan or, if the Plan provides that the minimum contribution requirement shall be met in another plan, such other plan. Employer matching contributions that are used to satisfy the minimum contribution requirements shall be treated as matching contributions for purposes of the actual contribution percentage test and other requirements of Section 401(m) of the Code.

2.3. HIGHLY COMPENSATED EMPLOYEE

(a) GENERAL. The term "Highly Compensated Employee" shall include all "highly compensated active employees" and all "highly compensated former employees."

(b) HIGHLY COMPENSATED ACTIVE EMPLOYEES. A Highly Compensated Active Employee includes any Employee who performs service for the Employer during the current Plan Year (the "determination year") and who:

- (1) during the determination year, or during the preceding Plan Year, is or was a 5% owner as described in Section 416 (i)(1) of the Code and the applicable regulations thereunder; or
- (2) for the preceding year received compensation from the Employer in excess of \$80,000. The \$80,000 amount is adjusted at the same time and in the same manner as under Code section 415(d), except that the base period is the calendar year ending September 30, 1996.

(c) HIGHLY COMPENSATED FORMER EMPLOYEES. The term Highly Compensated Former Employee shall mean any individual formerly employed by the Employer who satisfied the definition of "highly compensated active employee" set forth

above, (i) at the time he separated from employment or (ii) at any time after he attained fifty-five (55) years of age. No highly compensated former employee shall be considered a member of the top-paid group (as defined above), if, at any time prior to the termination of employment and prior to attaining fifty-five (55) years of age, a highly compensated active employee receives Compensation which is less than fifty percent (50%) of the Employee's annual average compensation for the three (3) consecutive years preceding the determination year during which the Employee received the greatest amount of compensation from the Employer, then such Employee shall not be deemed to be a highly compensated former employee upon his actual separation from employment with the Employer if, after the "deemed separation year," as defined in Section 1.414(q)-IT Q & A-5(a)(3) of the regulations, and before the Employee's actual year of separation such Employee's services for and Compensation from the Employer, under all the facts and circumstances increase significantly so as to result in a deemed a resumption of employment.

(d) COST-OF-LIVING ADJUSTMENTS. The dollar limitations of sub-paragraphs (b)(2) above shall be adjusted at the same time and in a similar manner pursuant to the applicable rulings or regulations of the United States Treasury Department under Code Section 415(d).

2.4. CONSTRUCTION.

The masculine gender, where appearing in the Plan, shall include the feminine gender, and the singular shall include the plural, unless the context clearly indicates to the contrary. The term "delivered to the Advisory Committee," as used in the Plan, shall include delivery to a person or persons designated by the Advisory Committee for the disbursement and receipt of administrative forms. The term "delivered to the Benefits Department", as used in the Plan shall include delivery to a person or persons designated by the Benefits Department for the disbursement and receipt of administrative forms. Delivery shall be deemed to have occurred only when the form or other communication is actually received, and, with respect to the receipt of forms effective as of a payroll period, delivery effective for the payroll period must be made within the time indicated by the Advisory Committee or the Benefits Department, as the case may be, for receipt of such form or other communication to be effective as of the next-occurring payroll period. Any such rule with respect to delivery shall be uniformly applicable to all Employees and Participants. Headings and subheadings are for the purpose of reference only and are not to be considered in the construction of this Plan. If any provision of this Plan is determined to be for any reason invalid or unenforceable, the remaining provisions shall continue in full force and effect. All of the provisions of this Plan shall be construed and enforced according to the laws of the State of Arizona and shall be administered according to the laws of such state, except as otherwise required by the Act, the Code or other Federal law. It is the intention of the Corporation that the Plan as adopted by the Employer s shall constitute a qualified plan under the provisions of Section 401(a) of the Code, and that the Trust Fund maintained pursuant to the Trust Agreement shall be exempt from taxation pursuant to Section 501(a) of the Code. This Plan

shall be construed in a manner consistent with the Corporation's intention.

ARTICLE THREE

ELIGIBILITY AND PARTICIPATION

3.1. ELIGIBILITY.

(a) **CURRENT PARTICIPANTS.** Each Employee who was a Participant in the Plan on the day immediately preceding the Effective Date shall be a Participant in the Plan on the Effective Date.

(b) **NEW PARTICIPANTS.** Each other Employee shall become eligible to participate in the Plan as of the dates specified below:

(1) **PRE -TAX CONTRIBUTIONS.** - A Participant shall be eligible to commence making Pre-Tax Contributions as of his Pre-Tax Contribution Entry Date.

(2) **PROFIT SHARING CONTRIBUTIONS.** - A Participant will become eligible to participate in the allocation of Profit Sharing Contributions as of the Plan Entry Date coinciding with or following the Participant's completion of one (1) Year of Eligibility Service.

(c) **COLLECTIVE BARGAINING UNIT EMPLOYEES AND LEASED EMPLOYEES.** Employees who are covered by a collective bargaining agreement with a union with which an Employer or Affiliate has bargained in good faith over retirement benefits shall not be eligible to participate in this Plan unless their collective bargaining agreement specifically provides for their participation in this Plan. Employees who are "leased employees" for purposes of Section 414(n) of the Code shall not be eligible to participate hereunder.

3.2. PARTICIPATION.

(a) **GENERAL.** There shall be two (2) levels of contribution participation in the Plan. An Employee who has satisfied the eligibility requirements specified in Section 3.1 but who does not elect to participate (or as of the Automatic Enrollment Date elects not to participate) in all contribution features of the Plan shall be a Non-Contributing Participant. Participation in the contribution features of this Plan, other than the allocation of discretionary Profit Sharing Contributions, shall be entirely voluntary.

(b) **PRE -TAX CONTRIBUTIONS BEFORE THE AUTOMATIC**

ENROLLMENT DATE. Each Employee who, before the Automatic Enrollment Date, is eligible pursuant to Section 3.1 to make Pre-Tax Contributions may direct such contributions by signing an enrollment form provided by the Benefits Department and delivering the form to the Benefits Department. The enrollment form shall authorize Earnings reductions in an amount equal to the amount of Pre-Tax Contributions directed by the Participant. The Employee shall designate on the form the amount of his Pre-Tax Contributions and shall authorize the reduction of his Earnings in an amount equal to his directed Pre-Tax Contributions. On the form, the Employee also shall designate the Fund or Funds to which amounts credited to his Pre-Tax Contribution Account shall be allocated, to the extent permitted under this Plan.

(c) PRE -TAX CONTRIBUTIONS ON AND AFTER THE AUTOMATIC ENROLLMENT DATE. Each Employee who, on or after the Automatic Enrollment Date, is eligible pursuant to Section 3.1 to make Pre-Tax Contributions will automatically make Pre-Tax Contributions to the Plan in an amount equal to three percent (3 %) of his Earnings, without the necessity of signing or delivering to the Benefits Department an enrollment form. If the Employee does not want to make Pre-Tax Contributions, he may elect not to make Pre-Tax Contributions by signing a form provided by the Benefits Department and delivering the form to the Benefits Department. If an eligible Employee becomes a Participant due to automatic enrollment, his failure to elect not to make Pre-Tax Contributions will be deemed to authorize the reduction of his Earnings in an amount equal to three percent (3 %). Subject to the limitations in Section 4.1(c), an Employee who is eligible pursuant to Section 3.1 to make Pre-Tax Contributions may elect to make Pre-Tax Contributions in an amount other than three percent (3 %) of his Earnings, by signing an enrollment form provided by the Benefits Department and delivering the form to the Benefits Department. The enrollment form shall authorize Earnings reductions in an amount equal to the amount of Pre-Tax Contributions directed by the Participant. The Employee shall designate on the form the amount of his Pre-Tax Contributions and shall authorize the reduction of his Earnings in an amount equal to his directed Pre-Tax Contributions. On the form, the Employee also shall designate the Fund or Funds to which amounts credited to his Pre-Tax Contribution Account shall be allocated, to the extent permitted under this Plan. If an eligible Employee becomes a Participant due to this Section 3.2(c), his Pre-tax Contributions made after the Automatic Enrollment Date shall be allocated as set forth below unless and until he designates the extent to which such amounts should instead be allocated to the Funds.

BALANCED FUND - 50%
DIVERSIFIED EQUITY (LARGE- CAP) FUND - 30%
BOND FUND - 10%
INCOME FUND - 10%

The Automatic Enrollment Pre-Tax Contribution deferral rate shall automatically increase by one percent (1%) on each anniversary of an Employee's Automatic Enrollment Date, up to a maximum Pre-Tax Contribution deferral rate of eight percent (8%). If the Employee does not want his Pre-Tax Contribution deferral rate to automatically increase as provided

herein, he may elect not to authorize same by signing a form provided by the Benefits Department and delivering the form to the Benefits Department. If an eligible Employee becomes a Participant due to automatic enrollment, his failure to opt out of the automatic annual one percent (1%) increase will be deemed to authorize the reduction of his Earnings in accordance with same.

(d) TRANSITION TO THE AUTOMATIC ENROLLMENT SYSTEM. As of the Automatic Enrollment Date, the enrollment forms of all Participants who are, as of such date, making Pre-Tax Contributions to the Plan, will be honored and the amount of such contributions shall not be affected. However, each eligible Employee who as of the Automatic Enrollment Date is not making Pre-Tax Contributions to the Plan will automatically begin making Pre-Tax Contributions in accordance with Section 3.2(c) as of such date unless the eligible Employee elects not to make Pre-Tax Contributions in accordance with the provisions of Section 3.2(c).

(e) DELIVERY OF FORMS. All forms to be delivered to the Benefits Department pursuant to this Section 3.2 must be received by the Benefits Department at least ten (10) days prior to the earliest date on which the directions under such forms could take effect or within such shorter period as may be specified by the Benefits Department in rules of uniform application. Before the Automatic Enrollment Date, completion of a valid enrollment form shall be a mandatory requirement for participation in the Plan other than as a Non-Contributing Participant.

3.3. CREDITING OF SERVICE.

(a) GENERAL RULE. All periods of Continuous Service shall be taken into account under this Plan. An Employee's Continuous Service shall be determined by aggregating the calendar days of service included in each "period of service" performed by the Employee, and expressing the total in completed years and months, disregarding any fractional months. If two (2) or more "periods of service" are aggregated, a complete year shall consist of three hundred sixty-five (365) days and a complete month shall consist of thirty (30) days. A "period of service" commences on the day on which the Employee performs his first Hour of Service for the Employer or an Affiliate or, when an Employee incurs a Break in Continuous Service, on the day on which the Employee performs his first Hour of Service following the Break in Continuous Service. The "period of service" ends on the Employee's Termination Date, unless the Employee again resumes employment with the Employer or an Affiliate prior to the occurrence of a Break in Continuous Service, in which case the "period of service" will continue and the Employee also will receive credit for the period of time between the Termination Date and the date of reemployment.

(b) SPECIAL RULES FOR MATERNITY AND PATERNITY LEAVES. The Continuous Service of an Employee who is absent from work by reason of a maternity or paternity leave shall not include the period of time following the first anniversary of the first

day of such leave even though the Employee's Termination Date shall not be deemed to occur until the second anniversary of such leave. For purposes of this Plan, a "maternity or paternity leave" is an Authorized Leave of Absence granted for any of the following reasons: the pregnancy of the Employee; the birth of a child of the Employee; the placement of a Child with the Employee in connection with the adoption of such child by the Employee; or the caring for a child of the Employee for a period beginning immediately following the child's birth or placement with the Employee. This paragraph shall not be construed as entitling any Employee to an Authorized Leave of Absence for any of the reasons noted above. An Employee's entitlement to an Authorized Leave of Absence will be determined in accordance with the Employer's standard policies.

(c) SPECIAL RULE FOR OTHER ABSENCES. If an Employee's employment has been terminated on account of resignation, discharge or retirement and the Employee is rehired, the period between the Employee's Termination Date and his date of rehire shall be taken into account and treated as a period of Continuous Service if the Employee is rehired within twelve (12) months of his Termination Date. If the Employee is absent from employment for reasons other than resignation, discharge or retirement and, during such absence, the Employee resigns, is discharged or retires, if the Employee, is thereafter rehired, the period between the Employee's date of resignation, discharge or retirement and his date of rehire shall be taken into account and treated as a period of Continuous Service if the Employee is rehired by the Employer prior to the first anniversary of the date on which the Employee's initial period of absence from employment commenced.

3.4. EFFECT OF REHIRING.

In the event that an Employee separates from employment with the Employer and is later rehired, as a general rule he shall remain credited with all of his Years of Eligibility Service and all periods of Continuous Service credited to him during his prior period of employment. If such an Employee was a Participant or had satisfied the eligibility requirements of Section 3.1 during his prior period of employment and following his return he is otherwise eligible to participate in the Plan, the Employee shall commence participation in the Plan upon the later of his date of rehire or the date on which he would have commenced participation if his employment had not terminated.

3.5. AFFILIATED EMPLOYERS.

For the purpose of computing an Employee's Years of Eligibility Service and period of Continuous Service, employees of Affiliates of the Employer shall be given credit for their Hours of Service and periods of Continuous Service with such Affiliates in the event that they become Employees of an Employer as though during such periods they were Employees of an Employer. Persons employed by a business organization that is acquired by the Employer or by an Affiliate of the Employer shall be credited with service for their Hours of Service and periods of Continuous Service with such predecessor employer hereunder in the

event that they become Employees of an Employer only to the extent required under lawful regulations of the United States Treasury Department under Section 414(a)(2) of the Code or to the extent determined by the Board of the acquiring company on a uniform basis with respect to employees of each "predecessor company," which term for this purpose means and includes any organization which is acquired by an Employer or any Affiliate.

3.6. TRANSFERS TO AND FROM AN ELIGIBLE CLASS OF EMPLOYEES.

(a) TRANSFERS OUT OF PLAN. A Participant will automatically become ineligible to participate in the Plan as of the effective date of a change in his employment classification if as a result of the change he is no longer eligible to participate in the Plan. All sums credited to the Inactive Participant's accounts will continue to be held pursuant to the terms of this Plan and will be distributed to the Inactive Participant only upon his subsequent termination of employment or the occurrence of some event permitting a distribution pursuant to the provisions of this Plan.

(b) TRANSFERS TO PLAN. If an Employee of the Employer is not eligible to, participate in the Plan due to his employment classification, he shall participate immediately upon becoming a member of an eligible class of Employees if he has satisfied the other requirements set forth in Section 3.1 and would have become a Participant previously had he been in an eligible class.

(c) SERVICE CREDIT. In any event, an Employee's service in an ineligible employment classification shall be considered in calculating the Employee's Years of Eligibility Service and years of Continuous Service.

(d) TRANSFERS TO AFFILIATES. If a Participant ceases to participate in the Plan solely as a result of his transfer to an Affiliate that has not adopted this Plan, amounts credited to his accounts as of the date of his transfer shall not be forfeited or distributed. Rather, such amounts shall be payable in accordance with the terms of this Plan upon his subsequent termination of employment with all Affiliates and the Employer or the occurrence of some other event permitting a distribution pursuant to the provisions of this Plan.

3.7. LEASED EMPLOYEES.

A "leased employee" (within the meaning of Section 414(n)(2) of the Code) shall be treated as an Employee of the Employer for purposes of the pension requirements of Section 414(n)(3) of the Code, unless leased employees constitute less than twenty percent (20%) of the Employer's non-highly compensated work force (within the meaning of Section 414(n)(5)(C)(ii) of the Code) and the leased employee is covered by a "safe harbor plan" that satisfies the requirements of Section 414(n)(5)(B) of the Code. In any event, a leased employee who is deemed to be an Employee of the Employer pursuant to the preceding

sentence shall be treated as if he is employed in an employment classification that has not been designated for participation in the Plan.

ARTICLE FOUR

EMPLOYEE CONTRIBUTIONS

4.1. PRE -TAX CONTRIBUTIONS.

(a) ELECTION. Subject to Section 3.2, each Participant may direct the Employer to make Pre-Tax Contributions to the Trust Fund on the Participant's behalf during each Plan Year while he is a Participant. The amount payable to the Participant as his current salary or wages shall then be reduced by an amount equal to the Pre-Tax Contributions directed by the Participant.

(b) TRANSFER TO TRUSTEE. Pre-Tax Contributions shall be forwarded to the Trustee by the earlier of (i) the date the Pre-Tax Contributions can reasonably be segregated from the Employer's assets, or (ii) the fifteenth (15th) business day of the month following the month in which such amounts would otherwise have been payable to the Participant in cash.

(c) LIMITATIONS. The Employer and the Benefits Department shall implement such procedures as may be necessary to assure that the sum of the Pre-Tax Contributions and the Employer Contributions does not exceed the maximum amount that may be deducted by the Employer pursuant to Section 404 of the Code. The maximum rate of Pre-Tax Contributions shall be one hundred percent (100%) of a Participant's Earnings. Pre-Tax Contributions also shall be subject to such other nondiscriminatory restrictions as the Employer and Benefits Department shall determine and announce to Plan Participants.

4.2. PRE -TAX CONTRIBUTIONS--DOLLAR LIMITATION.

A Participant's Pre-Tax Contributions for any calendar year may not exceed the dollar limitation contained in Code Section 402(g) in effect for the Participant's taxable year beginning in such calendar year. This limitation applies in the aggregate to the Participant's "elective contributions" under all plans. For this purpose, the term "elective contributions" includes the Participant's Pre-Tax Contributions to this Plan, the Participant's pre-tax contributions to any other qualified cash or deferred arrangement (as defined in Section 401(k) of the Code), any elective employer contributions to a simplified employee pension plan that are not included in the Participant's gross income due to Section 402(h)(1)(B) of the Code and any employer contribution used to purchase an annuity contract under Section 403(b) of the Code pursuant to a salary reduction arrangement (within the meaning of Section 3121(a)(5)(D) of the Code). In the event that the Participant's elective contributions

to all such programs during any calendar year exceed the limitation for that calendar year, the Participant may, by March 1 of the calendar year following the calendar year for which the excess contributions were made, so advise the Benefits Department and request the return of all or a portion of the excess contributions to this Plan. The excess contributions, along with any income thereon (as determined by the Benefits Department in accordance with rules of uniform and nondiscriminatory application) may then be returned to the Participant by the next following April 15. The Benefits Department is not under any obligation, however, to honor a request for a return.

All employees who are eligible to make elective deferrals under this Plan and who have attained age 50 before the close of the Plan Year shall be eligible to make catch-up contributions in accordance with, and subject to the limitations of, Section 414(v) of the Code. Such catch-up contributions shall not be taken into account for purposes of the provisions of the Plan implementing the required limitations of Sections 402(g) and 415 of the Code. The Plan shall not be treated as failing to satisfy the provisions of the Plan implementing the requirements of Section 401(k)(3), 401(k)(11), 401(k)(12), 410(b), or 416 of the Code, as applicable, by reason of the making of such catch-up contributions. Employer discretionary matching contributions will not be made for catch up contributions made pursuant to this Article.

4.3. LIMITATION ON CONTRIBUTIONS OF HIGHLY COMPENSATED EMPLOYEES.

(a) ACTUAL DEFERRAL PERCENTAGE LIMITATIONS. The contributions made by Participants who are Highly Compensated Employees shall be limited to the extent necessary to satisfy one of the following two paragraphs:

(1) The "actual deferral percentage" for Participants who are Highly Compensated Employees for the Plan Year shall not exceed the "actual deferral percentage" for Participants who are not Highly Compensated Employees for the previous Plan Year multiplied by one and one-quarter (1.25); or

(2) The actual deferral percentage for Participants who are Highly Compensated Employees for the Plan Year shall not exceed the actual deferral percentage for Participants who are not Highly Compensated Employees for the previous Plan Year multiplied by two (2) provided that the actual deferral percentage for Participants who are Highly Compensated Employees does not exceed the actual deferral percentage for Participants who are not Highly Compensated Employees by more than two percentage points (2%).

(b) SPECIAL DEFINITIONS. For purposes of this Section alone, the following definitions shall apply:

(1) "Actual deferral percentage" - The average (expressed as a percentage) of the deferral percentages of the Participants in a group. The actual deferral percentage for a group shall be determined by adding the deferral percentage of all Participants in the group and dividing that sum by the number of Participants in the group.

(2) "Deferral percentage" - The ratio (expressed as a percentage) of the Pre-Tax Contributions under the Plan on behalf of the Participant for the Plan Year to the Participant's Compensation for the Plan.

(3)"Compensation" - Compensation shall be defined in accordance with the definition of Compensation in Section 2.1(s) of the Plan.

(c) SPECIAL RULES. For purposes of this Section, the following rules shall apply:

(1) If any Highly Compensated Employee is a participant under two (2) or more cash or deferred arrangements of the Employer, all such cash or deferred arrangement shall be treated as one (1) cash or deferred arrangement for purposes of determining such Highly Compensated Employee's individual deferral percentage.

(2)At the election of the Employer, but in accordance with such rules as may be prescribed in applicable regulations, any matching contributions (within the meaning of Section 401(m)(4)(A) of the Code) or qualified nonelective contributions (within the meaning of Section 401(m)(4)(C) of the Code) allocated to a Participant under this or any other plan described in Section 401(a) of the Code maintained by the Employer or an Affiliate shall be aggregated with the Participant's Pre-Tax Contributions under this Plan for purposes of determining the Participant's deferral percentage. If the Employer makes such an election, such matching and qualified nonelective contributions (i) must satisfy the conditions set forth in Treasury Regulation Section 1.401(k)- I (b)(5) and (ii) must be subject to the same distribution requirements as are Pre-Tax Contributions. Additionally, in accordance with Treasury Regulations Section 1.401(k)-1(g)(13), such matching and qualified nonelective contributions must satisfy the above requirements without regard to whether they are actually treated as Pre-Tax Contributions.

(3)If this Plan satisfies the requirements of Section 401(a)(4) or Section 410 of the Code only if aggregated with one or more other plans, or if one or more other plans satisfy the requirements of Section 410(b) of the Code

only if aggregated with this Plan, then the limitations of this Section shall be applied by determining the deferral percentages of Participants as if all such plans were a single plan.

(4) The determination and treatment of the contribution percentage of any Participant shall satisfy such other requirements as may be prescribed by the Secretary of the Treasury.

(5) For purposes of determining the actual deferral percentage under Section 4.3(a), Participants who are directly or indirectly eligible to make an election to make a Pre-Tax Contribution under the Plan for all or a portion of the Plan Year shall be taken into account, including a Participant who cannot make Pre-Tax Contributions because of the limitations of Sections 415(c)(1) or 415(e).

(6) Pre-Tax Contributions made by a Participant will be taken into account under the actual deferral percentage test for a Plan Year only if the contributions relate to Compensation that either would have been received by the Participant in the Plan Year (but for the deferral election) or are attributable to services performed by the Participant in the Plan Year and would have been received by the Participant within two and one-half (2½) months after the close of the Plan Year (but for the deferral election).

(7) If the Corporation has elected to apply Code Section 410(b)(4)(B) in determining whether the cash or deferred arrangement meets the requirements of Code Section 401(k)(3)(A)(i), the Corporation may, in determining whether the Plan meets the requirements of Section 4.3(a), exclude from consideration all eligible Employees (other than Highly Compensated Employees) who have not met the minimum age and service requirements of Code Section 410(a)(1)(A).

(d) DISTRIBUTION OF EXCESS CONTRIBUTIONS. No later than the last day of each Plan Year, any "excess Pre-Tax Contributions" and the income allocable thereto will be distributed to Participants who made the excess Pre-Tax Contributions during the preceding Plan Year, except to the extent excess Pre-Tax Contributions are classified as catch-up contributions. For purposes of this paragraph, the term "excess Pre-Tax Contributions" means, with respect to any Plan Year, the aggregate amount of Pre-Tax Contributions paid to the Plan by the Highly Compensated Employees for the Plan Year over the maximum amount of Pre-Tax Contributions permitted pursuant to Section 4.3(a) and Section 401(k)(3)(A)(ii) of the Code. The distribution of excess Pre-Tax Contributions for any Plan Year shall be made to Highly Compensated Employees on the basis of the dollar amount of Pre-Tax Contributions made by each Highly Compensated Employee in accordance with the following procedure:

(1) Step One: The dollar amount of the excess Pre-Tax Contribution for each Highly Compensated Employee shall be calculated in the manner described in Code Section 401(k)(8)(B) and Treasury Regulation Section 1.401(k)-I(f)(2). However, in applying these rules, rather than distributing the amount necessary to reduce the actual deferral percentage of each Highly Compensated Employee in order of these Employees' actual deferral percentages, the Plan uses these dollar amounts in Step Two;

(2) Step Two: The sum of the dollar amounts calculated pursuant to Step One shall be calculated. The total amount calculated in this Step Two shall be distributed in accordance with Steps Three and Four;

(3) Step Three: The Pre-Tax Contributions of the Highly Compensated Employee with the highest dollar amount of Pre-Tax Contributions shall be reduced by the dollar amount required to cause that Highly Compensated Employee's Pre-Tax Contributions to equal the dollar amount of the Pre-Tax Contributions of the Highly Compensated Employee with the next highest dollar amount of Pre-Tax Contributions. This dollar amount is then distributed to the Highly Compensated Employee with the highest dollar amount of Pre-Tax Contributions. However, if a lesser reduction, when added to the total dollar amount already distributed under this Step Three, would equal the total calculated under Step Two, the lesser amount shall be distributed; and

(4) Step Four: If the total amount distributed is less than the amount calculated pursuant to Step Two, Step 3 is repeated.

The income allocable to excess Pre-Tax Contributions shall be determined by multiplying the income allocable for the Plan Year to the Participant's Pre-Tax Contributions Account from which the excess contributions are to be distributed by a fraction, the numerator of which is the excess Pre-Tax Contribution on behalf of the Participant for The preceding Plan Year and the denominator of which is the sum of the Participant's Pre-Tax Contributions Account balance on the last business day of the preceding Plan Year plus the Pre-Tax Contributions (other than excess Pre-Tax Contributions) allocated to that account during the Plan Year. If there is a loss, the total excess Pre-Tax Contributions shall nonetheless be distributed to the Participant, but the

amount distributed shall not exceed the balance of the Pre-Tax Contributions Account from which the distribution is made. The amount of any excess contributions to be distributed shall be reduced by excess deferrals previously distributed for the taxable year ending in the same Plan Year in accordance with Section 402(g)(2) of the Code and excess deferrals to be distributed for a taxable year shall be reduced by excess contributions previously distributed for the Plan beginning in such taxable year.

With respect to excess deferrals (as defined in Code §402(g)) made in taxable year 2007, the Plan administrator must calculate allocable income for the taxable year and also for the gap period (i.e., the period after the close of the taxable year in which the excess deferral occurred and prior to the distribution); provided that the Plan administrator will calculate and distribute the gap period allocable income only if the Plan administrator in accordance with the Plan terms otherwise would allocate the gap period allocable income to the Participant's account. With respect to excess deferrals made in taxable years after 2007, gap period income may not be distributed.

For purposes of determining whether the Employer maintains an alternative defined contribution plan (described in Treas. Reg. §1.401(k)-1(d)(4)(i)) that would prevent the Employer from distributing elective deferrals (and other amounts, such as QNECs, that are subject to the distribution restrictions that apply to elective deferrals) from a terminating 401(k) plan, an alternative defined contribution plan does not include an employee stock ownership plan defined in Code §§4975(e)(7) or 409(a), a simplified employee pension as defined in Code §408(k), a SIMPLE IRA plan as defined in Code §408(p), a plan or contract that satisfies the requirements of Code §403(b), or a plan that is described in Code §§457(b) or (f).

To the extent a Highly Compensated Employee has not reached his or her catch-up contribution limit, excess Pre-Tax Contributions allocated to such highly Compensated Employee are catch up contributions and shall not be treated as excess Pre-Tax Contributions.

(e) REDUCTION OF FUTURE CONTRIBUTIONS. If prior to the end of a Plan Year, the Benefits Department concludes that the average rate of Pre-Tax contributions made on behalf of Highly Compensated Employees would violate the rules set forth in paragraph (a) and Section 401(k) of the Code, the Benefits Department may prospectively reduce the Pre-Tax Contributions directed by the Highly Compensated Employees. The reduction shall be implemented by reducing first the highest rates of Pre-Tax voluntary Contributions within such group and then the highest rates of Pre-Tax Required Contributions within the group, with such rates to be reduced in one percent (1%) increments or fractions thereof, as determined by the Benefits Department. Any reduction pursuant to this Section shall be

limited to the extent necessary to assure compliance with the requirements set forth in paragraph (a) and Section 401(k) of the Code.

4.4. DESIGNATION AND CHANGE OF DESIGNATION OF PRE -TAX CONTRIBUTIONS.

(a) USE OF FORMS. All designations or changes of designation of the amount of Pre-Tax Contributions directed by a Participant shall be made on forms supplied by the Benefits Department, signed by the Participant and delivered to the Benefits Department. Notwithstanding the foregoing, as of the Automatic Enrollment Date, any designation made as a result of an automatic enrollment, need not be made on a form.

(b) FREQUENCY OF CHANGES. A Participant may change his rate of Pre-Tax Contributions as of the first day of each calendar month, except as otherwise determined by the Benefits Department in a uniform non-discriminatory manner with respect to all Participants. Such designations or changes may be made electronically (i.e., e-mail) in the manner and in such form as the Benefits Department shall determine in its discretion. All such designations or changes shall be made effective as of the first day of the calendar month following receipt by the Benefits Department of the appropriate forms, as long as the forms are received by the Benefits Department at least ten (10) days prior to the first day of such calendar month or within such shorter period as the Benefits Department may prescribe pursuant to rules of uniform application.

(c) GENERAL. A payroll deduction designation form, or a payroll deduction made as a result of an automatic enrollment, shall be effective until it is succeeded by a later valid payroll deduction designation form, or until the Participant separates from employment or becomes a Non-Contributing Participant or Inactive Participant. All designations or changes of designation shall be subject to the right of the Benefits Department to refuse to accept such designation or change of designation directed by a Participant if the Benefits Department concludes that such designation or change of designation would cause the Plan to fail to satisfy Section 4.2 or Section 4.3.

4.5. SUSPENSION OF PRE -TAX CONTRIBUTIONS.

A Participant may instruct the Benefits Department to suspend his Pre-Tax Contributions at any time. The suspension will be effective as soon as possible following receipt of the instruction from the Participant. A suspension may last indefinitely. A Participant may recommence directing contributions at any time in accordance with the procedures set forth in Section 4.4 for changing the rate of Pre-Tax Contributions. Suspension of Pre-Tax Contributions shall be made pursuant to a form supplied by the Benefits Department, signed by the Participant and delivered to the Benefits Department. Such suspension instruction may be made electronically (i.e., e-mail) in the manner and in such form as the Benefits Department shall determine in its discretion. While a Participant is

on an Approved Leave of Absence, he shall be a Non-Contributing Participant. A Participant shall not be entitled to "make up" suspended Pre-Tax Contributions, except to the extent required by Section 15.9 of the Plan.

4.6. AFTER-TAX CONTRIBUTIONS.

No current "after-tax" contributions shall be permitted under the Plan. After-Tax Contributions made to the Plan by a Participant previously shall continue to be held in the Trust Fund and shall be credited to the Participant's After-Tax Contribution Account. Until withdrawn or distributed, the After-Tax Contributions Account shall continue to share in the earnings or losses of the Trust Fund.

4.7. ROLLOVER CONTRIBUTIONS.

(a) CONTRIBUTION. Any Employee (whether or not a Participant) who has received a distribution from a profit sharing plan, stock bonus plan or pension plan intended to "qualify" under Section 401 of the Code may transfer such distribution to the Trust Fund if such contribution to the Trust Fund would constitute, in the sole and absolute discretion of the Benefits Department, a "rollover contribution" within the meaning of the applicable provisions of the Code. Additionally, an Employee may request, with the approval of the Benefits Department that the Trustee accept a transfer from the trustee of another qualified plan. Upon such approval, the Trustee shall accept such transfer. The Benefits Department may, in its sole discretion, decline to accept such transfer. For purposes of this Plan, both a "rollover contribution" within the meaning of the applicable provisions of the Code and a transfer initiated by the Employee from another plan shall be referred to as a "Rollover Contribution." If the Benefits Department decides to grant an Employee's request to make a Rollover Contribution, the Employee may contribute to the Trust Fund cash or other property acceptable to the Trustee to the extent of such distribution.

(b) ACCOUNTING AND DISTRIBUTION. The Benefits Department shall credit the Rollover Contribution to a separate account (the "Rollover Contribution Account") for the Employee's sole benefit. The separate Rollover Contribution Account shall be adjusted, valued and credited pursuant to Section 8.3. Any such Rollover Contribution Account shall be nonforfeitable and shall be paid to the Employee or his Beneficiary in the same manner as benefits would be paid to the Participant or Beneficiary under ARTICLE ELEVEN.

(c) NO GUARANTY. The Advisory Committee, the Employer, the Benefits Department and the Trustee do not guarantee the Rollover Contribution Accounts of Participants in any way from loss or depreciation. The Employer, the Advisory Committee, the Benefits Department and the Trustee do not guarantee the payment of any money which may be or become due to any person from a Rollover Contribution Account, and the liability of the Employer, the Advisory Committee, the Benefits Department or the Trustee to make

any payment therefrom shall at any and all times be limited to the then value of the Rollover Contribution Account.

(d) PROHIBITION OF ROLLOVERS FROM CERTAIN PLANS. The Benefits Department shall not permit a Participant to make a direct transfer to this Plan (as distinguished from a "rollover contribution" or "eligible rollover distribution" within the meaning, of the Code) if the plan from which the transfer is to be made is or was subject to the joint and survivor annuity and preretirement survivor annuity requirements of Section 417 of the Code by reason of Section 401(a)(11) of the Code.

ARTICLE FIVE

EMPLOYER CONTRIBUTIONS

5.1. PROFIT SHARING CONTRIBUTIONS.

(a) REGULAR PROFIT SHARING CONTRIBUTION. Subject to the Board's right to terminate or amend this Plan, the Employer shall contribute to the Trust Fund for each Plan Year as a Profit Sharing Contribution such amount, if any, as the Board shall determine, in its sole and absolute discretion.

(b) SPECIAL PROFIT SHARING CONTRIBUTIONS. Notwithstanding whether any Profit Sharing Contribution is made for the Plan Year pursuant to Section 5.1(a) or any other provision contained herein, the Employer may make a special Profit Sharing Contribution to the Trust Fund each Plan Year in such amount and on behalf of such Participants and Non-Contributing Participants, as the Board shall determine, in its sole and absolute discretion, provided that in no event shall a special Profit Sharing Contribution be made on behalf of any Participant or any Non-Contributing Participant who is a Highly Compensated Employee.

(c) SPECIAL "PER CAPITA" PROFIT SHARING CONTRIBUTIONS. In addition to the foregoing, the Employer may make a special "per capita" Profit Sharing Contribution to the Trust Fund on behalf of each Participant and Non-Contributing Participant in such amount, if any, as the Board shall determine, in its sole and absolute discretion, provided that each Participant and Non-Contributing Participant receives an equal allocation of such special "per capita" Profit Sharing Contribution.

(d) AGGREGATE PROFIT SHARING CONTRIBUTIONS. In no event shall the aggregate Profit Sharing Contributions for any Plan Year be more than the amount allowable as a deduction for federal income tax purposes for such Plan Year.

5.2. INTENTIONALLY OMITTED

5.3. "TOP HEAVY" CONTRIBUTIONS.

The Employer may, in its sole and absolute discretion, make additional Profit Sharing Contributions for any Plan Year in which the Plan is Top Heavy in such amounts as may be necessary to fund the Employer contribution allocation required by Section 8.2.

5.4. EMPLOYER MATCHING CONTRIBUTIONS.

(a) DISCRETIONARY MATCHING CONTRIBUTIONS. Subject to the Board's right to terminate or amend this Plan, the Employer shall contribute to the Trust Fund for each Plan Year as an Employer Matching Contribution such amount, if any, as the Board shall determine in its sole and absolute discretion. The amount of the Employer Matching Contribution made on behalf of each Participant shall be based on the Pre-Tax Contributions made by the Participant for the Plan Year.

(b) LIMITATION ON CONTRIBUTIONS OF HIGHLY COMPENSATED EMPLOYEES. The Employer Matching Contributions made on behalf of Participants who were Highly Compensated Employees are limited to the extent necessary to satisfy one of the following two paragraphs:

(1) The "average contribution percentage" for Participants who were Highly Compensated Employees for the Plan Year could not exceed the "average contribution percentage" for Participants who were not Highly Compensated Employees for the previous Plan Year multiplied by one and one-quarter (1.25); or

(2) The average contribution percentage for Participants who were Highly Compensated Employees for the Plan Year could not exceed the average contribution percentage for Participants who were not Highly Compensated Employees for the previous Plan Year multiplied by two (2), provided that the average contribution percentage for Participants who were Highly Compensated Employees did not exceed the average contribution percentage for Participants who were not Highly Compensated Employees by more than two percentage points (2%).

(c) DEFINITIONS. For purposes of this Section alone, the following definitions shall apply:

(1)"Average contribution percentage" - The average (expressed as a percentage) of the contribution percentages of the Participants in a group.

(2) "Contribution percentage" - The ratio (expressed as a percentage) of the Matching Contributions under the Plan on behalf of the Participant for the Plan Year to the Participant's compensation for the Plan Year.

(3) "Compensation" - Compensation shall be defined in accordance with the definition of Compensation in Section 2.1(s) of the Plan.

(d) SPECIAL RULES. For purposes of this Section, the following rules shall apply:

(1) The contribution percentage for any Participant who was a Highly Compensated Employee for the Plan Year and who was eligible to make Pre-Tax Contributions (or to have employee contributions within the meaning of Section 401(m)(3)(A) of the Code, qualified nonelective contributions within the meaning of Section 401(m)(4)(C) of the Code or elective deferrals within the meaning of Section 402(g)(3)(A) of the Code allocated to his account under this Plan and one or more other plans described in Section 401(a) or arrangements described in Section 401(k) of the Code that are maintained by the Employer or an Affiliate) were determined as if all such contributions (and all such matching contributions, qualified nonelective contributions or elective deferrals) were made under a single plan.

(2) In the event that this Plan satisfied the requirements of Section 410(b) of the Code only if aggregated with one or more other plans, or if one or more other plans satisfied the requirements of Section 410(b) of the Code only if aggregated with this Plan, then the limitations of this Section were applied by determining the contribution percentages of Participants as if all such plans were a single plan.

(3) The determination and treatment of the contribution percentage of any Participant may have satisfied such other requirements as may be prescribed by the Secretary of the Treasury.

(4) For purposes of determining whether the Plan satisfies the actual contribution percentage test of Section 5.4(b) of the Plan and Section 401(m) of the Code, all Pre-Tax Contributions and Matching Contributions that are made under two or more plans that are aggregated for purposes of Section 401(a)(4) and 410(b) of the Code (other than Section 410(b)(2)(A)(ii)) shall be treated as made under a single plan.

(5) For purposes of the actual contribution percentage test of Section 5.4(b) and Section 401(m) of the Code, the actual contribution ratios

of all "eligible Employees" shall be taken into account. For purposes of this paragraph, an "eligible Employee" is any Employee who is directly eligible to receive an allocation of Matching Contributions or to make Pre-Tax Contributions and includes: (i) an Employee who would be a Plan Participant but for the failure to make required contributions; (ii) an Employee whose right to make Pre-Tax Contributions or receive Matching Contributions has been suspended because of an election (other than certain one-time elections) not to participate; and (iii) an Employee who cannot make Pre-Tax Contributions or receive a Matching Contribution because Section 415(c)(1) or Section 415(e) of the Code prevents the Employee from receiving additional Annual Additions. In the case of an eligible Employee who makes no Pre-Tax Contributions and who receives no Matching Contributions, the contribution ratio that is to be included in determining the actual contribution percentage is zero (0).

(6) If the Corporation has elected to apply Code Section 410(b)(4)(B) in determining whether the Plan meets the requirements of Code Section 410(b), the Corporation may, in determining whether the arrangement meets the requirements of Section 5.4(c), exclude from consideration all eligible Employees (other than Highly Compensated Employees) who have not met the minimum age and service requirements of Code Section 410(a)(1)(A).

(e) **DISTRIBUTION OF EXCESS CONTRIBUTIONS**. No later than the last day of each Plan Year, any "excess aggregate contributions" and the income allocable thereto will be distributed to Participants who made excess aggregate contributions during the preceding Plan Year. For purposes of this paragraph, an "excess aggregate contribution" is the amount described in Section 401(m)(6)(B) of the Code. The distribution of excess aggregate contributions for any Plan Year shall be made to Highly Compensated Employees on the basis of the dollar amount of excess aggregate contributions made on behalf of each Highly Compensated Employee in accordance with the following procedure:

(1) Step One: The dollar amount of the excess Matching Contribution for each Highly Compensated Employee shall be calculated in the manner described in Code Section 401(k)(8)(B) and Treasury Regulation Section 1-401(k)-1(f)(2). However, in applying these rules, rather than distributing the amount necessary to reduce the average contribution percentage Of each Highly Compensated Employee in order of these Employees', average contribution percentages, the Plan uses these dollar amounts in Step Two;

(2) Step Two: The sum of the dollar amounts calculated

pursuant to Step One shall be calculated. The total amount calculated in this Step Two shall be distributed in accordance with Steps Three and Four;

(3) Step Three: The Matching Contributions of the Highly Compensated Employee with the highest dollar amount of Matching Contributions shall be reduced by the dollar amount required to cause that Highly Compensated Employee's Matching Contributions to equal the dollar amount of the Matching Contributions of the Highly Compensated Employee with the next highest dollar amount of Matching Contributions. This dollar amount is then distributed to the Highly Compensated Employee with the highest dollar amount of Matching Contributions. However, if a lesser reduction, when added to the total dollar amount already distributed under this Step Three, would equal the total calculated under Step Two, the lesser amount shall be distributed; and

(4) Step Four. If the total amount distributed is less than the amount calculated pursuant to Step Two, Step 3 is repeated.

The income allocable to excess aggregate contributions was to be determined by multiplying the income allocable to the Participant's Account for the Plan Year by a fraction, the numerator of which is the excess aggregate contributions on behalf of the participant for the preceding Plan Year and the denominator of which is the Participant's Matching Contributions Account balance on the last business day of the preceding Plan Year. The excess aggregate contributions to be distributed to the Participant shall be adjusted for income and losses. In the case of a loss, the total excess aggregate contributions would nonetheless be distributed to the Participant, but the amount distributed could not exceed the Participant's Matching Contributions Account balance.

With respect to Plan Years beginning after December 31, 2007, the Plan administrator will not calculate and distribute allocable income for the gap period (i.e., the period after the close of the Plan Year in which the excess aggregate contribution occurred and prior to the distribution).

5.5 PAYMENT OF EMPLOYER MATCHING CONTRIBUTIONS AND PROFIT SHARING CONTRIBUTIONS.

Profit Sharing Contributions pursuant to Section 5.1 and Employer Matching Contributions pursuant to Section 5.4 may be paid within the Plan Year for which such contribution is made or within the period thereafter ending on the date by which the Corporation's Federal income tax return for the corresponding year of deduction must be filed, including any extensions of such date. Employer Matching Contributions and Profit Sharing Contributions may be paid in cash or other property acceptable to the Trustee.

5.6. CONDITIONAL NATURE OF CONTRIBUTIONS.

(a) MISTAKE OF FACT. Any contribution made to this Plan by the Employer because of a mistake of fact shall be returned to the Employer upon its request within one (1) year of the date of the contribution.

(b) DEDUCTIBILITY. Every contribution made by the Employer is conditional on its deductibility. If the Internal Revenue Service determines that all or part of a contribution is not deductible, the contribution (to the extent that it is not deductible) shall be refunded to the Employer upon its request within one (1) year after the date of the disallowance.

(c) LIMITATIONS ON AMOUNTS RETURNED. Notwithstanding anything to the contrary, the maximum amount that may be returned to the Employer pursuant to subparagraphs (a) and (b), above, is limited to the portion of such contribution attributable to the mistake of fact or the portion of such contribution deemed non-deductible (the "excess contribution"). Earnings attributable to the excess contribution will not be returned to the Employer, but losses attributable thereto will reduce the amount so returned. In no case shall withdrawal of any excess contribution pursuant to subparagraphs (a) and (b), above, reduce the balance of the Participant's account to less than the balance would have been had the excess contribution not been made.

ARTICLE SIX

INVESTMENT OF CONTRIBUTIONS

6.1. PARTICIPANT DIRECTED INDIVIDUAL ACCOUNT PLAN.

(a) GENERAL. This Plan is intended to constitute a participant directed individual account plan under Section 404(c) of the Act with respect to those amounts held in the Pre-Tax Contribution Account, the Employer Matching Contribution Account, the Profit Sharing Account, the After-Tax Contribution Account, and the Rollover Contribution Account. As such, Participants shall be provided the opportunity to exercise control over some or all of the assets in their accounts under the Plan. The Advisory Committee, pursuant to uniform and nondiscriminatory rules, shall establish three or more Funds which provide

each Participant with a broad range of investment alternatives in accordance with Department of Labor Regulation Section 2550.404c-1(b)(3)). The Funds available under the Plan, and any restrictions on such Funds, may be modified or supplemented from time to time by action of the Advisory Committee, without the necessity of a Plan amendment. The Advisory Committee may add or delete Funds by action as described in Section 12.1 (c) of the Plan, without the necessity of a Plan amendment.

(b) REQUIRED INFORMATION. The Benefits Department shall provide each Participant with the opportunity to obtain sufficient information to make informed decisions with regard to investment alternatives available under the Plan, and incidents of ownership appurtenant to such investments. The Benefits Department shall promulgate and distribute to Participants an explanation that the Plan is intended to comply with Section 404(c) of the Act and any relief from fiduciary liability resulting therefrom, a description of investment alternatives available under the Plan, an explanation of the circumstances under which Participants may give investment instructions and any limitations thereon, along with all other information and explanations required under Department of Labor Regulation Section 2550.404c-1(b)(2)(B)(1). In addition, the Benefits Department shall provide information to Participants upon request as required by Department of Labor Regulation Section 2550.404c-1(b)(2)(B)(2). Neither the Employer, Advisory Committee, the Benefits Department, Trustee, nor any other individual associated with the Plan or the Employer shall give investment advice to Participants with respect to Plan investments. The providing of information pursuant to this Section 6.1 shall not in any way be deemed to be the providing of investment advice, and shall in no way obligate the Employer, Advisory Committee, the Benefits Department, Trustee or any other individual associated with the Plan or the Employer to provide any investment advice.

(c) IMPERMISSIBLE INVESTMENT INSTRUCTION. The Benefits Department shall decline to implement any Participant instructions if: (1) the instruction is inconsistent with any provisions of the Plan or Trust Agreement; (2) the instruction is inconsistent with any investment direction policies adopted by the Advisory Committee from time to time; (3) implementing the instruction would not afford a Plan fiduciary protection under Section 404(c) of the Act; (4) implementing the instruction would result in a prohibited transaction under Section 406 of the Act or Section 4975 of the Code; (5) implementing the instruction would result in taxable income to the Plan; (6) implementing the instruction would jeopardize the Plan's tax qualified status; or (7) implementing the instruction could result in a loss in excess of a Participant's account balance. The Advisory Committee, pursuant to uniform and nondiscriminatory rules, may promulgate additional limitations on investment instruction consistent with Section 404(c) of the Act from time to time.

(d) INDEPENDENT EXERCISE. A Participant shall be given the opportunity to make independent investment directions. No Plan fiduciary shall subject any Participant to improper influence with respect to any investment decisions, and nor shall any Plan fiduciary conceal any non-public facts regarding a Participant's Plan investment unless disclosure is

prohibited by law. Plan fiduciaries shall remain completely neutral in all regards with respect to Participant investment direction. A Plan fiduciary may not accept investment instructions from a Participant known to be legally incompetent, and any transactions with a fiduciary, otherwise permitted under this Section 6.1 and the uniform and nondiscriminatory rules regarding investment direction promulgated by the Advisory Committee, shall be fair and reasonable to the Participant in accordance with Department of Labor Regulation Section 404c-1(c)(3).

(e) LIMITATION OF LIABILITY AND RESPONSIBILITY. The Trustee, the Advisory Committee and the Employer shall not be liable for acting in accordance with the directions of a Participant pursuant to this Section 6.1 or for failing to act in the absence of any such direction. The Trustee, the Advisory Committee, the Benefits Department and the Employer shall not be responsible for any loss resulting from any direction made by a Participant and shall have no duty to review any direction made by a Participant. The Trustee shall have no obligation to consult with any Participant regarding the propriety or advisability of any selection made by the Participant.

6.2. DIRECTION BY PARTICIPANT.

As permitted by Section 6.1, the following specific rules shall govern a Participant's ability to direct the investment of amounts held in his various Accounts:

(a) INVESTMENT OF PRE -TAX CONTRIBUTIONS. Subject to the provisions of this Section 6.2, each Participant shall designate, on a form supplied by the Benefits Department, signed by the Participant and delivered to the Benefits Department, the amounts credited to his Pre-Tax Contribution Account that is to be invested in one or more of the Funds, individual life insurance policies pursuant to Section 6.6 or in loans pursuant to Section 6.5. Participant investment designations may be made electronically (i.e., e-mail) in the manner and in such form as the Benefits Department shall determine in its discretion. Effective July 1, 2007, each Participant may, except as otherwise provided in this Plan, direct the investment of all of the amounts credited to his Pre-Tax Contribution Account in a single Fund, or the Participant may direct a specific dollar amount or a percentage (in five percent (5%) increments or multiples thereof) of amounts allocable to his Pre-Tax Contribution Account to be invested in such Funds as he shall desire. As set forth in Section 3.2(c), if an eligible Employee becomes a Participant due to the automatic enrollment provisions under Section 3.2(c), his Pre-Tax Contributions made after the Automatic Enrollment Date shall be allocated as set forth in Section 3.2(c) unless he designates the Fund or Funds to which such amounts should instead be allocated.

(b) INVESTMENT OF MATCHING CONTRIBUTIONS ACCOUNTS. Subject, to the provisions of this Section 6.2, each Participant shall designate, on a form supplied by the Benefits Department, signed by the Participant and delivered to the Benefits Department, the amounts credited to his Employer Matching Contribution Account that are to be invested

in one or more of the Funds. Such designations may be made electronically (i.e., e-mail) in the manner and in such form as the Benefits Department shall determine in its discretion. Each Participant may, except as otherwise provided in this Plan, direct the investment of all of the amounts credited to his Matching Contribution Account in a single Fund, or the Participant may direct five percent (5%) increments (or multiples of five percent (5%) increments) of amounts allocable to his Matching Contribution Account to be invested in such Funds as he shall desire.

(c) INTENTIONALLY OMITTED

(d) INVESTMENT OF PROFIT SHARING AND AFTER-TAX CONTRIBUTIONS ACCOUNT. Subject to the provisions of this Section 6.2, each Participant shall designate, on a form supplied by the Benefits Department, signed by the Participant and delivered to the Benefits Department, the amounts credited to his Profit Sharing Account or his After-Tax Contributions Account that are to be invested in one or more of the Funds. Each Participant may, except as otherwise provided in this Plan, direct the investment of all the amounts credited to his Profit Sharing Account and his After-Tax Contributions Account in a single Fund, or the Participant may direct five percent (5%) increments (or multiples of five percent (5%) increments) of amounts allocable to his Profit Sharing Account and/or his After-Tax Contributions Accounts to be invested in such Funds as he shall desire.

(e) INTENTIONALLY OMITTED

(f) NO DISTINCTION BETWEEN INCOME AND PRINCIPAL. The income of and gains of each Fund shall be added to the Fund and each Fund shall be invested without distinction between principal and income.

(g) EFFECT OF WRITTEN INSTRUCTION. The written investment directive of a Participant shall be effective until another written directive is received by the Benefits Department. Subject to the last sentence of Section 3.2(c), the Trustee, in its discretion, will invest the portion of the Participant's Accounts for which the Participant has the right to issue, but has not issued, investment directions in accordance with this Plan and the Trust Agreement.

(h) FORMER PARTICIPANTS AND BENEFICIARIES. For purposes of this ARTICLE SIX, the term "Participant" shall be deemed to include former Participants and Beneficiaries of any deceased Participant.

(i) VOTING, TENDER OFFERS, OR SIMILAR RIGHTS. Unless passed through to the Participants, the Advisory Committee, in its discretion, shall vote all proxies relating to the exercise of voting, tender or similar rights that are incidental to the ownership of any asset which is held in any Fund.

(j) INVESTMENT OF ROLLOVER CONTRIBUTION ACCOUNTS. Subject to the provisions of this Section 6.2, each Employee shall designate, on a form supplied by the Benefits Department, signed by the Participant and delivered to the Benefits Department, the amounts credited to his Rollover Contribution Account that are to be invested one or more of the Funds. Each Participant may, except as otherwise provided in this Plan, direct the investment of all of the amounts credited to his Rollover Contribution Account in a single Fund, or the Participant may direct five percent (5%) increments (or multiples of five percent (5%) increments) of amounts allocable to his Rollover Contribution Account to be invested in such Funds as he shall desire.

6.3. CHANGE IN INVESTMENT DIRECTIONS.

(a) RULES. Participants may change their investment directions as of the first day of each calendar month. All such changes shall be made effective as of the first day of the calendar month following receipt by the Benefits Department of the appropriate forms, as long as the forms are received by the Benefits Department at least ten (10) days prior to the first day of such calendar month or within such shorter period as the Benefits Department may prescribe pursuant to rules of uniform application.

(b) GENERAL. All changes shall be permitted subject to the provisions of Section 6.2 regarding the available investments for various types of contributions. Any change shall be made pursuant to a form provided by the Benefits Department, signed by the Participant and delivered to the Benefits Department. Such changes may be made electronically (i.e., e-mail) in the manner and in such form as the Benefits Department shall determine in its discretion.

6.4. TRANSFERS BETWEEN INVESTMENT FUNDS.

(a) GENERAL. Except as provided in this Section 6.4, a Participant may transfer all or a portion of his Accounts invested in a Fund to another Fund or Funds as of the Accounting Date for which such notice is given in accordance with uniformly applied nondiscriminatory rules of the Advisory Committee. All transfers shall be subject to the requirements and limitations of Section 6.2. Each such transfer shall be made pursuant to a form provided by the Benefits Department, signed by the Participant and delivered to the Benefits Department at least five (5) working days prior to the Accounting Date for which such notice is given or within such shorter period as the Benefits Department may prescribe for the receipt of such forms pursuant to rules of uniform application. Transfers may be made four (4) times each Plan Year, effective as of an Accounting Date.

Such Participant Fund transfers may be made monthly and shall be made effective as of the first day of the calendar month following receipt by the Benefits Department of the appropriate forms. Such transfer may be made electronically (i.e., e-mail) in the manner and

in such form as the Benefits Department shall determine in its discretion. Effective July 1, 2007, such Fund transfers may be to a single Fund, or the Participant may direct a specific dollar amount or a percentage (in five percent (5%) increments or multiples thereof) of amounts allocable to his Pre-Tax Contribution Account to be invested in such Funds as he shall desire.

6.5. LOANS TO PLAN PARTICIPANTS.

(a) GENERAL. Subject to policies established by the Advisory Committee, the Benefits Department is authorized to direct the Administrative Trustee to make a loan or loans to a Participant in an earmarked investment of the Participant's Accounts. Such loan shall be available to all Participants on a non-discriminatory basis, except that the Benefits Department may refuse to make a loan or may limit a loan on the basis of credit worthiness. The Benefits Department shall not direct the Administrative Trustee to make loans to Highly Compensated Employees in amounts which, when expressed as a percentage of the Participant's vested interest in his Accounts, are greater than those available to other Participants; provided, however, that Benefits Department may adopt a rule precluding loans of less than One Thousand Dollars (\$1,000). As a general rule, a Participant may not have more than one (1) loan outstanding at any particular time and a Participant may not receive a loan for a period of one (1) year following the repayment of an earlier loan. The limitations referred to in the preceding sentence shall not apply if the Benefits Department determines that the Participant has a "hardship" within the meaning of Section 9.3.

(b) AMOUNT. The total outstanding loans from the Trust Fund to any Participant at any time shall not exceed the lesser of (a) fifty percent (50%) of the Participant's vested interest in his Accounts, or (b) ninety percent (90%) of the portion of the Participant's Accounts that is invested in the Income Fund, both determined as of the most recent Accounting Date for the Plan. Any loan which is made pursuant to this Section shall be treated as a taxable distribution to the extent that it causes the outstanding balance at any time of all loans from all "employee pension benefit plans" (as defined in the Act) of the Employer and its Affiliates that are intended to "qualify" under Section 401(a) of the Act to exceed fifty percent (50%) of the present value of the Participant's nonforfeitable accrued benefit under all such plans; provided that such maximum shall not be less than Ten Thousand Dollars (\$10,000.00) nor more than Fifty Thousand Dollars (\$50,000.00) with such Fifty Thousand Dollar (\$50,000.00) limitation to be reduced by the highest outstanding loan balance during the twelve (12) month period preceding the date on which a loan is made. The Benefits Department may, in the exercise of its discretion, prohibit the making of any loan that would be treated as a taxable distribution. The Benefits Department may also impose such other limitations and restrictions with respect to the amount of loans as it deems necessary or advisable, provided that such limitations or restrictions shall be consistent with the applicable provisions of the Act and the Code.

(c) SECURITY. The loan shall be evidenced by the Participant's promissory note and shall be secured by an assignment of the Participant's vested interest in his Employer

Contributions Account and such additional collateral as the Benefits Department shall deem necessary, provided that in no event shall the loan be secured by an assignment of more than fifty percent (50%) of the Participant's vested nonforfeitable interest in his Accounts. In determining whether a pledge of additional collateral is necessary, the Benefits Department shall consider the Participant's credit worthiness and the impact on the Plan in the event of a default under the loan prior to the Participant's Benefit Commencement Date.

(d) INTEREST RATE. All loans shall bear interest at a rate determined by the Benefits Department which shall be commensurate with the interest rates charged by persons in the business of lending money for similar loans. Subject to the foregoing, the terms of any loan shall be arrived at by mutual agreement between the Benefits Department and the Participant pursuant to a uniform, nondiscriminatory policy.

(e) REPAYMENT. All loans shall be repayable in monthly, quarterly or more frequent installments over a period not exceeding five (5) years. All loans shall be repayable by payroll withholdings or in the case of a former Employee or an Employee on a leave of absence by any other means acceptable to the Benefits Department. Repayments will be credited to the respective Accounts from which the funds have been borrowed and shall be invested in the Income Fund.

(f) COSTS. Any costs incurred or charged by the Administrative Trustee to establish, process or collect the loan shall be charged directly and solely to the Participant. Any loan set-up fees or expenses will be subtracted from the loan proceeds unless other mutually agreeable arrangements are made by the Benefits Department and the Participant. Any other fees charged to process or collect a loan (including, but not limited to, quarterly maintenance fees) shall be paid by the Participant to the Administrative Trustee by payroll deduction (in the case of an active Employee) or by such other means as may be agreeable to the Benefits Department (in the case of a former Employee or an Employee on leave of absence).

(g) TREATMENT OF EARNINGS OR LOSSES. The portion of any Participant's Account that is loaned to the Participant shall be disregarded for purposes of allocating earnings or losses pursuant to Section 8.3. The loan shall be treated as a segregated or earmarked investment of the appropriate Account and all principal and interest payments made on the loan, and all losses suffered on the loan, shall be allocated to the appropriate Account.

(h) DEFAULT. In the event that the Participant does not repay such loan or loans and the interest thereon in a timely fashion, the Benefits Department, on behalf of the Administrative Trustee may exercise every creditor's right at law or equity available to the Administrative Trustee. The Administrative Trustee may not, however, deduct or offset the payments in default or the unpaid outstanding balance of the loan from or against the Participant's Accounts until such time as the Account becomes payable pursuant to the

provisions of this Plan. When payments become due hereunder, the Benefits Department, on behalf of the Administrative Trustee may deduct the total amount of the loan then outstanding, together with any interest then due and owing, from any payment or distribution (including any payment due to the Participant's surviving spouse pursuant to Section 11.3) to which Such Participant or his Beneficiary or Beneficiaries may become entitled. Loan instruments may provide for acceleration of payment of any unpaid balance in the event of a default following the Participant's termination of employment.

(i) DISTRIBUTION. A Participant who has (i) attained the age of fifty-nine and one-half (59-1/2) and has been a Participant in the Plan for five (5) or more years or (ii) terminated employment with the Employer shall be entitled to request to receive a distribution of one or more of the notes representing a loan or loans made to such Participant from the Plan pursuant to Section 6.5(a). The Benefits Department shall honor such requests as soon as possible following the receipt of all necessary forms. Such request shall be subject to the spousal consent requirements of Section 9.6.

(j) SPOUSAL CONSENT. No spousal consent for loans, or renewals of existing loans, is required.

(k) SUSPENSION OF LOAN PAYMENTS UNDER CODE SECTION 414(U). Loan repayments will be suspended under the Plan as permitted under Section 414(u) of the Code.

(l) POLICY. The Advisory Committee shall institute a loan policy which the Benefits Department shall follow in implementing all loan requests hereunder. Said loan policy may be amended from time to time in the Advisory Committee's discretion.

6.6. LIFE INSURANCE.

(a) AVAILABILITY. Each Participant who was a Participant in the Plan and had a policy in force on or before October 30, 1985, shall have the right to direct that a portion of his Employer Matching Contribution Account and Pre-Tax Contribution Account shall be invested in a policy or policies of insurance upon his life. All such investments shall be earmarked as an investment of the Participant's Accounts. Subject to the provisions of this Section 6.6, a Participant may direct investment in term life, universal life, and/or whole life policies and may specify the percentages of his Accounts to be so invested. All such directives shall be made in writing to the Benefits Department. The Participant shall also execute such application forms, statements and claim forms as the Benefits Department, Administrative Trustee or insurer may reasonably request in connection with policies acquired pursuant to the Participant's direction. Notwithstanding anything in this Section 6.6 to the contrary, Participants may not increase their life insurance coverage beyond the levels in effect as of October 30, 1985.

(b) LIMITATION ON AMOUNT OF PREMIUMS. In all cases, the percentage of Pre-Tax Contributions and Employer Matching Contributions, exclusive of income and appreciation thereon, used to purchase whole life insurance policies must be less than fifty percent (50%) of such contributions, and the percentage of contributions, exclusive of income and appreciation thereon, used to purchase term life or universal life insurance policies must be less than twenty-five percent (25%) of such contributions. In the event that either a term or universal life insurance contract may be purchased for a Participant in addition to a whole life insurance contract, the sum of one-half (1/2) of the premiums on ordinary life insurance contracts and all premiums on term life or universal life insurance contracts shall not exceed twenty-five percent (25%) of such contributions, exclusive of income and accruals thereon, allocable to the Participant's respective Accounts.

(c) PREMIUMS AND DIVIDENDS. The Benefits Department shall take reasonable action to assure that premiums shall be paid when due. Dividends, refunds and other credits on policies shall be applied to reduce premiums on such policies, to acquire additional paid-up insurance benefits or may be taken in cash allocable to the Participant's Accounts, as the Advisory Committee shall direct. The Benefits Department may direct the Administrative Trustee to borrow against policies to pay premiums thereon. In the event that amounts to be allocated toward the purchase of insurance policies are insufficient to meet the required premium payments, the Benefits Department shall direct the Administrative Trustee to reduce policy coverage amounts, to exchange or convert policies or to allow policies to lapse.

(d) MODES OF SETTLEMENT. The modes of settlement under any policy acquired pursuant to this Section 6.6 shall be limited to the forms of distribution described in this Section 6.6. All policies shall by their express terms be nontransferable by the Participant or shall be rendered so prior to distribution to the Participant.

(e) DISTRIBUTIONS. When benefits become payable to a Participant pursuant to this Section 6.6, and a policy is held for the benefit of such Participant pursuant to this Section 6.6, the Benefits Department shall direct the Administrative Trustee either to (1) surrender such policy in cash settlement (with such settlement being allocable to the appropriate Accounts of the Participant), (2) convert such policy to a nontransferable contract or contracts providing payments in any form described in ARTICLE ELEVEN, without life insurance coverage, and deliver such contract or contracts so converted to the Participant, or (3) deliver such policy to the Participant without conversion, after rendering such policy nontransferable.

(f) RIGHTS OF PARTICIPANT. The fact that any contract is issued or based on the life of a Participant shall not vest any right, title or interest in such contract in the Participant except at the time and upon the terms and conditions set forth in this Plan.

(g) TREATMENT OF INSURANCE POLICIES. The portion of any account or

subaccount that is invested in an insurance policy on the Participant's life shall be disregarded for purposes of allocating earnings or losses pursuant to Section 8.3. The insurance policy shall be treated as a segregated or earmarked investment of the appropriate Account and all premiums payable on the policy and all dividends, credits, cash values, proceeds or other amounts payable pursuant to the policy shall be credited or charged, as the case may be, solely to that Account.

ARTICLE SEVEN

THERE SHALL BE NO ARTICLE SEVEN

ARTICLE EIGHT

ACCOUNTING

8.1. INDIVIDUAL ACCOUNTS.

A separate Profit Sharing Account shall be maintained for each Participant in the Plan. A separate Pre-Tax Contribution Account and Employer Matching Contribution Account shall be maintained for each Participant who elects to make Pre-Tax Contribution and on whose behalf an Employer makes Employer Matching Contributions. In addition, a separate After-Tax Contribution Account shall be maintained for each Participant who has made and not withdrawn, After-Tax Contributions. Finally, effective November 1, 1997, a separate Rollover Contribution Account shall be maintained for each Employee who has made Rollover Contributions. The Accounts will separately reflect balances derived from Profit Sharing Contributions, Employer Matching Contributions, Pre-Tax Contributions and After-Tax Contributions made by or on behalf of the Participant and shall reflect the fair market value, as of the most recent Accounting Date, of the Participant's interest in the Funds. The Accounts shall reflect any withdrawals, loans to Participants, life insurance acquisitions and distributions to the Participant. The establishment and maintenance of separate Accounts for each Participant shall not be construed as giving any person any interest in any specific assets of the Funds, which shall be administered as separately identifiable commingled Funds, and as loan and life insurance investments, unless and until otherwise directed by the Advisory Committee or expressly provided in this Plan.

8.2. ALLOCATION OF CONTRIBUTIONS.

(a) **EMPLOYER MATCHING CONTRIBUTIONS.** Employer Matching Contributions made pursuant to Section 5.4 shall be allocated among the Employer Matching Contribution Accounts of Participants who were Employees of the Employers during the Plan Year by crediting each such respective Participant's Employer Matching Contribution

Account with the Employer Matching Contribution made on his behalf.

(b) Intentionally Omitted

(c) PROFIT SHARING CONTRIBUTIONS. Regular Profit Sharing Contributions made pursuant to Section 5.1(a) shall be allocated to the Profit Sharing Account of each eligible Participant by crediting each such Participant's Profit Sharing Account in the same ratio that each such Participant's Earnings for the Plan Year bear to the Earnings of all such Participants for the Plan Year. Special Profit Sharing Contributions made pursuant to Section 5.1(b) shall be allocated to the Profit Sharing Accounts of each Participant on whose behalf such contribution is made by crediting each such Participant's Profit Sharing Account in the same ratio that each such Participant's Earnings for the Plan Year bear to the Earnings of all such Participants for the Plan Year. Special "per capita" Profit Sharing Contributions made pursuant to Section 5.1 (c) shall be allocated to the Profit Sharing Accounts of each eligible Participant on whose behalf such a contribution has been made in such amount and under such terms and conditions as the Board shall direct, in its sole and absolute discretion.

(d) FORFEITURES. Forfeitures from a Profit Sharing Account that become available for allocation pursuant to Sections 10.3 and 11.8 that are not used to restore prior forfeitures pursuant to Sections 10.4 and 11.8 shall be allocated to the Profit Sharing Accounts of each eligible Participant in the same ratio that each such eligible Participant's Earnings for the Plan Year bear to the Earnings of all such eligible Participants for the Plan Year.

(e) ELIGIBLE PARTICIPANTS. As a general rule, a Participant will be entitled to share in the allocation of Profit Sharing Contributions or forfeitures for a Plan Year only if the Participant is in the active employ of the Employer on the last day of the Plan Year and has completed at least one thousand (1,000) Hours of Service during the Plan Year. If a Participant dies, retires on or after his Normal Retirement Date, or terminates employment due to a Disability during a Plan Year, however, the Participant shall be entitled to share in the allocations for that Plan Year regardless of whether the Participant is employed on the last day of the Plan Year or whether the Participant completes one thousand (1,000) Hours of Service during the Plan Year. A Non-Contributing Participant who satisfies the requirements noted above shall be considered to be a "Participant" pursuant to this Section.

(f) TOP HEAVY ALLOCATIONS. Notwithstanding anything to the contrary in this Section or any other provision of this Plan, in any Plan Year in which the Plan is Top Heavy, the Employer shall make a special Profit Sharing Contribution on behalf of each Participant who is not a Key Employee for The Plan Year in such amount as may be necessary to assure that the sum of the Profit Sharing Contributions and forfeitures, if any, allocated to the Participant's accounts equals at least the "minimum required contribution." The "minimum required contribution" is the lesser of (a) three percent (3%) of the

Participant's Compensation for the Plan Year or (b) if the Employer does not have a defined benefit plan which is enabled to satisfy Section 401 of the Code by this Plan, the Participant's Compensation for the Plan Year multiplied by the "Employer contribution percentage" for such Plan Year for the Key Employee for whom the "Employer contribution percentage" is the highest. For this purpose, the "Employer contribution percentage" shall equal the sum of the Employer Matching Contributions, Profit Sharing Contributions and forfeitures allocated to a Participant divided by the Compensation of the Participant. The minimum required contribution called for by this paragraph will be determined without regard to Employer contributions to the Social Security System. The special Profit Sharing Contribution called for by this paragraph shall be allocated on behalf of all Employees who are not Key Employees for the Plan Year and who are employed by the Employer on the last day of the Plan Year without regard to whether such Employees have completed one thousand (1,000) Hours of Service during the Plan Year. This special Profit Sharing Contribution shall be made regardless of any provision in this Plan requiring (as a condition of allocation of the Profit Sharing Contribution for the Plan Year) payment of Pre-Tax Contributions. In determining whether the minimum required contribution provisions of this Section have been satisfied, all Employer contributions and forfeiture allocations for the Plan Year under all "defined contribution plans," as defined in Section 414(i) of the Code, maintained by the Employer or a Key Employee who is Affiliate shall be considered as allocable under this Plan. If a non-Key Employee who is participating in this Plan is covered under a "defined benefit plan," as defined in Section 414(j) of the Code, sponsored by the Employer or an Affiliate shall be required pursuant to this paragraph if such Employee is provided with a top heavy minimum defined benefit pursuant to the defined benefit plan. All special Profit Sharing Contributions made pursuant to this paragraph on behalf of a Participant shall be allocated to that Participant's Profit Sharing Contribution Account. In determining the amount of the minimum required contributions the Pre-Tax Contributions made by Highly Compensated Employees shall be treated as Employer Matching Contributions, and such Pre-Tax Contributions shall be taken into account in determining the employer contribution percentage of Highly Compensated Employees. The Pre-Tax Contributions made by non-Highly Compensated Employees shall be disregarded.

(g) Intentionally omitted

(h) ROLLOVER CONTRIBUTIONS. Rollover Contributions of an Employee shall be credited to his Rollover Contributions Account.

8.3. VALUATION AND ADJUSTMENT.

The Benefits Department shall determine the fair market value of the Accounts as follows:

(a) First, as of each Accounting Date, the Benefits Department shall credit to the proper Accounts all Pre-Tax Contributions, loan repayments and insurance premium

payments.

(b)Second, as of each Accounting Date, the Benefits Department shall charge to the proper Accounts all withdrawals or distributions made since the most recent Accounting Date that have not previously been charged to Accounts.

(c)Third, as of each Accounting Date, the Benefits Department shall credit each Participant's Accounts with their pro rata share of any increase, or charge each Participant's Accounts with their pro rata share of any decrease, in the fair market value of the Funds to which the Accounts are allocated as of the current Accounting Date.

(d)Fourth, as of each Accounting Date, the Benefits Department shall charge and credit to the proper Accounts the amounts transferred from one Fund to another, as provided in Section 6.4 of the Plan.

(e)Fifth, if the Accounting Date is the final Accounting Date of the Plan Year, the Benefits Department shall credit to the proper Accounts the annual Employer Matching Contributions to be allocated for that Plan Year, in accordance with Section 8.2 of the Plan, to the extent not already allocated thereto. Forfeitures becoming allocable pursuant to Section 10.3 or 11.8 shall similarly be allocated.

8.4. STATEMENTS TO PARTICIPANTS.

At least QUARTERLY , the Benefits Department shall furnish to each Participant a statement showing his Account balances in the respective Funds as of such date.

8.5. LIMITATION ON ANNUAL ADDITIONS.

(a) GENERAL RULE. Except as provided in Section 4.2, under Code Section 414(v) and this Section 8.5, the Annual Additions to be allocated to the Accounts of a Participant for any Plan Year shall not exceed an amount equal to the lesser of (1) Forty Thousand Dollars (\$40,000) (or such greater amount as may be permitted under Section 415(d)) (the "dollar limitation"), or (4) one hundred percent (100%) of the Compensation of the Participant for the Plan Year (the "compensation limitation").

The compensation limit referred to in (2) and (4) above shall not apply to any contribution for medical benefits after severance from employment (within the meaning of Section 401(h) or Section 419A (f)(2) of the Code) which is otherwise treated as an annual addition.

(b)Intentionally omitted

(c) MULTIPLE DEFINED CONTRIBUTION PLANS. The limitations of this

Section 8.5 with respect to any Participant who is at any time participating in any other "defined contribution plan," as defined in Section 414(i) of the Code, maintained by the Corporation or by an Affiliate shall apply as if the total Annual Additions under all such defined contribution plans in which the Participant is participating were allocated under this Plan.

(d) ADJUSTING ANNUAL ADDITIONS. In the event it is necessary to limit the Annual Additions to the Accounts of a Participant under this Plan due to the allocation of forfeitures, a reasonable error in estimating a Participant's Compensation, a reasonable error in determining the amount of Pre-Tax Contributions made by a Participant, or for any other reason the Commissioner determines to be justifiable, the Benefits Department shall limit the allocation of Pre-Tax Contributions to the Participant's Pre-Tax Contribution Account and/or return any such excess Pre-Tax Contribution plus earnings allocable to any such excess Pre-Tax Contributions to the Participant. The earnings allocable to any excess Pre-Tax Contribution shall be determined in a manner consistent with determining the earnings allocable to excess Pre-Tax Contributions in Section 4.3(d). After such limitation and/or return, if necessary, Employer Matching Contributions shall be reallocated. Amounts that would be allocable to the Employer Matching Contribution Account of the Participant but for the provisions of this Section 8.5 shall be used to reduce Employer Matching Contributions to the Trust Fund and shall be allocable as a part of the Employer Matching Contributions allocable to the Employer Matching Contribution Accounts of Participants with respect to whom allocations of Employer Matching Contributions are not limited by this Section 8.5. If further limitation is required by this Section 8.5, the Benefits Department shall allocate that portion of the Employer Matching Contribution that would cause the limitations of this Section 8.5 to be exceeded to a suspense account in which such sums shall be held to be allocated on a first-in-first-out basis in reduction of Employer Matching Contributions prior to the allocation of additional Employer Matching Contributions, to the extent permitted under this Section 8.5. In the event that, after the reallocation of the Employer Contribution pursuant to this Section 9.5, the amount allocable as Annual Additions remain in excess of the limitations of this Section 8.5, the Benefits Department shall return the Pre-Tax Contributions of the Participant to the extent necessary to satisfy such limitations. No Employer Matching Contribution shall be made or allocated as a result of such Pre-Tax Contributions until allocated from the suspense account. Further reductions or adjustments to the methods described above for adjusting the Accounts of Participants may be made pursuant to the directions of the Benefits Department and may-be made pursuant to priorities established under related defined contribution plans.

(e) Intentionally omitted

(f) TREATMENT OF AFFILIATES. For purposes of this Section, the Employer and all of its Affiliates shall be treated as a single entity and any plans maintained by an Affiliate shall be deemed to be maintained by the Employer.

ARTICLE NINE

WITHDRAWALS PRIOR TO TERMINATION OF EMPLOYMENT

9.1. WITHDRAWAL FROM THE AFTER-TAX CONTRIBUTION ACCOUNT.

Subject to the provisions of this ARTICLE NINE, a Participant may withdraw all or part of the amount credited to his After-Tax Contribution Account, determined as of the most recent Participant Account status report available at the time his notice of withdrawal is received by the Benefits Department. Withdrawals pursuant to this Section 9.1 shall be requested on a form supplied by the Benefits Department, signed by the Participant and delivered to the Benefits Department. All such withdrawals shall be subject to the spousal consent requirements of Section 9.6. Amounts withdrawn from a Participant's After-Tax Contributions Account shall be charged against the subaccounts within that account in the following order:

(1)Withdrawals will first be charged against the subaccount established to record the After-Tax Contributions made by the Participant on or before December 31, 1986, and the earnings or losses thereon (the "pre-1987 subaccount") until an amount equal to the lesser of the After-Tax Contributions made by the Participant on or before December 31, 1986 , or the value of such subaccount has been charged against such subaccount.

(2)Withdrawal's will then be charged against the subaccount established to record the After-Tax Contributions made by the Participant on or after January 1, 1987 , and the earnings or losses thereon (the "post- 1986 subaccount") unless and until such subaccount is depleted.

(3)Any remaining withdrawals will be charged against the earnings remaining in the pre- 1987 subaccount.

The minimum withdrawal shall be the lesser of One Thousand Dollars (\$1,000) or the amount credited to the After-Tax Contribution Account.

9.2. IN-SERVICE WITHDRAWALS FROM THE EMPLOYER MATCHING CONTRIBUTION ACCOUNT AND THE PROFIT SHARING ACCOUNT

(a) ELIGIBILITY.

(1) ELIGIBILITY FOR WITHDRAWALS FROM THE EMPLOYER MATCHING CONTRIBUTION ACCOUNT. A Participant who has attained the age of fifty-nine and one-half (59-1/2) years may withdraw all amounts credited to his

Employer Matching Contribution Account, provided that Employer Matching Contributions credited to that Account within the two (2) Plan Years preceding the Plan Year of withdrawal may not be withdrawn unless such Participant has participated in the Plan for five (5) or more years. No hardship withdrawals may be made from the Participant's Employer Matching Account.

(2) ELIGIBILITY FOR WITHDRAWALS FROM THE PROFIT SHARING ACCOUNT.

(i) A Participant who has attained the age of fifty;-nine and one-half (59-1/2) years may withdraw all amounts credited to his Profit Sharing Account.

(ii) In the event of a Hardship as determined by the Benefits Department pursuant to Section 9.3(c), (d), and (e), a Participant who has withdrawn all amounts permitted to be withdrawn under Section 9.1, Section 9.2 (a), and the preceding sentence may withdraw fifty percent (50%) of the remaining amounts, if any, credited to his Profit Sharing Account, determined as of the most recent Participant Account status report available at the time his notice of withdrawal is received by the Benefits Department. A Participant may not make a withdrawal from his Profit Sharing Account unless the Participant has a one hundred percent (100%) vested interest in that Account.

(b) PROCEDURES AND LIMITATIONS. Withdrawals pursuant to this Section 9.2 shall be requested on a form supplied by the Benefits Department, signed by the Participant, and delivered to the Benefits Department. In addition, the following limitations shall apply:

(1) LIMITATIONS ON AMOUNTS WITHDRAWN FROM THE EMPLOYER MATCHING CONTRIBUTIONS ACCOUNT. The minimum amount subject to withdrawal pursuant to this Section from an Employer Matching Contributions Account is the lesser of (1) One Thousand Dollars (\$1,000.00); or (ii) the portion of the Account that is invested in the Income Fund. Withdrawals from the Employer Matching Contribution Account may only be made from the Income Fund and such withdrawal shall be charged against the Income Fund.

(2) LIMITATIONS ON AMOUNTS WITHDRAWN FROM THE PROFIT SHARING ACCOUNT. The minimum amount subject to withdrawal pursuant to this Section from a Profit Sharing Account shall be One Thousand Dollars (\$1,000).

9.3. WITHDRAWALS FROM THE PRE -TAX CONTRIBUTIONS AND ROLLOVER CONTRIBUTIONS ACCOUNTS.

(a) ELIGIBILITY. In accordance with rules established by the Advisory Committee uniformly applicable to all Participants, all or any part of amounts credited to the Pre-Tax Contribution Account and the Rollover Contributions Account of a Participant as of the most recent available Account status report, may be distributed to the Participant in cash at any time after the Participant has attained the age of fifty-nine and one-half (59-1/2) years or in the event of a "hardship" as defined in this Section. The Benefits Department may promulgate, uniform rules regarding the effective date of any distribution, minimum amounts to be distributed and the frequency of distributions.

(b) LIMITATION ON HARDSHIP DISTRIBUTIONS. In no event shall a hardship distribution exceed the balance of the Participant's or former Participant's Pre-Tax Contributions Accounts, determined as of the Accounting Date immediately preceding the date of the distribution, less any amounts distributed from or charged to the Pre-Tax Contributions Account since such Accounting Date. The distribution may not exceed the lesser of the amount determined pursuant to the preceding sentence or the total Pre-Tax Contributions made by the Participant prior to the date of the withdrawal less any Pre-Tax Contributions previously withdrawn. Notwithstanding any provision in the Plan to the contrary, hardship distributions may not be made from earnings credited to the Participant's Pre-Tax Contributions Accounts that were credited after December 31, 1988 .

(c) HARDSHIP DEFINED. A distribution may be made pursuant to this Section due to a "hardship" only if the Participant satisfies the Benefits Department, subject to a policy adopted by the Advisory Committee, that the Participant has an immediate and heavy financial need and that the distribution is necessary in order to satisfy that need.

(d) IMMEDIATE AND HEAVY FINANCIAL NEED. The following are the only expenses or circumstances that will be deemed to give rise to an immediate and heavy financial need for purposes of this Section:

(1) Medical expenses described in Section 213(d) of the Code previously incurred by the Participant, the Participant's spouse, or any of the Participant's dependents (as defined in Section 152 of the Code) or primary beneficiary or necessary for such persons to obtain medical care described in Section 213(d);

(2) Costs directly related to the purchase (excluding mortgage payments) of a principal residence for the Participant; or

(3) Payment of tuition, room and board and related education expenses for up to the next twelve (12) months of post-secondary education for the Participant or the Participant's spouse, children or dependents or primary beneficiary (as defined in Section 152 of the Code); or

(4) Payments necessary to prevent the eviction of the Participant from his principal residence or foreclosure on the mortgage on the Participant's principal residence; or

5. Burial or funeral expenses for a Participant's deceased parents, spouse dependents or primary beneficiary; or

6. Expenses incurred for repair of damage to a Participant's principal residence that would qualify as a deductible casualty expense under Section 165 of the Code (determined without regard to whether the loss exceeds 10% of adjusted gross income); or

7. Any other circumstance or expense designated by the Commissioner of Internal Revenue as a deemed immediate and heavy financial need in any published revenue ruling, notice or other document of general applicability.

A Participant's "primary beneficiary" is an individual named under the Plan who has an unconditional right to all or a portion of the Participant's Account balance under the Plan upon the Participant's death.

(e) NECESSITY. A distribution will be deemed to be necessary to satisfy an immediate and heavy financial need of a Participant only if all of the following requirements are satisfied:

(1) The distribution is not in excess of the amount of the immediate and heavy financial need of the Participant (this amount may include any amounts necessary to pay any federal, state or local income taxes or penalties reasonably anticipated to result from the withdrawal);

(2) The Participant has obtained all distributions, other than hardship distributions, and all nontaxable loans currently available under all plans maintained by the Employer;

(3) All plans sponsored by the Employer provide that the Participant's contributions (whether made on a pre-tax or after-tax basis) will be suspended for at least six (6) months after receipt of the distribution.

For purposes of subparagraph (3), the phrase "all plans" includes all qualified and nonqualified plans of deferred compensation maintained by the any Employer, including stock option, stock purchase or similar plans or a cash or deferred arrangement that is part of a cafeteria plan within the meaning of Section 125 of the Code.

9.4. WITHDRAWALS OF AMOUNTS CREDITED TO THE PROFIT SHARING ACCOUNTS AND EMPLOYER MATCHING CONTRIBUTIONS ACCOUNTS.

There shall be no withdrawals permitted under this ARTICLE NINE from amounts credited to the Employer Matching Contribution Accounts.

9.5. LIMITATIONS ON WITHDRAWALS.

The Benefits Department may direct that a Participant shall not be entitled to withdraw funds from his Accounts below an amount equal to the unpaid principal and interest on any loan granted to him in accordance with the Plan as then in effect or an amount required to service insurance premium obligations. All withdrawals under this ARTICLE NINE shall be paid in cash. Not more than one (1) withdrawal pursuant to this ARTICLE NINE shall be permitted per Plan Year, unless the Participant has attained the age of fifty-nine and one-half (59-1/2) or terminated employment, in which case no more than one (1) withdrawal may be made per calendar quarter.

ARTICLE TEN

VESTING

10.1. VESTING IN THE AFTER-TAX CONTRIBUTION ACCOUNT, PRE -TAX CONTRIBUTION ACCOUNT, EMPLOYER MATCHING CONTRIBUTION ACCOUNT AND ROLLOVER CONTRIBUTION ACCOUNT .

Each Participant shall at all times be fully vested in all amounts credited to or allocable to his After-Tax Contribution Account, Pre-Tax Contribution Account, Employer Matching Contribution Account and his Rollover Contribution Account and his rights and interest therein shall not be forfeitable for any reason.

10.2. VESTING IN THE PROFIT SHARING ACCOUNT .

Each Participant shall be fully vested in the amounts credited to or allocable to his Profit Sharing Account on or after January 1, 1988 , on and after the first to occur of the following events:

(a) Attainment by the Participant prior to January 1, 1991 , of the age of sixty-five (65) years, or, for Participants who attain the age of sixty-five (65) on or after January 1, 1991 , the later of attainment by the Participant of age sixty-five (65) or the fifth (5th) anniversary of the Participant's commencement-of participation in the Plan;

- (b) The date of his separation from employment due to Disability, as determined by the Benefits Department;
- (c) The date of death of the Participant;
- (d) Termination or partial termination of this Plan as provided in Section 13.3 of this Plan;
- (e) Complete discontinuance of contributions by the Employers as provided in Section 13.3 of this Plan; or
- (f) The completion of seven (7) years of Continuous Service by the Participant (however, see 10.3 (a) below) .

Notwithstanding anything contained herein to the contrary, all Participants with five (5) or more years of Continuous Service as of January 1, 1988 shall be 100% vested in their Profit Sharing Accounts. All Profit Sharing Account balances relating to contributions actually paid to the Profit Sharing Plan prior to January 1, 1988 shall be 100% vested.

10.3. DETERMINATION OF VESTED INTEREST IN PROFIT SHARING ACCOUNT IN THE EVENT OF TERMINATION OF EMPLOYMENT.

(a) VESTING SCHEDULE. A Participant's vested percentage shall be determined as of the day of his termination of employment. The value of the Participant's vested interest in his Profit Sharing Account shall be determined in accordance with the following schedule:

Years of Vested Continuous Service	Percentage of Account
Less than three	0%
Three but less than four	20%
Four but less than five	40%
Five but less than six	60%
Six but less than seven	80%
Seven or more	100%

Effective for Profit Sharing Contributions allocated to a Participant's Profit Sharing Account on or after January 1, 2007 , the Participant's vested interest in his Profit Sharing Account shall be determined in accordance with the vesting schedule set forth in paragraph (c) below , regardless of whether the Plan is Top Heavy .

(b) TIME OF DETERMINATION. A Participant's vested percentage shall be determined as of his Termination Date. The value of the Participant's vested interest in his

Profit Sharing Account shall be determined as of the earlier of (1) the Accounting Date immediately preceding the first distribution to the Participant from such Account following his termination of employment or (2) the Accounting Date coinciding with or next on which the Participant incurs his fifth (5th) consecutive one-year Break in Continuous Service. If a Participant has no vested interest in any of his Accounts, the Participant shall be deemed to have received a distribution of his zero (0) Account balance as of the date of his termination of employment. Any amounts credited to the Participant's Accounts in which the Participant is not fully vested shall be forfeited as the later of such Accounting Date or the date on which the Participant's employment terminated. The amount forfeited shall then be available for allocation to the accounts of the remaining Participants as of the year-end Accounting Date coinciding with or next following the date of the forfeiture, to the extent such forfeiture is not used to restore forfeitures previously charged to a reemployed former Participant pursuant to Section 10.4.

(c) TOP HEAVY VESTING. If this Plan is or becomes Top Heavy, the vested interest of any Participant other than a Participant who is not credited with at least one (1) Hour of Service while the Plan is Top Heavy shall be determined in accordance with the following schedule instead of the schedules set forth above:

Years of Vested	
<u>Continuous Service Percentage of Account</u>	
Less than two	0%
Two but less than three	20%
Three but less than four	40%
Four but less than five	60%
Five but less than six	80%
Six or more	100%

10.4. RESTORATION OF FORFEITURES.

(a) ELIGIBILITY. Subject to the provisions of this Section, any to the Profit Sharing Account of a former Participant will be restored if the former Participant returns to employment with an Employer or any Affiliate prior to incurring five (5) consecutive Breaks in Continuous Service. Prior forfeitures will be restored only if the former Participant repays, in a timely manner as provided bellow, the full amount, unadjusted for any subsequent gains or losses, previously distributed to him. If a former Participant who was deemed to have received a distribution pursuant to Section 10.3(b) resumes employment with the Employer prior to incurring five (5) consecutive one year Breaks in Continuous Service, any forfeitures charged to the former Participant's Account upon his prior termination of employment shall be restored to such Account immediately.

(b) RETURN OF DISTRIBUTIONS. A former Participant may repay the full

amount previously distributed to him prior to the earliest of (1) the fifth (5th) anniversary of the former Participant's reemployment by the Employer or (2) the last day of the Plan Year in which the Participant incurs his fifth (5th) consecutive Break in Continuous Service. The amount of form any distribution repaid by the former Participant shall be allocated between his Accounts in Account. Any forfeitures restored by the Employer proportion to the amount distributed from each the forfeiture was pursuant to this Section charged. A Participant may not, but need not, repay amounts attributable to his Pre-Tax Contributions or After-Tax Contributions. The Participant must repay the amount distributed from his other Accounts in order to qualify for the restoration of any prior forfeiture. A Participant may not repay a prior distribution pursuant to this paragraph if the Participant had a fully vested interest in all of his Accounts when the prior distribution was made.

(c) RESTORATION CONTRIBUTIONS. Any forfeitures available for allocation as of the last day of the Plan Year in which an individual does everything necessary in order to have a prior forfeiture restored will be applied first to restore the prior forfeiture. If the available forfeitures are not sufficient to restore the prior forfeiture, the Employer will make a special contribution equal to the balance of the amount forfeited. Such contributions or forfeitures will be allocated to the account from which the distribution was made.

10.5. AMENDMENTS TO VESTING SCHEDULE.

If the vesting schedule set forth in Section 10.3 is amended, in the case of an Employee who is a Participant on the later of (a) the date the amendment is adopted, or (b) the date the amendment is effective, the non-forfeitable percentage of the benefit to which the Employee is entitled (determined as of such date) shall not be less than the non-forfeitable percentage of the benefit to which he is entitled under the Plan without regard to such amendment. If the vesting schedule designated in Section 10.3 is amended, each Participant whose benefits would be determined under such schedule and who is credited with three (3) or more years of Continuous Service shall have the right to elect, during the period computed pursuant to this Section, to have his non-forfeitable benefit determined without regard to such amendment; provided, however, that no election shall be provided to any Participant whose non-forfeitable percentage under the Plan, as amended, cannot at any time be less than the percentage computed without regard to such amendment. The election period shall commence on the date the amendment is adopted and end on the later of (a) sixty (60) days after adoption of the amendment, (b) sixty (60) days after the effective date of the amendment, or (c) sixty (60) days after the Participant is notified of the amendment in writing by the Corporation or the Benefits Department. Such election, if exercised, shall be irrevocable, and shall be available only to an Employee who is a Participant when the election is made and who has completed at least three (3) years of Continuous Service when the election is made. Any change in the applicability of the vesting schedule set forth in Section

10.3 as a result of the Plan ceasing to be Top Heavy shall be treated as an amendment to such vesting schedule for purposes of this Section.

ARTICLE ELEVEN

DISTRIBUTION OF BENEFITS

11.1. NORMAL AND LATE RETIREMENT.

A Participant shall be entitled to full distribution of his accounts, as provided in Sections 11.5 and 11.6, upon actual retirement as of or after his Normal Retirement Date. A Participant may remain in the employment of the Employer after his Normal Retirement Date, if he desires, and shall retire at such later time as he may desire, unless the Employer lawfully directs earlier retirement.

11.2. DISABILITY RETIREMENT.

A Participant whose active employment is discontinued due to Disability shall be entitled to full distribution of his accounts, as provided in Sections 11.5 and 11.6. Subject to the provisions of Section 11.5, the payments may commence at any time on or after the date of his discontinuance of active employment due to Disability.

11.3. DEATH.

(a) **BENEFIT.** In the event that a Participant (which term for purposes of this Section includes former Participants) shall die prior to his Benefit Commencement Date, the Participant's surviving spouse (or his other designated Beneficiary, if the Participant is unmarried or his spouse has consented in writing to designation of another Beneficiary) shall be entitled to full distribution of the Participant's accounts at the time and in the manner provided in Sections 11.5 and 11.6.

(b) **SPOUSE AS BENEFICIARY.** Notwithstanding any Beneficiary designation made by the Participant to the contrary, except as otherwise noted below, a married Participant's spouse shall be deemed to be his Beneficiary for purposes of this Plan unless the Participant's spouse consents to the designation of a different Beneficiary. Once given, the spouse's consent will be irrevocable. The consent of the Participant's spouse to his election shall be in writing, acknowledge the effect of such an election, be witnessed by a notary public and be provided to the Benefits Department. The spouse may not consent to the designation of another Beneficiary generally, but rather must consent to the designation of a particular Beneficiary. If the Participant elects to change the Beneficiary, the spouse's prior

consent will be null and void and a new consent will be required, unless the spouse's consent expressly permits a change of designation without the further consent of the spouse.

In the event that a Participant fails to designate a beneficiary to receive a benefit that becomes payable under the Plan, or in the event that the Participant is predeceased by all designated primary contingent beneficiaries, the death benefit shall be payable to the following classes of takers, each class to take to the exclusion of all subsequent classes, and all members of each class to share equally:

- (i) surviving spouse;
- (ii) lineal descendants (including legally adopted children), per stirpes;
- (iii) surviving parents;
- (iv) Participant's estate.

No spousal consent will be required if the Advisory Committee determines, in its sole discretion, that such consent cannot be obtained because the spouse cannot be located or other circumstances exist that preclude the Participant from obtaining such consent (to the degree permitted under applicable regulations issued by the United States Treasury Department).

Any spousal consent given pursuant to this Section or dispensed with pursuant to the preceding sentence will be valid only with respect to the spouse who signs the consent or with respect to whom the consent requirement is waived by the Advisory Committee .

Notwithstanding the foregoing, upon the receipt of written proof of the dissolution of marriage of a Participant, any earlier designation of the Participant's former spouse as a beneficiary shall be treated as though the Participant's former spouse had predeceased the Participant, unless, prior to payment of benefits on behalf of the Participant (1) the Participant executes and delivers another beneficiary designation that complies with this Plan and that clearly names such former spouse as a beneficiary; or (2) there is delivered to the Plan a qualified domestic relations order providing that the former spouse is to be treated as the beneficiary. In any case, once a Participant's former spouse is treated under the Participant's beneficiary designation as having predeceased the Participant, no heirs or other beneficiaries of the former spouse shall receive benefits from the Plan as beneficiary of the Participant, except as otherwise provided in the Participant's beneficiary designation.

(c) DEATH AFTER COMMENCEMENT OF BENEFITS. In the event that a former Participant shall die after his Benefit Commencement Date but prior to the complete the provisions of this distribution of all amounts to which such Participant is entitled under ARTICLE ELEVEN, the Participant's spouse or other designated Beneficiary shall be entitled to receive any remaining amounts to which the Participant would have been entitled had the Participant survived. The Benefits Department may require and rely upon such proofs of

death and the right of any spouse or Beneficiary to receive benefits pursuant to this Section as the Benefits Department may reasonably determine, and its determination of death and the right of such spouse or Beneficiary to receive payment shall be binding and conclusive upon all persons whomsoever.

11.4. OTHER SEPARATIONS FROM EMPLOYMENT.

A Participant who separates from employment for any reason other than retirement, death or Disability shall be entitled to distribution of his vested interest in his accounts at the time and in the manner provided in Sections 11.5 and 11.6.

11.5. TIME OF DISTRIBUTION OF BENEFITS.

(a) RETIREMENT. Payment to a Participant who is entitled to benefits under Section 11.1 normally shall commence within a reasonable time following the Participant's Termination Date; except that, at the election of the Participant, payment of benefits may be postponed until after the next year-end Accounting Date, at which time losses or earnings on the Trust Fund will be allocated to the Participant's accounts.

(b) TERMINATION AND DISABILITY. Payment to a Participant who is entitled to benefits under Section 11.2 or Section 11.4 normally shall commence not later than the date on which the Participant shall attain his Normal Retirement Date. As a general rule, the Benefits Department will begin distributions pursuant to Section 11.2 or Section 11.4 as soon as possible after the year-end Accounting Date next following the Participant's termination of employment or discontinuance of active employment due to Disability. At the request of the Participant, all of the Participant's Accounts may be distributed as soon as possible following the Participant's Termination Date or discontinuance of active employment due to Disability. If the total amount distributable to the Participant from all of his accounts at the time of any distribution under this ARTICLE ELEVEN exceeds Five Hundred Dollars (\$500.00) however, no distribution may be made prior to the Participant's Normal Retirement Date unless the Participant requests said distribution in writing. For purposes of this rule, if the total amount distributable to the Participant from all his accounts at the time of any distribution exceeds Five Hundred Dollars (\$500.00), then the amount in the Participant's account at all times thereafter will be deemed to exceed Five Hundred Dollars (\$500.00).

(c) DEATH AFTER COMMENCEMENT OF PAYMENTS. In the event of the death of a Participant after his Benefit Commencement Date but prior to the complete distribution to such Participant of the benefits payable to him under the Plan, any remaining benefits shall be distributed over a period that does not exceed the period over which distribution was to be made prior to the date of death of the Participant. Payment to

Beneficiaries entitled to payments pursuant to Section 11.3 shall commence as soon as possible following the death of the Participant.

(d) DEATH PRIOR TO COMMENCEMENT OF BENEFITS. In the event of the death of the Participant prior to his Benefit Commencement Date, payments to the Participant's Beneficiaries must be paid in full by December 31 of the calendar year which includes the fifth (5th) anniversary of the date of the Participant's death

(e) REQUIRED COMMENCEMENT OF PAYMENTS. In no event shall payment to a former Participant continue later than sixty (60) days after the last to occur of (1) the last day of the Plan Year in which the Participant attains the age of sixty five (65) years, (2) the last day of the Plan Year in which the Participant separates from employment with the Employer, or (3) the tenth (10th) anniversary of the last day of the Plan Year in which the Participant commenced participation in the Plan. In addition, payments must commence by the Participant's Required Beginning Date.

(f) CONSENT TO EARLY DISTRIBUTIONS. Except as otherwise provided in Section 11.6 concerning the payment of small amounts, no benefit payments may commence pursuant to the preceding provisions of this Section prior to the Participant's Normal Retirement Date unless the Participant requests the earlier commencement of payments. The Participant's request must be in writing in a form acceptable to the Benefits Department.

11.6. METHOD OF DISTRIBUTION.

(a) PARTICIPANT ELECTION. The Participant or Beneficiary shall select the method of payment of his or her benefits hereunder in accordance with the provisions of this Section.

(b) OPTIONAL METHODS OF DISTRIBUTION. Distribution may be made in any one (1) or more of the following methods:

(1) By payment in a cash lump sum to the Participant or his beneficiary;

(2) By making payments of amounts credited to Accounts in quarterly or annual installments over any period not in excess of five (5) years, unless elected otherwise by the Participant, but in no event in excess of the joint life expectancy of the Participant and his spouse. A former Participant who is receiving distributions in installments may direct the investment of the undistributed portion of his Accounts pursuant to the provision of Sections 6.2 and 6.4.

(c) Intentionally omitted

(d) MINIMUM DISTRIBUTION AND INCIDENTAL BENEFIT REQUIREMENTS. Notwithstanding any provision in this subsection to the contrary, distribution of a Participant's Accounts shall commence (whether or not he or she remains in the employ of the Employer) not later than the Participant's Required Beginning Date. Unless the Participant's entire interest is distributed to him by the Required Beginning Date, the distributions must be made over a period certain not extending beyond the life expectancy of the Participant, or over a period certain not extending beyond the joint life and last survivor life expectancy of the Participant and the Participant's designated Beneficiary. All distributions made pursuant to the Plan shall comply with the regulations issued by the United States Treasury Department under Section 401(a)(9) of the Code, including Section 1.401(a)(9) -2 through 1.401(a)(9)-9 as modified by the Section 401(a)(9) Final and Temporary Regulations published on April 17, 2002, and such regulations shall override and supersede any conflicting provisions of this Section or any other Section of this Plan. In addition, all benefit payment options shall be structured so as to comply with the incidental benefit requirements of Section 401(a)(9)(G) of the Code and any regulations issued pursuant thereto, which require, generally, that certain minimum amounts be distributed to a Participant during each calendar year, commencing with the calendar year in which the Participant's required beginning date falls, in order to assure that only "incidental" benefits are provided to a Participant's beneficiaries. The provision of this paragraph shall control over any conflicting provisions of this Plan

(e) DISTRIBUTION OF SMALL AMOUNTS. Notwithstanding any provision of this Plan to the contrary, the Advisory Committee, in its sole discretion, may direct payment benefits, by a Policy set by the Advisory Committee with instructions to the Benefits Department, in a single lump sum if the total amount distributable to the Participant from all of his accounts at the time of any distribution under this ARTICLE ELEVEN, does not exceed Five Hundred Dollars (\$500.00). For purposes of this rule, if the total amount distributable to the Participant from all his accounts at the time of any distribution exceeds Five Hundred Dollars (\$500.00), then the amount in the Participant's account at all times thereafter will be deemed to exceed Five Hundred Dollars (\$500.00). The Advisory Committee, in its sole discretion, may direct payment of the total amount distributable to the Participant, regardless of whether the balance of all his accounts at any time ever exceeded Five Hundred Dollars (\$500.00), upon such distributable amount falling below Five Hundred Dollars (\$500.00). Participant consent shall still be required however if the Participant had previously had a Benefit Commencement Date. All distributions pursuant to this paragraph must be made not later than the close of the second Plan Year following the Plan Year in which the Participant's employment is terminated.

The value of a Participant's nonforfeitable Account Balance shall be determined without regard to that portion of the Account Balance that is attributable to Rollover

Contributions (and earnings allocable thereto) within the meaning of Sections 402(c), 403(a)(4), 403(b)(8), 408(d)(3)(A)(ii) and 457(e)(16) of the Code. If the value of the Participant's nonforfeitable Account Balance as so determined is Five Hundred Dollars (\$500.00) or less, the Plan may distribute the Participant's entire nonforfeitable Account Balance.

(f) AMOUNT OF DISTRIBUTION. For the purpose of determining the amount to be distributed to Participants and Beneficiaries, the Participant's accounts will be valued as of the Accounting Date preceding the date upon which distribution is to commence, and the accounts shall then be adjusted to reflect any contributions made by or on behalf of the Participant after such Accounting Date.

(g) LIFE EXPECTANCIES. For purposes of this Plan, life expectancies shall be calculated by use of the expected return multiples specified in Tables V and VI of §1.72-9 of the regulations issued by the United States Treasury Department, and in accordance with the rules and procedures specified in regulations issued under Section 401(a)(9) of the Code, as such Tables and regulations may be amended from time to time, or any Tables or regulations subsequently issued in replacement of said Tables or regulations. The life expectancy of a Participant and his spouse may be recalculated annually. The life expectancy of any other individual shall be calculated using the individual's attained age on his birthday in the relevant calendar year (as determined in accordance with regulations issued pursuant to Section 401(a)(9) of the Code) and such individual's life expectancy during any later calendar year shall be the life expectancy as originally determined less the number of calendar years that have elapsed since the calendar year of the initial determination.

11.7. PAYMENTS TO DISABLED.

If any person to whom a payment is due under this Plan is unable to care for his affairs because of physical or mental disability, or is subject to a legal disability, the Advisory Committee shall have the authority to cause the payments becoming due to such person to be made to his duly-appointed legal guardian or custodian, to his spouse or to any other person charged with the legal obligation to support him, without any responsibility on the part of the Advisory Committee, the Employer, the Benefits Department or the Trustees to see to the application of such payments. Payments made pursuant to such power shall operate as a complete discharge of the Advisory Committee, the Employer, the Benefits Department, the Trustees and the Trust Fund. Subject to the right to appeal as set forth in Section 12.3(g) of the plan, the decision of the Advisory Committee in each case shall be final and binding upon all persons whomsoever.

11.8. MISSING PAYEES.

It shall be the responsibility of each Participant to advise the Benefits Department of the current mailing address of such Participant and his Beneficiary, and any notice or payment addressed to such last known address of record shall be deemed to have been received by the Participant. Should the Benefits Department not be able locate a Participant who is entitled to be paid a benefit under the Plan after making reasonable, diligent efforts to contact said Participant, and a period of two (2) years has elapsed from the Participant's Termination Date, a forfeiture of the Participant's vested benefit shall occur and be redistributed in accordance with Sections 8.2(d) and 10.4(c). Notwithstanding said forfeiture, in the event the Participant should thereafter make a claim for his benefits, as determined prior to the date of forfeiture, the Benefits Department shall restore (as of the next Accounting Date) his account balance together with interest at the "Short Term Federal Rate," as defined in Internal Revenue Code Section 1274, from the date of forfeiture. Such amounts shall be restored in a manner consistent with the restoration of forfeitures as set forth in Section 10.4(c). Should there be insufficient forfeitures occurring on said Accounting Date, the Employer shall be obligated to restore said Account by means of a special contribution to the Plan.

11.9. WITHHOLDING.

Payment of benefits under this Plan shall be subject to applicable law governing the withholding of taxes from benefit payments, and the Trustees, Benefits Department and Advisory Committee shall be authorized to withhold taxes from the payment of any benefits hereunder, in accordance with applicable law.

11.10. UNDERPAYMENT OR OVERPAYMENT OF BENEFITS.

In the event that, through misstatement or computation error, benefits are underpaid or overpaid, there shall be no liability for any more than the correct benefit sums under the Plan. Overpayments may be deducted from future payments under the Plan, and underpayments may be added to future payments under the Plan. In lieu of receiving reduced benefits under the Plan, a Participant or beneficiary may elect to make a lump sum repayment of any overpayment.

11.11. TRANSFERS FROM THE PLAN.

Upon receipt by the Benefits Department of a written request from a Participant who has separated or is separating from the Employer and has not yet received distribution of his benefits under the Plan, the Benefits Department shall direct the Trustee to transfer such Participant's vested interest in his accounts to the trustee or other administrative agent of another plan or trust or individual retirement account certified by the Participant as meeting the requirements for qualified plans or trusts or individual retirement accounts under the Code. The Trustee shall make such transfer within a reasonable time following receipt of

such written direction by the Benefits Department. The Employer, Benefits Department, the Advisory Committee and the Trustee shall not be responsible for ascertaining whether the transferee plan, trust, or individual retirement account is qualified under the Code, and the written request of the Participant shall constitute a certification on the part of such Participant that the plan, trust, or individual retirement account is qualified and provides for the acceptance of such transfer.

11.12A ELIGIBLE ROLLOVER DISTRIBUTIONS.

(a) Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this Section 11.12A, a distributee may elect, at the time and in the manner prescribed by the Plan Administrator, to have any portion of an eligible rollover distribution that is equal to at least \$500 paid directly to an eligible retirement plan specified by the distributee in a direct rollover. If an eligible rollover distribution is less than \$500, a distributee may not make the election described in the preceding sentence to rollover a portion of the eligible rollover distribution.

(b) For purposes of this Paragraph 11.12A, the following definitions shall apply:

(1) Eligible rollover distribution: An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under § 401(a)(9) of the Internal Revenue Code; the portion of any other distribution(s) that is not includible in gross income; and any other distribution(s) that is reasonably expected to total less than \$200 during a year.

A portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be transferred only to an individual retirement account or annuity described in § 408(a) or (b) of the Code, or to a qualified defined contribution plan described in § 401(a) or 403(a) of the Code that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

(2) Eligible retirement plan: An eligible retirement plan is an eligible plan under § 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this plan, an individual retirement account described in § 408(a) of the Code, and individual retirement annuity described in § 408(b) of the Code an annuity plan described in § 403(a) of the Code, an annuity contract described in § 403(b) of the Code, or a qualified plan described in § 401(a) of the Code, that accepts the distributee's eligible rollover distribution. The definition of eligible retirement plan shall also apply in the case of a distribution to a surviving spouse, or to a spouse or former spouse who is the alternate payee under a qualified domestic relation order, as defined in § 414(p) of the Code.

If any portion of an eligible rollover distribution is attributable to payments or distributions from a designated Roth account, an eligible retirement plan with respect to such portion shall include only another designated Roth account of the individual from whose account the payments or distributions were made, or a Roth IRA of such individual.

For distributions made after December 31, 2007, a participant may elect to roll over directly an eligible rollover distribution to a Roth IRA described in Code §408A(b).

(3) Distributee: A distributee includes an employee or former employee. In addition, the employee's or former employee's surviving spouse and the employee's or former employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in § 414(p) of the Code, are distributees with regard to the interest of the spouse or former spouse.

(4) Direct Rollover: A direct rollover is a payment by the P lan to the eligible retirement plan specified by the distributee.

11. 12B Direct Rollover o f Non-Spousal Distribution

(a) For distributions after December 31, 2008, a non-spouse beneficiary who is a "designated beneficiary" under Code §401 (a)(9)(E) and the regulations thereunder, by a direct trustee-to-trustee transfer ("direct rollover"), may roll over all or any portion of his or her distribution to an individual retirement account the beneficiary establishes for purposes of receiving the distribution. In order to be able to roll over the distribution, the distribution otherwise must satisfy the definition of an eligible rollover distribution.

(b) Although a non-spouse beneficiary may roll over directly a distribution, any distribution made prior to January 1, 2010 is not subject to the direct rollover requirements of Code §401 (a)(31) (including Code §401 (a)(31)(B), the notice requirements

of Code §402(f) or the mandatory withholding requirements of Code §3405(c)). If a non-spouse beneficiary receives a distribution from the Plan, the distribution is not eligible for a "60-day" rollover.

- (c) If the Participant's named beneficiary is a trust, the Plan may make a direct rollover to an individual retirement account on behalf of the trust, provided the trust satisfies the requirements to be a designated beneficiary within the meaning of Code §401(a)(9)(E).
- (d) A non-spouse beneficiary may not roll over an amount which is a required minimum distribution, as determined under applicable Treasury regulations and other Revenue Service guidance. If the Participant dies before his or her required beginning date and the non-spouse beneficiary rolls over to an IRA the maximum amount eligible for rollover, the beneficiary may elect to use either the 5-year rule or the life expectancy rule, pursuant to Treas. Reg. §1.401(a)(9)-3, A-4(c), in determining the required minimum distributions from the IRA that receives the non-spouse beneficiary's distribution.

ARTICLE TWELVE

PLAN ADMINISTRATION

12.1. THE ADVISORY COMMITTEE AND BENEFITS DEPARTMENT.

(a) **APPOINTMENT AND REMOVAL.** The Corporation is the plan administrator, but it delegates its duties and responsibilities as such to the Benefits Department and the Advisory Committee, to the extent and in the manner set forth herein.

(i) The Advisory Committee shall consist of not less than three (3) members (who may be directors, officers or other employees of the Employers or Participants in this Plan). Such members shall be appointed from time to time by the President of the Corporation and shall serve at his pleasure. Each member may be dismissed by the President or his designee at any time by notice to the members of the Advisory Committee. A member of the Advisory Committee may resign at any time by delivering his written resignation to the President or his designee. The members of the Advisory Committee may be appointed to succeed themselves. The members of the Advisory Committee shall be compensated for their services to the extent determined by the President of the Corporation.

(ii) The Benefits Department is a sub-department within the Human Resources Department of U-Haul International, Inc. and the supervisors and/or managers working within the Benefits Department shall be primarily responsible for coordination of the Benefits Department's duties and responsibilities under the Plan.

(b) CHAIRMAN AND SECRETARY. The members of the Advisory Committee shall elect a chairman and shall also elect a secretary who may, but need not, be one of the members of the Advisory Committee. The secretary of the Advisory Committee or his designee shall record all acts and determinations of the Advisory Committee and shall preserve and retain custody of all such records, together with such other documents as may be necessary for the administration of the Plan or as maybe required by law.

(c) MEETINGS AND MAJORITY ACTION OF THE ADVISORY COMMITTEE. The Advisory Committee may adopt by-laws which, among other things provide for: the holding of meetings upon such notice, and at such place or places, and at such intervals as it may from time to time determine; that majority of the members of the Advisory Committee at any time in office shall constitute a quorum for the transaction of business; all resolutions or other actions taken by the Advisory Committee shall be by vote of a majority of the Advisory Committee at a meeting of the Advisory Committee or without a meeting by an instrument in writing signed by a majority of the members of the Advisory Committee.

12.2. POWERS OF THE ADVISORY COMMITTEE AND BENEFITS DEPARTMENT.

(a) GENERAL POWERS.

(i)The Advisory Committee shall have the power and discretion to perform the administrative duties assigned to it and as described in this Plan and shall have all powers necessary to enable it to properly carry out such duties. To the extent not otherwise delegated pursuant to the Plan, the Advisory Committee shall be responsible for the general administration of the Plan.

(ii)The Benefits Department shall have the power and discretion to perform the administrative duties assigned to it and as described in this Plan or required for proper administration of the Plan and shall have all powers necessary to enable it to properly carry out such duties .

(b) BENEFIT PAYMENTS. Except as is otherwise provided hereunder, the Benefits Department shall determine the manner and time of payment of benefits under this Plan. All benefit disbursements by the Trustee shall be made upon the instructions of the Benefits Department. Benefits under this Plan will be paid only if the Benefits Department, in

its capacity as a Plan Administrator, decides in its discretion that the applicant for such benefits is entitled to them.

(c) DECISIONS FINAL. All matters to be, decided by the Advisory Committee shall be decided by the Advisory Committee in the exercise of its discretion and shall be binding and conclusive upon all persons, unless arbitrary and capricious. All matters to be decided by the Benefits Department shall be decided by the Benefits Department in the exercise of its discretion and, unless arbitrary and capricious, shall be binding and conclusive upon all persons, unless arbitrary and capricious.

(d) REPORTING AND DISCLOSURE. The Benefits Department shall file all reports and forms lawfully required to be filed by the Benefits Department with any governmental agency or department, federal or state, and shall distribute any forms, reports, statements or plan descriptions lawfully required to be distributed to Participants and others by any governmental agency or department, federal or state.

(e) INVESTMENT. The Advisory Committee shall keep itself advised with respect to the investment of the Trust Fund. The Advisory Committee and/or Benefits Department shall have power to direct specific investments of the Trust Fund only where such power is expressly conferred by this Plan and only to the extent described in this Plan. All other investment duties shall be the responsibility of the Trustee.

12.3. CLAIMS.

(a) FILING OF CLAIM. A Participant or Beneficiary entitled to benefits need not file a written claim to receive benefits. If an Employee, Participant, Beneficiary or any other person is dissatisfied with the determination of his benefits, eligibility, participation or any other right or interest under this Plan, such person may file a written statement setting forth the basis of the claim with the Advisory Committee in a manner prescribed by the Advisory Committee. In connection with the determination of a claim, or in connection with review of a denied claim, the claimant may examine this Plan and any other pertinent documents generally available to Participants relating to the claim and may submit comments in writing.

(b) NOTICE OF DECISION. A written notice of the disposition of any such claim shall be furnished to the claimant within thirty (30) days after the claim is filed with the Advisory Committee, provided that the Advisory Committee may have an additional period to decide the claim if it advises the claimant in writing of the need for an extension and the date on which it expects to decide the claim. The notice of disposition of a claim shall refer, if appropriate, to pertinent provisions of this Plan, shall set forth in writing the reasons for denial of the claim if the claim is denied (including references to any pertinent provisions of this Plan), and where appropriate shall explain how the claimant can perfect the claim.

(c) REVIEW. If the claim is denied, in whole or in part, the claimant shall also be notified in writing that a review procedure is available. Thereafter, within ninety (90) days after receiving the written notice of the Advisory Committee's disposition of the claim, the claimant may request in writing, and shall be entitled to, a review meeting with the Advisory Committee to present reasons why the claim should be allowed. The claimant shall be entitled to be represented by counsel at the review meeting. The claimant also may submit a written statement of his claim and the reasons for granting the claim. Such statement may be submitted in addition to, or in lieu of, the review meeting with the Advisory Committee. The Advisory Committee shall have the right to request of and receive from a claimant such additional information, documents or other evidence as the Advisory Committee may reasonably require. If the claimant does not request a review meeting within ninety (90) days after receiving written notice of the Advisory Committee's disposition of the claim, the claimant shall be deemed to have accepted the Advisory Committee's written disposition, unless the claimant shall have been physically or mentally incapacitated so as to be unable to request review within the ninety (90) day period.

(d) DECISION FOLLOWING REVIEW. A decision on review shall be rendered in writing by the Advisory Committee ordinarily not later than sixty (60) days after review, and a written copy of such decision shall be delivered to the claimant. If special circumstances require an extension of the ordinary period, the Advisory Committee shall so notify the claimant. In any event, if a claim is not determined within one hundred twenty (120) days after submission for review, it shall be deemed to be denied.

(e) DECISIONS FINAL: PROCEDURES MANDATORY. To the extent permitted by law, a decision on review by the Advisory Committee shall be binding and conclusive upon all persons whomsoever. To the extent permitted by law, completion of the claims procedures described in this Section shall be a mandatory precondition that must be complied with prior to commencement of a legal or equitable action in connection with the Plan by a person claiming rights under the Plan or by another person claiming rights through such a person. The Advisory Committee may, in its sole discretion, waive these procedures as a mandatory precondition to such an action.

(f) APPEAL BY ARBITRATION. The following shall be effective for any claims filed on or after January 1, 2002 :

(i) if the claimant is dissatisfied with the written decision of the Advisory Committee following review, he shall have the right to request a further appeal by arbitration of the matter in accordance with the then existing rules of the American Arbitration Association, provided the claimant submits a request for binding arbitration to the Advisory

Committee, in writing, within sixty (60) days of receipt of the written review decision of the Advisory Committee.

(ii) such arbitration shall take place in state of Claimant's residence and the arbitrator or arbitrators shall be required to have expertise in employee benefit-related matters. The arbitrator or arbitrators shall be limited in their review of the denial of a claim to the standard of review a court of competent jurisdiction would employ under the same or similar circumstances in reviewing the denial of an employee benefit claim.

(iii) the determination in any such arbitration shall grant the prevailing party full and complete relief including the costs and expenses of arbitration (including reasonable attorneys fees). The arbitration determination shall be enforceable through any court of competent jurisdiction.

(iv) to the extent permitted by law, the procedures specified in this section 12.3 shall be the sole and exclusive procedure available to a claimant who is otherwise adversely affected by any action of the Advisory Committee. The Advisory Committee may, in its sole discretion, waive these procedures as a mandatory precondition to such an action.

(g) Appeal of Disability Benefit Denial The following procedure shall be effective as of January 1, 2003 and shall apply only to the extent a Participant in the Plan is not also a participant in the Amerco Disability Plan. A Participant who is also a participant in the Amerco Disability Plan shall be subject to the appeal provisions thereof:

(a) Any claim for disability benefits shall be made to the Advisory Committee. If the Advisory Committee denies a claim, or reduces or terminates disability benefits prior to the expiration of the fixed payment period (an "Adverse Determination"), the Advisory Committee shall provide notice to the claimant, in writing, within forty five (45) days of receipt of the claim.

This period may be extended by the Plan for up to thirty (30) days, provided the Advisory Committee both determines it is necessary due to matters beyond the control of the Plan and notifies the claimant, in writing, prior to the expiration of the initial forty-five (45) day period, of the circumstances requiring the extension and the date the Advisory Committee expects to render a decision. If, prior to the expiration of the first thirty (30) day extension period, the Advisory Committee determines a decision can not be reached due to matters beyond the control of the Plan, the period for making a determination may be extended for an additional thirty (30) days provided the Advisory Committee notifies the claimant, in writing, prior to the expiration of the initial thirty (30) day extension period and the date the Advisory Committee expects to render a decision.

In the case of any extension, the notice of extension shall specifically explain the standards on which entitlement to a benefit is based, the unresolved issues that prevent the rendering of a decision on the claim and the additional information needed to resolve those issues. The claimant shall be afforded at least forty five (45) days within which to provide any such information required by the Advisory Committee. If the Advisory Committee does not notify the claimant of the denial of the claim within the period(s) specified above, then the claim shall be deemed denied.

The notice of an Adverse Determination shall be written in a manner calculated to be understood by the claimant and shall set forth:

- (1) the specific reason or reasons for the Adverse Determination, including the identity of any medical or vocation experts whose advice was obtained in connection with the Adverse Determination, regardless of whether the advice was relied upon in making the Adverse Determination;
- (2) specific references to the pertinent Plan provisions on which the Adverse Determination is based;
- (3) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation as to why such information is necessary;
- (4) an explanation of the Plan's review procedure and the time limits applicable to such procedures, including a statement of the claimant's right to bring a civil action under Section 502(a) of the Act following an adverse determination on review; and
 - (5)(A) If an internal rule, guideline, protocol, or other similar criterion was relied upon in making the Adverse Determination, either a copy of the specific rule, guideline, protocol, or other similar criterion; or a statement that such a rule, guideline, protocol, or other similar criterion was relied upon in making the Adverse Determination, will be provided to the Participant free of charge upon request; or
 - (B) If the Adverse Determination is based on medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to the claimant's

medical circumstances, or a statement that such explanation will be provided free of charge upon request.

(b) Within one hundred eighty (180) days after receipt of the above material, the claimant shall have a reasonable opportunity to appeal the Adverse Determination to the Claims Review Board for a full and fair review. The claimant or his/her duly authorized representative may:

- (1) request a full and fair review of the claim and the Adverse Determination upon written notice to the Advisory Committee;
- (2) request review of pertinent documents, records; and other information relevant to the claim
- (3) submit issues, written comments, documents, records and other information relevant to the claim.

In deciding an appeal of any Adverse Determination based in whole or in part on a medical judgment, the Claims Review Board shall consult with a health care professional who has appropriate training and experience in the field of medicine involved in the medical judgment. Such health care professional shall not have been involved in rendering the Adverse Determination nor the subordinate of any person involved in rendering the Adverse Determination.

(c) A decision on the review by the Claims Review Board will be made not later than forty five (45) days after receipt of a request for review, unless special circumstances require an extension of time for processing (such as the need to hold a hearing), in which event a decision should be rendered as soon as possible, but in no event later than ninety (90) days after such receipt. The decision of the Claims Review Board shall be written and shall include specific reasons for the decision, written in a manner calculated to be understood by the claimant and shall set forth:

- (1) the specific reason or reasons for the decision;
- (2) specific references to the pertinent Plan provisions on which the decision is based;
- (3) a statement that the claimant is entitled to receive upon request, free of charge, reasonable access to and copies of, all materials and information relevant to the claim for benefits;

- (4) a statement of the plan's voluntary arbitration procedures and the claimant's right to bring a civil action under Section 502(a) of the Act; and
- (5)(A) If an internal rule, guideline, protocol, or other similar criterion was relied upon in making the decision, either a copy of the specific rule, guideline, protocol, or other similar criterion; or a statement that such a rule, guideline, protocol, or other similar criterion was relied upon in making the decision, will be provided to the claimant free of charge upon request; or
- (B) If the decision based on medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to the claimant's medical circumstances, or a statement that such explanation will be provided free of charge upon request.
- (d) In the event a claimant is not satisfied with the results of an appeal as set forth above, in lieu of the right to bring a civil action in Federal court under ERISA Section 502(a), the claimant shall have the option to appeal the matter to voluntary binding arbitration in accordance with the employee benefit claim arbitration rules of the American Arbitration Association. In order to take advantage of this voluntary arbitration the claimant must submit a request for voluntary arbitration to the Advisory Committee, in writing, within ninety (90) days of receipt of the written appeal decision. Any voluntary binding arbitration proceeding shall be conducted in the claimant's home state.
- (e) Along with the written decision of the Claims Review Board on the secondary appeal, the claimant shall be provided with sufficient information to make an informed decision about whether to submit a claim to voluntary binding arbitration. This information shall include, but not be limited to:
- I. a statement that the decision whether to arbitrate a claim will have no effect on rights to any other benefits under the Plan;
 - II. notice of the right to representation;
 - III. notice of the right to bring a civil action in federal court under ERISA Section 502(a) in lieu of voluntary binding Arbitration;

(iv) a statement that the Plan will not assert that failure to exhaust administrative remedies in any federal court action in the event you the claimant elects not to pursue voluntary binding arbitration;

(v) the applicable arbitration rules; and

(vi) the arbitrator selection process.

(f) If a claimant decides to utilize the voluntary binding arbitration, the Claims Review Board shall submit to the arbitrator or arbitrators, when selected, a copy of the record upon which the appeal decision was made. The arbitrator or arbitrators shall be limited in their review of the denial of a claim to the same standard of review a court of competent jurisdiction would employ under similar circumstances. No fees or costs, other than the claimant's representative's legal and/or advisory fees, costs and disbursements shall be imposed on the claimant as part of this voluntary arbitration process.

12.4. THE TRUSTEE.

The Administrative Trustee shall be appointed under and shall be governed by the provisions of the Trust Agreement.

12.5. SCOPE OF RESPONSIBILITY.

(a) GENERAL. The Corporation and other Employers, the Advisory Committee, the Benefits Department and the Trustees shall perform the duties respectively assigned to them under the Plan, the Trust Agreement or pursuant to the written directions of the Board, and shall not be responsible for performing duties assigned to others under the terms and provisions of the Plan or the Trust Agreement or assigned to others pursuant to the written directions of the Board. No inference of approval or disapproval is to be made from the inaction of any party described above or the employee or agent of any of them with regard to the action of any other such party.

(b) CONFLICTS. No member of the Advisory Committee may act, vote or otherwise influence the Advisory Committee regarding his own eligibility, participation, status or rights under the Plan.

(c) ADVISOR. The Corporation, Benefits Department, Advisory Committee and Trustee shall have the authority to employ advisors, legal counsel, accountants and investment managers in connection with the administration of the Plan, and may delegate to others as permitted herein. To the extent permitted by applicable law, the Corporation, Benefits

Department, the Advisory Committee and the Trustees shall not be liable for complying with the directions of any advisors, legal counsel, accountants and investment manager, appointed pursuant to this Section. The Corporation, Benefits Department, other Employers, the Advisory Committee and the Trustees shall not be responsible or liable for any loss resulting from the investment directions of Participants and do not guarantee the Trust Fund against investment loss or depreciation in asset value.

(d) MULTIPLE CAPACITIES. Persons, organizations or corporations acting in a position of any fiduciary responsibility with respect to the Plan and/or the Trust Fund may serve in more than one (1) fiduciary capacity.

(e) ALLOCATION OF RESPONSIBILITIES. The Benefits Department or the Advisory Committee from time to time may allocate to one (1) or more of the members of the Advisory Committee and may delegate to any other persons or organizations any of the rights, powers, duties and responsibilities of the Benefits Department or the Advisory Committee, respectively, with respect to the operation and administration of the Plan, and the Benefits Department may employ and authorize any person to whom any of its fiduciary responsibility has been delegated to employ persons to render advice with regard to any fiduciary responsibility held hereunder.

(f) INDEMNIFICATION. To the extent permitted by law, the Employers shall and do hereby jointly and severally indemnify and agree to hold harmless their employees, agents and members of the Advisory Committee and employees of the Benefits Department, from all loss, damage or liability, joint or several (including payment of expenses in connection with defense against any such claim) for their acts, omissions and conduct, and for the acts, omissions and conduct of their duly appointed agents, which acts, omissions or conduct constitute or are alleged to constitute a breach of such individual's fiduciary or other responsibilities under the Act or any other law, except for those acts, omissions or conduct resulting from his own willful misconduct, willful failure to act, or gross negligence; provided, however, that if any party would otherwise be entitled to indemnification hereunder in respect of any liability and such party shall be insured against loss as a result of such liability by any insurance contract or contracts, such party shall be entitled to indemnification hereunder only to the extent by which the amount of such liability shall exceed the amount thereof payable under such insurance contract or contracts.

(g) INSURANCE. The Employers may obtain insurance covering themselves and others for breaches of fiduciary obligations under this Plan to the extent permitted by law, and nothing in this Plan shall restrict the right of any person to obtain such insurance for himself in connection with the performance of his duties under this Plan. The Corporation, the Advisory Committee, the Benefits Department and the Trustee shall be the Named Fiduciaries under the Plan, and the Corporation shall be the plan administrator.

12.6. EXPENSES.

Any brokerage commissions, transfer taxes and other charges and expenses in connection with the purchase and sale of securities or other property for a Fund shall be charged to such Fund. Any income taxes or other taxes payable with respect to a Fund shall likewise be charged to that Fund. Any other expenses associated with the administration of the Plan or the Trust Fund shall be paid from the Trust Fund if not paid by the Corporation or an Affiliated Company.

12.7. TRUST AGREEMENT.

The Board shall maintain a Trust Agreement pursuant to which the Administrative Trustee shall be appointed providing for the general administration of the Trust Fund in such form as the Board may deem appropriate . The Trust Agreement shall contain such terms as the Board may deem appropriate, including, but not limited to, provisions with respect to the powers and authority of the Administrative Trustee and the authority of the Board to amend the Trust Agreement, to terminate the trust and to settle the accounts of the Administrative Trustee on behalf of all persons having an interest in the Trust Fund. The Trust Agreement shall form a part of the Plan and any and all rights and benefits which may accrue to any persons under the Plan shall be subject to all the terms and provisions of the Trust Agreement.

ARTICLE THIRTEEN

AMENDMENT, MERGER AND TERMINATION

13.1. AMENDMENT OF PLAN AND TRUST AGREEMENTS.

The Plan and the Trust Agreement may be amended at any time and from time to time by an instrument in writing executed pursuant to authority granted by the Board, and/or in the case of amendments required by changes in the law or those having a minimal financial impact to the Plan or Trust Agreements, by the President of the Corporation or such persons as may be authorized by the Board No amendment shall substantially increase the duties and liabilities of the members of the Advisory Committee and Trustee then serving without their written consent. Any such amendment may be in whole or in part and may be prospective or retroactive; provided, however, that no amendment shall be effective to the extent it shall have the effect of reverting to the Corporation or any other Employer the whole or any part of the principal or income of the Trust Fund or of diverting any part of the principal or income of the Trust Fund to purposes other than for the exclusive benefit of the Participants or their

Beneficiaries. No such amendment shall diminish the rights of any Participant with respect to contributions made by him prior to the date of such amendment.

13.2. MERGER OR CONSOLIDATION.

In the event of merger or consolidation of this Plan with another stock bonus plan, employee stock ownership plan, profit sharing plan, pension plan or other plan, or a transfer of assets or liabilities of the Trust Fund to any other such fund, each Participant shall have a right to a benefit immediately after such merger, consolidation or transfer (if the Plan was then terminated) that is at least equal to, and may be greater than, the benefit to which he had a right immediately before such merger, consolidation or transfer (if the Plan was then terminated).

13.3. DISCONTINUANCE AND TERMINATION OF PLAN.

The Board shall have the right to terminate the Plan and to direct distribution of the Trust Fund. In the event of termination of the Plan, the Board shall have the power to terminate contributions by appropriate resolution. A certified copy of such resolution or resolutions shall be delivered to the Advisory Committee. In the event of termination of the Plan or discontinuance of contributions (and the Employer does not establish or maintain a successor defined contribution plan, in accordance with the provisions set forth in Treasury Regulations Section 1.401(k)-1(d)(3)), the Board may direct the Advisory Committee to instruct the Benefits Department and the Trustee to make distribution to the Participants as soon as practicable in the same manner as if their employment with the Employer had then terminated, or the Board may direct that the Plan shall be continued without any further contributions. No distributions shall be made after termination of contributions by the Employers until a reasonable time after the Corporation has received from the United States Treasury Department a determination under the provisions of the Code as to the effect of such termination or discontinuance upon the qualification of the Plan. In the event such determination is unfavorable, then prior to making any distributions hereunder, the Administrative Trustee and the Benefits Department shall pay any Federal or state income taxes due because of the income of the Trust Fund and shall then distribute the balance in the manner above provided. The Corporation may, by written notice delivered to the Administrative Trustee, the Benefits Departments and the Advisory Committee, waive the Corporation's right hereunder to apply for such a determination, and if no application for determination shall have been made within sixty (60) days after the date specified in the terminating resolution or after the date of discontinuance of contributions, the Corporation shall be deemed to have waived such right. A mere suspension of contributions by the Employers shall not be construed as discontinuance thereof. In the event of a complete or partial termination of the Plan, or complete discontinuance of contributions under the Plan,

the Account balances of each affected Participant shall be non-forfeitable to the extent funded.

13.4. SUCCESSORS.

In case of the merger, consolidation, liquidation, dissolution or reorganization of an Employer, or the sale by an Employer of all or substantially all of its assets, provision may be made by written agreement between the Corporation and any successor corporation acquiring or receiving a substantial part of the Employer's assets, whereby the Plan will be continued by the successor. If the Plan is to be continued by the successor, then effective as of the date of the applicable event the successor corporation shall be substituted for the Employer under the Plan. The substitution of a successor corporation for an Employer will not in any way be considered a termination of the Plan.

ARTICLE FOURTEEN

INALIENABILITY OF BENEFITS

14.1. NO ASSIGNMENT PERMITTED.

(a) GENERAL PROHIBITION. No Participant or Beneficiary, and no creditor of a Participant or Beneficiary, shall have any right to assign, pledge, hypothecate, anticipate or in any way create a lien upon the Trust Fund. All payments to be made to Participants or their Beneficiaries shall be made only upon their personal receipt or endorsement, except as provided in Section 11.7, and no interest in the Trust Fund shall be subject to assignment or transfer or otherwise be alienable, either by voluntary or involuntary act or by operation of law or equity, or subject to attachment, execution, garnishment, sequestration, levy or other seizure under any legal, equitable or other process, or be liable in any way for the debts or defaults of Participants and Beneficiaries except as allowed under section 401(a)(13) of the Code.

(b) PERMITTED ARRANGEMENTS. This Section shall not preclude arrangements for the withholding of taxes from benefit payments, arrangements for the recovery of benefit overpayments, arrangements for the transfer of benefit rights to another plan, or arrangements for direct deposit of benefit payments to an account in a bank, savings and loan association or credit union (provided that such arrangement is not part of an arrangement constituting an assignment or alienation). A Participant may also grant the Administrative Trustee a security interest in his Accounts as collateral for the repayment of a loan to the Participant pursuant to and in accordance with Section 6.5. Additionally, this Section shall not preclude: (1) arrangements for the distribution of the benefits of a Participant

or Beneficiary pursuant to the terms and provisions of a Qualified Domestic Relations Order in accordance with the following provisions of this ARTICLE FOURTEEN; or (2) effective for Plan Years commencing on or after August 5, 1997 , the offsetting of benefits of a Participant or Beneficiary as permitted by Code Section 401(a) (13)(C).

14.2. QUALIFIED DOMESTIC RELATIONS ORDERS.

(a) DEFINITIONS. A Qualified Domestic Relations Order is any judgment, decree, or order (including an order approving a property settlement agreement) which relates to the provision of child support, alimony, or marital property rights to a spouse, child, or other dependent of a Participant and which is entered or made pursuant to the domestic relations or community property laws of any State and which creates or recognizes the right of an "alternate payee" to receive all or a portion of the benefits payable with respect to a Participant under this Plan or assigns to an "alternate payee" the right to receive all or a portion of said benefits. For purposes of this ARTICLE FOURTEEN, an "alternate payee" is the spouse, former spouse, child or other dependent of a Participant who is recognized by a Qualified Domestic Relations Order as having the right to receive all or a portion of the benefits payable under the Plan with respect to the Participant.

(b) REQUIREMENTS. In accordance with Section 414(p) of the Code, a judgment, decree or order (hereinafter collectively referred to as an "order") shall not be treated as a Qualified Domestic Relations Order unless it satisfies all of the following conditions:

(1) The order clearly specifies the name and last known mailing address (if any) of the Participant and the name and last known mailing address of each alternate payee covered by the order, the amount or percentage of the Participant's benefits to be paid to each alternate payee or the manner in which such amount or percentage is to be determined, and the number of payments or period to which such order applies.

(2) The order specifically indicates that it applies to this Plan.

(3) The order does not require this Plan to provide any type or form of benefit, or any option, not otherwise provided under the Plan, and it does not require the Plan to provide increased benefits (determined on the basis of actuarial value).

(4) The order does not require the payment of benefits to an alternate payee which are required to be paid to another alternate payee under another

order previously determined to qualify as a Qualified Domestic Relations Order.

(c) Effective April 6, 2007, a domestic relations order that otherwise satisfies the requirements for a qualified domestic relations order will not fail to be a QDRO: (i) solely because the order is issued after, or revises, another domestic relations order or QDRO; or (ii) solely because of the time at which the order is issued, including issuance after the annuity starting date or after the Participant's death. Such a domestic relations order is subject to the same requirements and protections that apply to QDROs .

14.3. EARLY COMMENCEMENT OF PAYMENTS TO ALTERNATE PAYEES.

(a) EARLY PAYMENTS. An order requiring payment to an alternate payee before a Participant has separated from employment may qualify as a Qualified Domestic Relations Order even if it requires payment prior to the Participant's "earliest retirement age." For purposes of this Section, "earliest retirement age" shall mean the earlier of (i) the date on which the Participant attains age fifty (50) or (ii) the earliest date on which the Participant could begin receiving benefits under the Plan if the Participant separated from service. If the Order requires payments to commence prior to a Participant's actual retirement, the amounts of the payments must be determined as if the Participant had retired on the date on which such payments are to begin under such order, but taking into account only the present account balances at that time.

(b) ALTERNATE PAYMENT FORMS. The order may call for the payment of benefits to an alternate payee in any form in which benefits may be paid under the Plan to the Participant, other than in the form of a joint and survivor annuity with respect to the alternate payee and his or her subsequent spouse.

14.4. PROCESSING OF QUALIFIED DOMESTIC RELATIONS ORDERS.

(a) NOTICE. The Benefits Department shall promptly notify the Participant and any alternate payee who may be entitled to benefits pursuant to a previously received Qualified Domestic Relations Order or the receipt of any order which could qualify as a Qualified Domestic Relations Order. At the same time, the Benefits Department shall advise the Participant and any alternate payees (including the alternate payee designated in the order) of the provisions of this Section relating to the determination of the qualified status of such orders.

(b) QUALIFIED NATURE OF ORDER. Within a reasonable period of time after receipt of a copy of the order, the Benefits Department shall determine whether the order is a Qualified Domestic Relations Order and notify the Participant and each alternate payee of its

determination. The determination of the status of an order as a Qualified Domestic Relations Order shall be made in accordance with such uniform and nondiscriminatory rules and procedures as may be adopted by the Benefits Department from time to time. If benefits are presently being paid with respect to a Participant named in an order which may qualify as a Qualified Domestic Relations Order or if benefits become payable after receipt of the order, the Benefits Department shall notify the Trustee to segregate and hold the amounts which would be payable to the alternate payee or payees designated in the order if the order is ultimately determined to be a Qualified Domestic Relations Order. If the Benefits Department determines that the order is a Qualified Domestic Relations Order within eighteen (18) months of receipt of the order, the Benefits Department shall instruct the Trustee to pay the segregated amounts (plus any earnings thereon) to the alternate payee specified in the Qualified Domestic Relations Order. If within the same eighteen (18) month period the Benefits Department determines that the order is not a Qualified Domestic Relations Order or if the status of the order as a Qualified Domestic Relations Order is not resolved, the Benefits Department shall instruct the Trustee to pay the segregated amounts (plus any earnings thereon) to the person or persons who would have been entitled to such amounts if the order had not been entered. If the Benefits Department determines that an order is a Qualified Domestic Relations Order after the close of the eighteen (18) month period mentioned above, the determination shall be applied prospectively only. The determination of the Benefits Department as to the status of an order as a Qualified Domestic Relations Order shall be binding and conclusive on all interested parties, present and future, subject to the claims review provisions of Section 12.3.

14.5. RESPONSIBILITY OF ALTERNATE PAYEES.

Any person claiming to be an alternate payee under a Qualified Domestic Relations Order shall be responsible for supplying the Benefits Department with a certified or otherwise authenticated copy of the order and any other information or evidence that the Benefits Department deems necessary in order to substantiate the individual's claim or the status of the order as a Qualified Domestic Relations Order.

ARTICLE FIFTEEN

GENERAL PROVISIONS

15.1. SOURCE OF PAYMENT.

Benefits under the Plan shall be payable only out of the Trust Fund and the Corporation and other Employers shall have no legal obligation, responsibility or liability to make any direct payment of benefits under the Plan. Neither the Corporation, any other

Employer, the Advisory Committee, the Benefits Department nor the Administrative Trustee guarantee the Trust Fund against any loss or depreciation or guarantees the payment of any benefits hereunder. No persons shall have any rights under the Plan with respect to the Trust Fund or against the Administrative Trustee, the Advisory Committee, Benefits Department, the Corporation or any Employer, except as, specifically provided for herein.

15.2. BONDING.

The Corporation shall procure bonds for every "bondable fiduciary" in an amount not less than ten percent (10%) of the amount of funds handled and in no event less than One Thousand Dollars (\$1,000.00), except the Corporation shall not be required to procure such bonds if the person is exempted from the bonding requirement by law or regulation or if the Secretary of Labor exempts the Trust from the bonding requirements. The bonds shall conform to the requirements of the Act and regulations thereunder. For purposes of this Section, the term "bondable fiduciary" shall mean any person who handles funds or other property of the Trust Fund.

15.3. EXCLUSIVE BENEFIT.

Except as otherwise provided herein or in the Trust Agreement, it shall be impossible for any part of the Trust Fund to be used for, or diverted to purposes other than for the exclusive benefit of Participants and their Beneficiaries, except that payment of taxes and administration expenses may be made from the Trust Fund as provided in the Trust Agreement.

15.4. UNIFORM ADMINISTRATION EXERCISE OF DISCRETION.

Whenever in the administration of the Plan any action is required by the Advisory Committee, the Administrative Trustee or the Benefits Department including, but not limited to, action with respect to valuation, such action shall be uniform in nature as applied to all persons similarly situated and no such action shall be taken which will discriminate in favor of Highly Compensated Employees. All actions to be taken by the Advisory Committee, the Benefits Department or the Administrative Trustee shall be taken in the exercise of their discretion and shall be binding and conclusive on all persons.

15.5. NO RIGHT TO EMPLOYMENT.

Participation in the Plan or as a Beneficiary shall not give any person the right to be retained in the employ of the Corporation or any other Employer nor, upon dismissal, to have any right or interest in the Trust Fund other than as provided in the Plan.

15.6. HEIRS AND SUCCESSORS.

All of the provisions of this Plan shall be binding upon all persons, who shall be entitled to any benefits hereunder, and their heirs and legal representatives.

15.7. ASSUMPTION OF QUALIFICATION.

Unless and until advised to the contrary, the Advisory Committee, the Benefits Department and the Administrative Trustee may assume that the Plan is a qualified plan under the provisions of the Code relating to such plans, and that the Trust Fund is entitled to exemption from income tax under such provisions.

15.8. EFFECT OF AMENDMENT.

This Plan is not a new plan succeeding the Plan as constituted prior to the Effective Date, but is an amendment and restatement of the Plan as so constituted. The amount, right to and form of any benefits under this Plan, if any, of each person who is an Employee after the Effective Date, or the persons who are claiming through such an Employee, shall be determined under this Plan. The amount, right to and form of benefits, if any, of each person who separated from employment with the Employer prior to the Effective Date, or of persons who are claiming benefits through such a former Employee, shall be determined in accordance with the provisions of the Plan in effect on the date of termination of his employment, except as may be otherwise expressly provided under this Plan, unless he shall again become an Employee after the Effective Date.

15.9. COMPLIANCE WITH SECTION 414(U) OF THE CODE. Notwithstanding any provision of the Plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with Section 414(u) of the Code effective December 12, 1994.

IN WITNESS WHEREOF , AMERCO has caused this Plan to be executed and its corporate seal to be hereunto affixed by its duly authorized officers, this ___ day of January, 2016.

AMERCO

By: _____
Its: _____

ATTEST:

By: _____
Its: _____

**AMENDED AND RESTATED AMERCO
EMPLOYEE STOCK OWNERSHIP PLAN**

PREAMBLE AND INTRODUCTION

On March 16, 1973 , AMERCO, a Nevada corporation (the "Corporation") established the AMERCO Profit Sharing Retirement Trust (the "Profit Sharing Plan") for certain of its employees. The Profit Sharing Plan was subsequently amended from time to time. Effective April 1, 1984 , the Corporation established the AMERCO Employee Savings and Protection Plan (the "Savings Plan") to permit employee contributions to be made on a favorable tax basis through utilization of the provisions of Section 401(k) of the Internal Revenue Code (the "Code"). The Savings Plan was subsequently amended from time to time. Effective January 1, 1988 , the Profit Sharing Plan and the Savings Plan were merged into a single plan called the "AMERCO Retirement Savings and Profit Sharing Plan" (the "Profit Sharing Plan").

Effective as of July 24, 1988 , AMERCO established an "employee stock ownership plan" (as defined in Section 407(d)(6) of the Employee Retirement Income Security Act of 1974 (the "Act") and Section 4975(e)(7) of the Code) designed to invest primarily in "qualifying employer securities" (as defined in Section 407(d)(5) of the Act and Section 4975(e)(8) of the Code) of the Corporation (the "ESOP"). At the time, the ESOP was contained in a single document with the Profit Sharing Plan and became known as the "AMERCO Employee Savings, Profit Sharing and Employee Stock Ownership Plan." Notwithstanding the fact that the ESOP was contained in a single document, it was in fact a "stand alone" plan.

The AMERCO Employee Savings, Profit Sharing and Employee Stock Ownership Plan was subsequently amended and restated in its entirety effective January 1, 1989 to comply with the Tax Reform Act of 1986 (" TRA 86") and to make certain other modifications. The AMERCO Employee Savings, Profit Sharing and Employee Stock Ownership Plan was then amended on four occasions.

The AMERCO Employee Savings, Profit Sharing and Employee Stock Ownership Plan was then amended and restated in its entirety to comply with the Small Business Job Protection Act of 1996 ("SBJPA"), the Uniformed Services Employment and Reemployment Rights Act of 1994 ("USERRA"), the Taxpayer Relief Act of 1997 (" TRA 97").

The AMERCO Employee Savings, Profit Sharing and Employee Stock Ownership Plan was subsequently amended to comply with GUST and EGTRRA legislative changes and to make certain other modifications.

Effective January 1, 2007 , the ESOP (hereinafter the "Plan") was amended and restated in its entirety in a separate plan document to incorporate certain amendments, and make certain administrative as well as other miscellaneous changes. The AMERCO

Employee Savings and Profit Sharing Plan was also restated and amended in its entirety as a separate plan document (the “Employee Savings and Profit Sharing Plan”).

Effective January 1, 2010, the ESOP was amended and restated in its entirety and received a determination letter dated September 24, 2013.

It is the intention of the Corporation that the ESOP shall continue to be qualified under the provisions of Section 401 (a) of the Code and that the Trust Fund maintained pursuant to the ESOP shall continue to be exempt from taxation pursuant to Section 501(a) of the Code. The Plan shall be qualified as an employee stock ownership plan.

ARTICLE ONE

EFFECTIVE DATE

1.1. EFFECTIVE DATE.

Except as specifically provided with respect to a particular provision of the ESOP, the provisions of this amended and restated ESOP shall be effective January 1, 2014 or such other date as determined by the Board of Directors of AMERCO. This plan document does not set forth a new Plan succeeding the Plan as previously in effect, but, rather, is an amendment and restatement of the Plan as currently in effect. The amount, right to and form of any benefits under the Plan, if any, of each person who is an Employee on and after the Effective Date, or of persons who are claiming through such an Employee, shall be determined under this Plan. The amount, right to and form of any benefits under this Plan, if any, of each person who has separated from employment with the Corporation or any participating Employer prior to the Effective Date, or of other persons who are claiming benefits through such a former Employee, shall be determined in accordance with the provisions of the Plan in effect on the date of his separation from employment, except as may otherwise be expressly provided under this Plan, unless he shall again become an Employee on or after the Effective Date.

ARTICLE TWO

DEFINITIONS AND CONSTRUCTION

2.1. DEFINITIONS.

When a word or phrase shall appear in this ESOP with the initial letter capitalized, and the word or phrase does not commence a sentence, the word or phrase shall generally be a term defined in this Section 2.1 or in the Preamble. The following words and phrases utilized in the Plan with the initial letter capitalized shall have the meanings set forth in this Section 2.1, unless a clearly different meaning is required by the context in which the word or phrase is used:

(a) “ ACCOUNTING DATE ” - The Accounting Date shall be the last day of each calendar month. The Accounting Date shall also be any other date so designated by the Advisory Committee.

(b)“ ACCOUNT ” - The ESOP Account of a Participant.

(c)“ ADVISORY COMMITTEE ” - The Committee appointed by the President of AMERCO pursuant to Section 12.1 to serve as the Advisory Committee.

(d) “ AFFILIATE ” - Any member of a "controlled group of corporations" (within the meaning of Section 414(b) of the Code as modified by Section 415(h) of the Code) that includes the Employer as a member of the group; any member of an "affiliated service group" (within the meaning of Section 414(m)(2) of the Code) that includes the Employer as a member of the group; any member of a group of trades or businesses under common control (within the meaning of Section 414(c) of the Code as modified by Section 415(h) of the Code) that includes the Employer as a member of the group; and any other entity required to be aggregated with the Employer pursuant to regulations issued by the United States Treasury Department pursuant to Section 414(o) of the Code.

(e)“ ANNIVERSARY DATE ” - January 1 of each calendar year.

(f)“ ANNUAL ADDITION ” - The sum of the following amounts allocable for a Plan Year to a Participant under this Plan or under any defined contribution plan or defined benefit plan maintained by the Employer or any Affiliate:

(1) The Employer contributions allocable for a Plan Year to the Accounts of the Participant under this Plan or any other defined contribution plan, including any amount allocable from a suspense account maintained pursuant to such plan on account of a prior Plan Year (computed as though no part of the ESOP Contribution is allocable to the Loan Suspense Account); amounts deemed to be Employer contributions pursuant to a cash-or-deferred arrangement qualified under Section 401(k) of the Code; and amounts allocated to a medical account which must be treated as annual additions pursuant to Section 415(1)(1) or Section 419A(d)(2) of the Code;

(2) All nondeductible Employee contributions allocable during a Plan Year to the Account of the Participant; and

(3) Forfeitures allocable for a Plan Year to the Account of the Participant.

Any rollover contributions or transfers from other qualified plans, restorations of forfeitures, or other items similarly enumerated in Treasury Regulation Section 1.415-6(b)(3) shall not be considered in calculating a Participant's Annual Additions for any Plan Year.

(g)“ AUTHORIZED OR APPROVED LEAVE OF ABSENCE” - A leave of absence from the performance of active service for an Employer that is approved by the Employer in accordance with the Employer's rules regarding leave of absence. An Authorized Leave of Absence shall include an approved leave of absence for sickness or Disability. An absence from employment as a result of an Employee's service as a member of the armed forces of the United States shall also be treated as an Authorized Leave of Absence upon the Employee's return to employment with the Employer, provided that the Employee left employment with his Employer directly to enter the armed forces and returns directly to the employment of an Employer within the period during which his employment rights are protected by the Selective Service Act (or any similar law) as now in effect or as hereafter amended. Absence shall be deemed to be approved by an Employer for any period of an Employee's Disability prior to his separation from employment.

(h)“ BENEFICIARY” - The person or persons designated by a Participant to receive benefits under the Plan in the event of the death of the Participant.

(i)“ BENEFIT COMMENCEMENT DATE” - The first day on which all events (including the passing of the day on which benefit payments are scheduled to commence) have occurred which entitle the Participant to receive his first benefit payment from the Plan.

(j)“ BENEFITS DEPARTMENT” – The department within the Human Resources Department of U-Haul International, Inc. responsible for the administration and record-keeping associated with this Plan.

(k)“ BOARD” - The Board of Directors of the Corporation.

(l)“ BREAK IN CONTINUOUS SERVICE” - A twelve (12) continuous month period, commencing with an Employee's Termination Date, in which the Employee is not credited with at least one (1) Hour of Service.

(m)“ CANADIAN AFFILIATE” - Any corporation or company wholly owned by AMERCO which does business in Canada .

(n) “ CLAIMS REVIEW BOARD ” – the Committee appointed by the President of AMERCO to review certain decisions of the Advisory Committee pursuant to Section 12.3 of the Plan

(o) “ COMPENSATION ” - The term “ *Compensation* ” for a Plan Year means the wages paid to a Participant within the meaning of section 3401(a) of the Code (for purposes of income tax withholding at the source), determined without regard to any rules that limit the remuneration included in wages based on the nature or location of the employment or the services performed but including for such Plan Year all of a Participant ’ s salary reductions made pursuant to an arrangement maintained by an Employer under Sections 125, 132(f)(4), or 401(k) of the Code during the Plan year, and any contributions on such Participant ’ s behalf described in Sections 402(e)(3) or 402(g)(3) of the Code.

In no event shall the amount of a Participant ’ s Compensation taken into account for purposes of the Plan for any Plan Year exceed the dollar limitation in effect under Code Section 401(a)(17) (as that limitation is adjusted from time to time by the Secretary of the Treasury pursuant to Code Section 401(a)(17) and which is \$260,000 for the Plan Year commencing January 1, 2014). If this period consists of fewer than 12 months, the annual compensation limit shall be an amount equal to the otherwise applicable annual compensation limit multiplied by a fraction, the numerator of which is the number of months in the short determination period, and the denominator of which is 12.

The definition of Compensation shall comply with Treasury Regulations 1.413(c)-2(b) and (c) and shall be subject to the following:

(a) Compensation shall be included in a Plan Year only if actually paid or made available during such Plan Year, but also shall include amounts earned but not paid during the Plan Year solely because of the timing of pay periods and pay dates, provided the amounts are paid during the first few weeks of the next Plan Year, the amounts are included on a uniformed and consistent basis with respect to all similarly situated employees, and no Compensation is included in more than 1 Plan Year.

(b) Compensation for a Plan Year shall also include amounts paid no later than 2½ months after the Participant ’ s severance from employment with an Employer or the end of the Plan Year that includes the date of the Participant ’ s severance from employment. In such instances, amounts shall be included only if one of the following applies:

(i) The payment is regular compensation for services during the Participant ’ s regular working hours (such as overtime or shift deferential), commissions, bonuses, or other similar payments, and, absent a severance from employment, the payments would have been made to the Participant continued in employment with an Employer.

(ii) The payment is for unused accrued bona fide sick, vacation or other leave that the Participant would have been able to use if employment had continued; or

(iii) The payment is received by the Participant pursuant to a nonqualified deferred compensation plan and would have been paid at the same time of employment had continued; but only to the extent includible in gross income.

Any payment not described above will not be included in Compensation if paid after severance from employment, even if paid by the later of 2 ½ months after the date of severance of employment or the end of the Plan Year that includes the date of severance from employment; provided, however, the Compensation shall include amounts paid to an individual who does not currently perform services for the Employer by reason of qualified military service (within the meaning of 414(u)(1) of the Code) to the extent the Compensation does not exceed the amounts the individual would have received if the individual had continued to perform services for the Employer rather than entering qualified military service.

(c) Compensation shall also include any deemed Section 125 Compensation as defined in Revenue Ruling 2002-27.

(d) Compensation shall include differential wage payments, as defined in Code Section 3401(h)(2), that are paid by an Affiliate.

(p)“ CONTINUOUS SERVICE ” - The aggregated service of the Employee measured in years and completed calendar months, based on the Employee's period of elapsed time of employment determined in accordance with Section 3.3 and the applicable regulations of the United States Treasury Department.

(q)“ CORPORATION” OR “COMPANY” – AMERCO, a Nevada Corporation.

(r) “ DISABILITY ” - A continuous period of absence resulting from accidental bodily injury, sickness, mental illness or substance abuse that, in the judgment of the Advisory Committee, supported by the written opinion of a licensed physician (who may be designated by the Advisory Committee), prevents a Participant from performing the essential duties of his own occupation or a reasonable alternative made available by the Company. If a Participant is also a participant in the Amerco Disability Plan, a determination of disability thereunder shall be binding upon, and be deemed a determination of Disability for all purposes hereunder.

(s)“ EARNINGS ” - The term "Earnings" shall mean all of the Participant's wages within the meaning of Section 3401(a) of the Code and all payments of compensation to the

Employee by the Employer (in the course of the Employer's trade or business) for which the Employer is required to furnish the Employee a written statement under Sections 6041(d), 6051(a)(3) and 6502 of the Code, determined without regard to any rules under Section 3401(a) that limit the remuneration included in wages based on the nature or location of the employment or the services performed. "Earnings" shall also include the amount of any pre-tax contributions that would have been paid to the Participant as current Earnings reportable on Internal Revenue Service Form W-2 but for the Participant's election to direct pre-tax contributions. Only Earnings paid during periods of actual Plan participation shall be includable as Earnings hereunder. Notwithstanding the foregoing, Earnings in excess of Two Hundred Sixty Thousand Dollars (\$260,000) shall be disregarded for all purposes. The limitations specified in the preceding sentence shall be adjusted to take into account any cost-of-living increase adjustment for that Plan Year allowable pursuant to the applicable regulations or rulings of the United States Treasury Department under Section 401(a) (17) (B) of the Code. Earnings shall include qualified transportation fringe benefits as described in Section 132(f)(2) of the Code.

For purposes of applying the limitations of Code Section 415, in the case of an Employee who is an Employee within the meaning of Code Section 401(c)(1) and the Regulations thereunder, the Employee's Earned Income (as described in Code Section 401(c)(2) and the Regulations thereunder) shall include amounts deferred at the election of the Employee that would be includable in gross income but for the rules of Code Sections 402(h)(1)(B), 402(k), or 457(b).

(t)“ EFFECTIVE DATE ” - As provided in Section 1.1.

(u)“ EMPLOYEE ” - Each person who is classified by the Employer as a common law employee (or who would be considered a common law employee if such person were not on an Authorized Leave of Absence). Regardless of any subsequent determination by a court or a governmental agency that an individual should be treated as a common law employee, an individual will be considered an Employee under the Plan only if such individual has been so classified by the Employer for purposes of this Plan and is not a private contractor. If the Employer modifies its classification or treatment of an individual, the modification shall be applied prospectively only unless the Employer indicates otherwise, in which case the modification will be effective as of the date specified by the Employer . If an individual is characterized as a common law employee of the Employer by a governmental agency or court but not by the Employer , such individual shall be treated as an employee who has not been designated for participation in this Plan. Leased employees shall not be regarded as Employees for purposes of actual participation in the Plan. A “leased employee” is any person who is not an Employee of the Employer but who has provided services to the Employer, which services are performed under the primary direction or control of the employer, on a substantially full-time basis for a period of at least one (1) year, pursuant to an agreement between the Employer and a leasing organization. If a leased employee is

subsequently employed by the Employer, the period during which the leased employee performs services for the Employer shall be taken into account for calculation of eligibility and vesting credit .

(v)“ EMPLOYER ” - The Corporation and any Affiliate of the Company (unless the Board has determined that the Employees of said Company should not participate in the Plan) which is designated by the Board as an Employer under the Plan and whose designation as such has become effective and has continued in effect. The designation shall become effective only when it has been accepted by the board of directors of the designated Employer . Any Employer may revoke its acceptance of such designation at any time, but until such acceptance is revoked all the provisions of the Plan and the Trust Agreement and any amendments thereto shall apply to the Employees of the Employer . In the event that the designation of an Employer as such is revoked by the board of directors of the Employer , the Plan shall be deemed terminated only as to such Employer .

(w)“ EMPLOYER SECURITIES ” or “Employer Stock”- shall mean:

(1)common stock of the Corporation (or any other corporation that is a member of a controlled group of corporations along with the Employer , as defined in Section 414(b) of the Code (a "related corporation") which is readily tradeable on an established securities market;

(2) if at any time there is no common stock which meets the requirements of subparagraph (1), the term Employer Securities means common stock of the Corporation or any related corporation having a combination of voting power and dividend rights equal to or in excess of (i) that class of common stock of the Corporation or any related corporation having the greatest voting power and (ii) that class of common stock of the Corporation or any related corporation having the greatest dividend rights; or

(3)Non-callable preferred stock shall be treated as Employer Securities if such stock is convertible at any time to stock which meets the requirements of subparagraphs (1) or (2) (whichever is applicable) and if such conversion is at a conversion price which (as of the date of the acquisition by the ESOP) is reasonable. Preferred stock shall be treated as noncallable if after the call there will be a reasonable opportunity for a conversion which meets the requirements of this paragraph.

(x)“ ESOP ACCOUNT ” - The account established pursuant to Section 8.1 for each Participant to which ESOP Contributions made on behalf of that Participant, are credited.

(y)“ ESOP CONTRIBUTION ” - The regular, special and per capita ESOP contributions made by the Employers pursuant to Section 5.1(a), (b) or (c).

(z)“ ESOP FUND” or “ ESOP TRUST FUND” - The fund (invested by the ESOP Trustee as an "employee stock ownership plan" (as defined in Section 407(d)(6) of the Act and Section 4975(e)(7) of the Code and the applicable regulations thereunder) established pursuant to ARTICLE SEVEN for the purpose of acquiring Employer Securities.

(aa) “ ESOP TRUST AGREEMENT” - The instrument entered into between the Corporation and the ESOP Trustee to provide for the investment and administration of the ESOP Fund. The ESOP Trust Agreement shall constitute a part of the Plan.

(bb) “ ESOP TRUSTEE” - The trustee or trustees appointed by the Corporation to perform the obligations set forth in the ESOP Trust Agreement. If the Employer appoints two or more individuals or entities to act jointly as the ESOP Trustee, the term "ESOP Trustee" shall refer collectively to all of said individuals or entities.

(cc) “ HIGHLY COMPENSATED EMPLOYEE” - Each individual who is treated as a "Highly Compensated Employee" pursuant to Section 2.3 of this Plan.

(dd)“ HOUR OF SERVICE” -

(1)An hour for which an Employee is directly or indirectly compensated, or is entitled to Compensation, by an Employer or an Affiliate for the performance of duties. Such Hours of Service shall be credited in the respective eligibility and vesting service computation periods in which the duties were performed.

(2) An hour for which an Employee is directly or indirectly compensated, or is entitled to Compensation, by an Employer or an Affiliate on account of a period of time during which no duties are performed (irrespective of whether the employment relationship has terminated) due to vacation, holiday, illness, incapacity (including Disability), layoff, jury duty, military duty or leave of absence. No more than five hundred one (501) Hours of Service shall be credited under this paragraph for any single continuous period (whether or not such period occurs in a single computation period). Hours of Service under this paragraph shall be calculated and credited pursuant to Section 2530.200b-2 of the Department of Labor Regulations governing the computation of Hours of Service, which are incorporated herein by this reference.

(3) An hour for which back pay (irrespective of mitigation of damages) is either awarded or agreed to by an Employer or an Affiliate. The same Hours of Service shall not be credited both under paragraphs (1) or (2)

above, as, the case may be, and under this paragraph (3). Hours of Service attributable to back pay credits will be credited to the respective computation period or periods to which the back pay pertains, rather than to the period in which the award, agreement or payment is made.

(4) In lieu of determining Hours of Service under the foregoing paragraphs, the Benefits Department may credit an Employee with ten (10) Hours of Service for each day for which any service must be credited, or forty-five (45) Hours of Service for each week for which any service must be credited, or one hundred ninety (190) Hours of Service for each month for which any service must be credited. Such crediting of hours shall be performed on a nondiscriminatory basis.

(5) Employees also shall be credited with any additional Hours of Service required to be credited pursuant to Federal law other than the Act or the Code.

(6) Solely for purposes of determining whether an Employee has incurred a Break in Service, an Employee shall be credited with Hours of Service in accordance with the provisions of this paragraph (6) for periods of absence (with or without pay) by reason of the pregnancy of the Employee, the birth of a child of the Employee, the placement of a child with the Employee in connection with the adoption of such child by the Employee, or for purposes of caring for a child of the Employee for a period beginning immediately following the child's birth or placement. An Employee who is on an Authorized Leave of Absence for any of the foregoing reasons shall receive credit for the Hours of Service which the Employee would normally have been credited with but for such absence. If the Benefits Department and the Employer are unable to determine the Hours which would have otherwise been credited to the Employee, the Employee shall receive credit for eight (8) Hours of Service for each day of such absence. The maximum number of Hours of Service credited to an Employee pursuant to this paragraph for any one absence or any series of related absences shall not exceed five hundred one (501). The hours credited pursuant to this paragraph will be treated as Hours of Service for the service computation period during which the absence begins if the Employee would be prevented from incurring a Break in Service during such twelve (12) consecutive month period solely because of the Hours of Service credited pursuant to this paragraph. In all other cases, the Hours of Service shall be credited to the Employee for the service computation period which begins immediately following the day on which the absence commences. This paragraph (6) shall not be construed as entitling any Employee to an Authorized Leave of Absence for any of the reasons enumerated above. An Employee's entitlement to an Authorized Leave of Absence will be determined in accordance with the standard policies of the

Employer. No credit will be given pursuant to this paragraph (6) unless the Employee furnishes to the Benefits Department such timely information as the Benefits Department may reasonably require to establish the number of days for which there was such an absence and that the absence was for one of the reasons enumerated above.

(ee) “ INACTIVE PARTICIPANT ” - A Participant for whom an Account is maintained under the Plan, but who is not eligible to receive allocations of ESOP Contributions. An Inactive Participant shall continue to share in the earnings or losses on Trust investments.

(ff)“ KEY EMPLOYEE ” – Shall have the meaning set forth in Section 2.2

(gg) “ LOAN SUSPENSE ACCOUNT ” - The suspense account created in accordance with Section 7.4 to provide for the holding of Employer Securities subject to a loan, in accordance with ARTICLE SEVEN and Section 4975(d)(3) of the Code and applicable regulations thereunder.

(hh)“ NORMAL RETIREMENT AGE ” or “ NORMAL RETIREMENT DATE ” -

(1) Normal Retirement Age - The date on which a Participant attains the age of sixty-five (65) years.

(2) Normal Retirement Date - The last day of the month in which the Participant attains his Normal Retirement Age.

(ii)“ PARTICIPANT ” - An Employee who has satisfied the eligibility requirements specified in Section 3.1. If so indicated by the context, the term “Participant” shall also include former Participants whose active participation in the Plan has terminated but who have not received all amounts to which they are entitled pursuant to the terms and provisions of this Plan. Whether former Participants are allowed to exercise an option or election extended to "Participants" will be determined by the Benefits Department in the exercise of its discretion, but in making such determinations the Benefits Department shall act in a uniform, nondiscriminatory manner.

(jj) “ PLAN ENTRY DATE ” - The last day of each calendar quarter – March 31, June 30, September 30 and December 31.

(kk)“ PLAN YEAR ” - A twelve (12) month period commencing on each January 1 and ending on each following December 31.

(ll)“ QUALIFIED DOMESTIC RELATIONS ORDER ” - A domestic relations order meeting the requirements specified in Section 14.2.

(mm)“ REQUIRED BEGINNING DATE ”

(1) 5 Percent Owners - For a Participant who is a "5-Percent Owner" as defined in Code Section 416(i)(1)(B)(i), Required Beginning Date means April 1 of the calendar year following the calendar year in which the Participant attains age 70½, regardless of whether the Participant has terminated employment with the Employer .

(2) Non 5-Percent Owners - For a Participant who is not a "5-Percent Owner" as defined in Code Section 416(i)(1)(B)(i), Required Beginning Date shall mean April 1 of the calendar year following the later of (i) the calendar year in which the Participant attains age 70½, or (ii) the calendar year in which the Participant terminates employment with the Employer . Notwithstanding the above, for any Participant who attains age 70½ prior to the Plan Year beginning January 1, 1999 , Required Beginning Date shall mean, at the Participant's election, April 1 of the calendar year following (i) the calendar year in which the Participant attains age 70½, or (ii) the calendar year in which the Participant terminates employment with the Employer .

(nn)[INTENTIONALLY OMITTED]

(oo) “ TERMINATION DATE ” - The earliest of (1) the date on which an Employee voluntarily separates, retires, is discharged or dies, or (2) the second anniversary of the first day of the period during which the Employee was absent from service with the Employer by reason of a maternity or paternity leave (within the meaning of Section 3.3), or (3) the first anniversary of the first day of the period during which the Employee was absent from service with the Employer for any reason other than a maternity or paternity leave or a separation from employment due to voluntary separation, discharge, retirement or death.

(pp) “ TOP HEAVY PLAN ” - A "Top Heavy Plan," as defined in Section 2.2.

(qq) “ TRUSTEE ” or “ TRUSTEES ” - The ESOP Trustee acting as such under the ESOP Trust Agreement. Any reference to the "Trustee" or the "Trustees" shall be deemed to refer to the ESOP Trustee.

(rr)“ YEAR OF ELIGIBILITY SERVICE ” - A twelve (12) month period (the "Computation Period") in which an Employee is credited with at least one thousand (1,000) Hours of Service, regardless of whether the Employee is employed on the last day of said period. The initial Computation Period shall commence with the first Hour of Service of the Employee. Following this initial Computation Period, a Year of Eligibility Service shall be determined on the Computation Period commencing on the first day of the Plan Year which includes the first anniversary of the date on which the Employee first performed an Hour of Service. Thereafter, the Benefits Department shall measure any subsequent Computation

Period necessary for a determination of a Year of Eligibility Service by reference to succeeding Plan Years. If an individual terminates employment with the Employer s prior to completing one thousand (1,000) Hours of Service in any of such Computation Periods and returns to an Employer or any Affiliate after the close of the Computation Period during which his employment was terminated, in the future the relevant Computation Periods shall commence on the date the individual first performs an Hour of Service for an Employer or any Affiliate following his reemployment and the anniversaries thereof. The Participant may be required to complete one thousand (1,000) Hours of Service during the Plan Year in order to receive an allocation of Employer contributions pursuant to Section 8.2(c). All years of service with any of the Employer 's Canadian Affiliate(s) shall be taken into account. Effective November 1, 1997 , for purposes of determining an Employee's Years of Eligibility Service under this Plan, service with North American Insurance Company and Safemate Life Insurance Company shall be taken into account.

2.2. TOP HEAVY PLAN PROVISIONS.

The provisions of this Section 2.2 shall be observed in determining the Plan's status as a Top Heavy Plan:

(a) GENERAL RULES. The Plan will be a Top Heavy Plan for a Plan Year if, on the last day of the prior Plan Year (hereinafter referred to as the "determination date"), more than sixty percent (60%) of the cumulative balances credited to all accounts of all Participants are credited to or allocable to the accounts of Key Employees. For purposes of making these determinations, the following rules will apply:

(1)The balance credited to or allocable to a Participant's accounts for purposes of this Section 2.2 shall include contributions made on or before the applicable determination date, together with withdrawals and distributions made during the five (5) year period ending on the determination date.

(2) The accounts of any Participant who was formerly (but no longer is) a Key Employee shall be disregarded. In addition, the accounts of any Participant who has not performed any services for the Employer or an Affiliate during the five (5) year period ending on the determination date shall be disregarded.

(3)Rollover contributions that are both initiated by the Employee and are not derived from a plan maintained by the Employer or any Affiliate, shall be disregarded unless otherwise provided in lawful regulations issued by the United States Treasury Department. Other amounts rolled over to or from this Plan to or from another qualified plan will be considered in calculating the

Plan's status as a Top Heavy Plan if and to the extent required by said regulations.

(b) AGGREGATION OF PLANS. Notwithstanding anything in this Section 2.2 to the contrary, in the event that the Plan shall be determined by the Benefits Department (in its sole and absolute discretion, but pursuant to the provisions of Section 416 of the Code) to be a constituent in an "aggregation group", this Plan shall be considered a Top Heavy Plan only if the "aggregation group" is a "top heavy group". For purposes of this Section 2.2, an "aggregation group" shall include the following:

- (1) Each plan intended to qualify under Section 401(a) of the Code sponsored by the Employer or an Affiliate in which one (1) or more Key Employees participate;
- (2) Each other plan of the Employer or an Affiliate that is considered in conjunction with a plan referred to in clause (1) in determining whether or not the nondiscrimination and coverage requirements of Section 401(a)(4) or Section 410 of the Code are met; and
- (3) If the Benefits Department, in the exercise of its discretion, so chooses, any other such plan of the Employer or an Affiliate which, if considered as a unit with the plans referred to in clauses (1) and (2), satisfies the requirements of Code Section 401(a) and Code Section 410.

A "top heavy group" for purposes of this Section 2.2 is an "aggregation group" in which the sum of the present value of the cumulative accrued benefits for Key Employees under all "defined benefit plans" (as defined in Section 414(j) of the Code) included in such group plus the aggregate of the account balances of Key Employees on the last Accounting Date in the twelve (12) month period ending on the respective determination date under all "defined contribution plans" (as defined in Section 414(i) of the Code) included in such group exceeds sixty percent (60%) of the total of such similar sum determined for all employees and beneficiaries covered by all such plans (where such present values and account balances are those present values applicable to those determination dates of each plan which fall in the same calendar year). The Benefits Department will calculate the present value of the cumulative annual benefits under a defined benefit plan in accordance with the rules set forth in the defined benefit plan. All determinations will be made in accordance with applicable regulations under Section 416 of the Code.

(c) This Section shall apply for purposes of determining whether the Plan is a top-heavy plan under Section 416(g) of the Code for Plan Years beginning after December 31, 2001, and whether the Plan satisfies the minimum benefits requirements of Section 416(c) of the Code for such years.

(i) Determination of Top-heavy Status.

(A)Key Employee. In determining whether the P lan is Top-Heavy for P lan Y ears beginning after December 31, 2001, K ey E mployee means any employee or former employee (including any deceased employee) who at any time during the plan year that includes the d etermination d ate is an officer of the E mployer having annual C ompensation greater than \$130,000 (as adjusted under § 416(i)(1) of the Code for Plan Y ears beginning after December 31, 2002), a 5-percent owner of the E mployer, or a 1-percent owner of the E mployer having an annual compensation of more than \$150,000.

In determining whether the P lan is top-heavy for plan years beginning before January 1, 2002, K ey E mployee means any employee or former employee (including any deceased employee) who at any time during the 5-year period ending on the determination date, is an officer of the employer having an annual compensation that exceeds 50 percent of the dollar limitation under § 415(b)(1)(A), an owner (or considered an owner under § 318) of one of the ten largest interests in the employer if such individual's compensation exceeds 100 percent of the dollar limitation under § 415(c)(1)(A), a 5-percent owner of the employer, or a 1-percent owner of the employer who has an annual C ompensation of more than \$150,000. For purposes hereof, "annual compensation" means compensation within the meaning of Code Section 415(c)(3).

The determination of who is a key employee will be made in accordance with § 416(i)(1) of the Code and the applicable regulations and other guidance of general applicability issued thereunder.

(B)Determination of Present Values and Amounts. This Section 2.2(c) shall apply for purposes of determining the present values of accrued benefits and the amounts of account balances of employees as of the determination date.

(1)Distributions During Year Ending on the Determination Date. The present value of accrued benefits and the amounts of account balances of an employee as of the determination date shall be increased by the distributions made with respect to the employee under the Plan and any plan aggregated with the Plan under Section 416(g)(2) of the Code during the one-year period ending on the determination date. The preceding sentence shall also apply to distributions under a terminated plan which, had it not been terminated, would have been aggregated with the Plan under Section 416(g)(2)(A)(i) of the Code. In the case of a distribution made for a reason other than separation from employment, death, or disability, this provision shall be applied by substituting 5-year period for 1-year period.

(2) Employees Not Performing Services Having Year Ending on the Determination Date. The accrued benefits and accounts of any individual who has not

performed services for the employer during the 1-year period ending on the determination date shall not be taken into account.

2.3. HIGHLY COMPENSATED EMPLOYEE

(a) GENERAL. The term "Highly Compensated Employee" shall include all "highly compensated active employees" and all "highly compensated former employees."

(b) HIGHLY COMPENSATED ACTIVE EMPLOYEES. A Highly Compensated Active Employee includes any Employee who performs service for the Employer during the current Plan Year (the "determination year") and who:

- (1) during the determination year, or during the preceding Plan Year, is or was a 5% owner as described in Section 416 (i)(1) of the Code and the applicable regulations thereunder; or
- (2) for the preceding year received compensation from the Employer in excess of \$80,000. The \$80,000 amount is adjusted at the same time and in the same manner as under Code section 415(d), except that the base period is the calendar year ending September 30, 1996.

(c) HIGHLY COMPENSATED FORMER EMPLOYEES. The term Highly Compensated Former Employee shall mean any individual formerly employed by the Employer who satisfied the definition of "highly compensated active employee" set forth above, (i) at the time he separated from employment or (ii) at any time after he attained fifty-five (55) years of age. No highly compensated former employee shall be considered a member of the top-paid group (as defined above), if, at any time prior to the termination of employment and prior to attaining fifty-five (55) years of age, a highly compensated active employee receives Compensation which is less than fifty percent (50%) of the Employee's annual average compensation for the three (3) consecutive years preceding the determination year during which the Employee received the greatest amount of compensation from the Employer, then such Employee shall not be deemed to be a highly compensated former employee upon his actual separation from employment with the Employer if, after the "deemed separation year," as defined in Section 1.414(q)-IT Q & A-5(a)(3) of the regulations, and before the Employee's actual year of separation such Employee's services for and Compensation from the Employer, under all the facts and circumstances increase significantly so as to result in a deemed a resumption of employment.

(d) COST -OF-LIVING ADJUSTMENTS. The dollar limitations of sub-paragraphs (b)(2) above shall be adjusted at the same time and in a similar manner pursuant to the applicable rulings or regulations of the United States Treasury Department under Code Section 415(d).

2.4. CONSTRUCTION.

The masculine gender, where appearing in the Plan, shall include the feminine gender, and the singular shall include the plural, unless the context clearly indicates to the contrary. The term "delivered to the Advisory Committee," as used in the Plan, shall include delivery to a person or persons designated by the Advisory Committee for the disbursement and receipt of administrative forms. The term "delivered to the Benefits Department", as used in the Plan shall include delivery to a person or persons designated by the Benefits Department for the disbursement and receipt of administrative forms. Delivery shall be deemed to have occurred only when the form or other communication is actually received, and, with respect to the receipt of forms effective as of a payroll period, delivery effective for the payroll period must be made within the time indicated by the Advisory Committee or the Benefits Department, as the case may be, for receipt of such form or other communication to be effective as of the next-occurring payroll period. Any such rule with respect to delivery shall be uniformly applicable to all Employees and Participants. Headings and subheadings are for the purpose of reference only and are not to be considered in the construction of this Plan. If any provision of this Plan is determined to be for any reason invalid or unenforceable, the remaining provisions shall continue in full force and effect. All of the provisions of this Plan shall be construed and enforced according to the laws of the State of Arizona and shall be administered according to the laws of such state, except as otherwise required by the Act, the Code or other Federal law. It is the intention of the Corporation that the Plan as adopted by the Employer s shall constitute a qualified plan under the provisions of Section 401(a) of the Code, and that the Trust Fund maintained pursuant to the Trust Agreement shall be exempt from taxation pursuant to Section 501(a) of the Code. This Plan shall be construed in a manner consistent with the Corporation's intention.

ARTICLE THREE

ELIGIBILITY AND PARTICIPATION

3.1. ELIGIBILITY.

(a) **CURRENT PARTICIPANTS.** Each Employee who was a Participant in the Plan on the day immediately preceding the Effective Date shall be a Participant in the Plan on the Effective Date.

(b) **NEW PARTICIPANTS.** Each other Employee shall become eligible to participate in the Plan as of the Plan Entry Date coinciding with or following the Participant's completion of one (1) Year of Eligibility Service.

(c) **COLLECTIVE BARGAINING UNIT EMPLOYEES AND LEASED EMPLOYEES.** Employees who are covered by a collective bargaining agreement with a

union with which an Employer or Affiliate has bargained in good faith over retirement benefits shall not be eligible to participate in this Plan unless their collective bargaining agreement specifically provides for their participation in this Plan. Employees who are "leased employees" for purposes of Section 414(n) of the Code shall not be eligible to participate hereunder.

3.2. PARTICIPATION.

(a) GENERAL. An Employee who has satisfied the eligibility requirements specified in Section 3.1 shall become a Participant.

3.3. CREDITING OF SERVICE.

(a) GENERAL RULE. All periods of Continuous Service shall be taken into account under this Plan. An Employee's Continuous Service shall be determined by aggregating the calendar days of service included in each "period of service" performed by the Employee, and expressing the total in completed years and months, disregarding any fractional months. If two (2) or more "periods of service" are aggregated, a complete year shall consist of three hundred sixty-five (365) days and a complete month shall consist of thirty (30) days. A "period of service" commences on the day on which the Employee performs his first Hour of Service for the Employer or an Affiliate or, when an Employee incurs a Break in Continuous Service, on the day on which the Employee performs his first Hour of Service following the Break in Continuous Service. The "period of service" ends on the Employee's Termination Date, unless the Employee again resumes employment with the Employer or an Affiliate prior to the occurrence of a Break in Continuous Service, in which case the "period of service" will continue and the Employee also will receive credit for the period of time between the Termination Date and the date of reemployment.

(b) SPECIAL RULES FOR MATERNITY AND PATERNITY LEAVES. The Continuous Service of an Employee who is absent from work by reason of a maternity or paternity leave shall not include the period of time following the first anniversary of the first day of such leave even though the Employee's Termination Date shall not be deemed to occur until the second anniversary of such leave. For purposes of this Plan, a "maternity or paternity leave" is an Authorized Leave of Absence granted for any of the following reasons: the pregnancy of the Employee; the birth of a child of the Employee; the placement of a Child with the Employee in connection with the adoption of such child by the Employee; or the caring for a child of the Employee for a period beginning immediately following the child's birth or placement with the Employee. This paragraph shall not be construed as entitling any Employee to an Authorized Leave of Absence for any of the reasons noted above. An Employee's entitlement to an Authorized Leave of Absence will be determined in accordance with the Employer's standard policies.

(c) SPECIAL RULE FOR OTHER ABSENCES. If an Employee's employment

has been terminated on account of resignation, discharge or retirement and the Employee is rehired, the period between the Employee's Termination Date and his date of rehire shall be taken into account and treated as a period of Continuous Service if the Employee is rehired within twelve (12) months of his Termination Date. If the Employee is absent from employment for reasons other than resignation, discharge or retirement and, during such absence, the Employee resigns, is discharged or retires, if the Employee, is thereafter rehired, the period between the Employee's date of resignation, discharge or retirement and his date of rehire shall be taken into account and treated as a period of Continuous Service if the Employee is rehired by the Employer prior to the first anniversary of the date on which the Employee's initial period of absence from employment commenced.

3.4. EFFECT OF REHIRING.

In the event that an Employee separates from employment with the Employer and is later rehired, as a general rule he shall remain credited with all of his Years of Eligibility Service and all periods of Continuous Service credited to him during his prior period of employment. If such an Employee was a Participant or had satisfied the eligibility requirements of Section 3.1 during his prior period of employment and following his return he is otherwise eligible to participate in the Plan, the Employee shall commence participation in the Plan upon the later of his date of rehire or the date on which he would have commenced participation if his employment had not terminated.

3.5. AFFILIATED EMPLOYER S.

For the purpose of computing an Employee's Years of Eligibility Service and period of Continuous Service, employees of Affiliates of the Employer shall be given credit for their Hours of Service and periods of Continuous Service with such Affiliates in the event that they become Employees of an Employer as though during such periods they were Employees of an Employer. Persons employed by a business organization that is acquired by the Employer or by an Affiliate of the Employer shall be credited with service for their Hours of Service and periods of Continuous Service with such predecessor employer hereunder in the event that they become Employees of an Employer only to the extent required under lawful regulations of the United States Treasury Department under Section 414(a)(2) of the Code or to the extent determined by the Board of the acquiring company on a uniform basis with respect to employees of each "predecessor company," which term for this purpose means and includes any organization which is acquired by an Employer or any Affiliate.

3.6. TRANSFERS TO AND FROM AN ELIGIBLE CLASS OF EMPLOYEES.

(a) TRANSFERS OUT OF PLAN. A Participant will automatically become ineligible to participate in the Plan as of the effective date of a change in his employment classification if as a result of the change he is no longer eligible to participate in the Plan. All sums credited to the Inactive Participant's accounts will continue to be held pursuant to

the terms of this Plan and will be distributed to the Inactive Participant only upon his subsequent termination of employment or the occurrence of some event permitting a distribution pursuant to the provisions of this Plan.

(b) TRANSFERS TO PLAN. If an Employee of the Employer is not eligible to, participate in the Plan due to his employment classification, he shall participate immediately upon becoming a member of an eligible class of Employees if he has satisfied the other requirements set forth in Section 3.1 and would have become a Participant previously had he been in an eligible class.

(c) SERVICE CREDIT. In any event, an Employee's service in an ineligible employment classification shall be considered in calculating the Employee's Years of Eligibility Service and years of Continuous Service.

(d) TRANSFERS TO AFFILIATES. If a Participant ceases to participate in the Plan solely as a result of his transfer to an Affiliate that has not adopted this Plan, amounts credited to his accounts as of the date of his transfer shall not be forfeited or distributed. Rather, such amounts shall be payable in accordance with the terms of this Plan upon his subsequent termination of employment with all Affiliates and the Employer or the occurrence of some other event permitting a distribution pursuant to the provisions of this Plan.

3.7. LEASED EMPLOYEES.

A "leased employee" (within the meaning of Section 414(n)(2) of the Code) shall be treated as an Employee of the Employer for purposes of the pension requirements of Section 414(n)(3) of the Code, unless leased employees constitute less than twenty percent (20%) of the Employer 's non-highly compensated work force (within the meaning of Section 414(n)(5)(C)(ii) of the Code) and the leased employee is covered by a "safe harbor plan" that satisfies the requirements of Section 414(n)(5)(B) of the Code. In any event, a leased employee who is deemed to be an Employee of the Employer pursuant to the preceding sentence shall be treated as if he is employed in an employment classification that has not been designated for participation in the Plan.

ARTICLE FOUR

THERE SHALL BE NO ARTICLE FOUR

ARTICLE FIVE

EMPLOYER CONTRIBUTIONS

5.1. ESOP CONTRIBUTIONS.

(a) REGULAR ESOP CONTRIBUTION. Subject to the Board's right to terminate or amend this Plan, the Employer shall contribute to the Trust Fund for each Plan Year as an ESOP Contribution such amount, if any, as the Board shall determine, in its sole and absolute discretion.

(b) SPECIAL ESOP CONTRIBUTIONS. Notwithstanding whether any ESOP Contribution is made for the Plan Year pursuant to Section 5.2(a) or any other provision contained herein, the Employer may make a special ESOP Contribution each Plan Year in such amount and on behalf of such Participants and Non-Contributing Participants, as the Board shall determine, in its sole and absolute discretion, provided that in no event shall a special ESOP Contribution be made on behalf of any Participant or any Non-Contributing Participant who is a Highly Compensated Employee.

(c) SPECIAL " PER CAPITA" ESOP CONTRIBUTIONS. In addition to the foregoing, the Employer may make a special "per capita" ESOP Contribution on behalf of each Participant and Non-Contributing Participant in such amount, if any, as the Board shall determine, in its sole and absolute discretion, provided that each Participant and Non-Contributing Participant receives an equal allocation of such special "per capita" ESOP Contribution.

(d) AGGREGATE ESOP CONTRIBUTIONS. In no event shall the aggregate ESOP Contributions for any Plan Year be more than the amount allowable as a deduction for federal income tax purposes for such Plan Year.

(e) PARTICIPANT CONTRIBUTIONS. No Participant shall be required or permitted to make contributions to the Trust Fund except insofar as the Board of Directors may provide for the ability of Participants to reinvest dividends in Employer Securities in their ESOP Account. Should such reinvestment be allowed, any offering of stock through this program will comply with all applicable state and Federal securities laws.

5.2. "TOP HEAVY" CONTRIBUTIONS.

The Employer may, in its sole and absolute discretion, make additional ESOP Contributions for any Plan Year in which the Plan is Top Heavy in such amounts as may be necessary to fund the Employer contribution allocation required by Section 8.2.

5.3 PAYMENT OF ESOP CONTRIBUTIONS.

ESOP Contributions may be paid within the Plan Year for which such contribution is made or within the period thereafter ending on the date by which the Corporation's Federal income tax return for the corresponding year of deduction must be filed, including any extensions of such date. ESOP Contributions may be paid in cash or in Employer Securities, in the discretion of the Corporation.

5.4 . CONDITIONAL NATURE OF CONTRIBUTIONS.

(a) MISTAKE OF FACT. Any contribution made to this Plan by the Employer because of a mistake of fact shall be returned to the Employer upon its request within one (1) year of the date of the contribution.

(b) DEDUCTIBILITY. Every contribution made by the Employer is conditional on its deductibility. If the Internal Revenue Service determines that all or part of a contribution is not deductible, the contribution (to the extent that it is not deductible) shall be refunded to the Employer upon its request within one (1) year after the date of the disallowance.

(c) LIMITATIONS ON AMOUNTS RETURNED. Notwithstanding anything to the contrary, the maximum amount that may be returned to the Employer pursuant to subparagraphs (a) and (b), above, is limited to the portion of such contribution attributable to the mistake of fact or the portion of such contribution deemed non-deductible (the "excess contribution"). Earnings attributable to the excess contribution will not be returned to the Employer, but losses attributable thereto will reduce the amount so returned. In no case shall withdrawal of any excess contribution pursuant to subparagraphs (a) and (b), above, reduce the balance of the Participant's account to less than the balance would have been had the excess contribution not been made.

ARTICLE SIX

INVESTMENT OF CONTRIBUTIONS

6.1. INVESTMENT OF ESOP CONTRIBUTIONS

(a) ESOP FUND. Except as otherwise provided in Section 6.2, Participants shall not be allowed to direct the investment of their ESOP Accounts. Rather, all ESOP Contributions allocable to each Participant's ESOP Account will automatically be allocated to and invested as part of the ESOP Fund. The investment of the ESOP Fund shall be in the discretion of the ESOP Trustee, subject to the provisions of this Plan and the ESOP Trust. To the extent permitted by Section 6.2 and subject to the provisions of this Section 6.1, each qualified Participant may elect to transfer to and direct the investment of a portion of his

ESOP Account in one or more of the funds available under the Employee Savings and Profit Sharing Plan .

(b) LIMITATION ON INVESTMENTS IN ESOP FUND. The ESOP Trustee is specifically authorized and empowered, pursuant to this Plan and in accordance with the terms and provisions of the ESOP Trust Agreement, to hold any amount of "qualifying employer securities" (as defined in Section 407(d)(5) of the Act) without regard to the diversification requirements of Section 404(a)(1)(C) and Section 407(a) of the Act, as permitted pursuant to Section 404(a)(2) and Section 407(b)(1) of the Act.

(c) NO DISTINCTION BETWEEN INCOME AND PRINCIPAL. The income of and gains of the ESOP Fund shall be added to the ESOP Fund and shall be invested without distinction between principal and income.

(d) FORMER PARTICIPANTS AND BENEFICIARIES. For purposes of this ARTICLE SIX, the term "Participant" shall be deemed to include former Participants and Beneficiaries of any deceased Participant.

2. DIVERSIFICATION

(a) ESOP DIVERSIFICATION ELECTION. ESOP Contributions allocable to a Participant's ESOP Account may be transferred from the ESOP Fund to the Employee Savings and Profit Sharing Plan, as provided in this Section 6.2.

(b) QUALIFIED PARTICIPANT. A Participant shall become a "qualified Participant" and may elect to diversify his ESOP Account after attaining age fifty-five (55) and being credited with ten (10) or more years of participation in the Plan since the later of (1) the date he commenced participation in the Plan or (2) January 1, 1988 (the initial effective date of the ESOP).

(c) DIVERSIFICATION. At any time after the close of each Plan Year during the "qualified election period," a qualified Participant may elect to diversify twenty-five percent (25%) of the number of shares of Employer Securities acquired by or contributed to the Plan after December 31, 1986 that have ever been allocated to the Participant's Account on or before the most recent Plan allocation date less the number of shares of Employer Securities previously distributed, transferred, or diversified pursuant to a diversification election made after December 31, 1986 .

(d) QUALIFIED ELECTION PERIOD. The "qualified election period" is the six (6) year period commencing with the Plan Year after the Participant becomes a qualified Participant. In the final year of the six (6) year qualified election period, a Participant may diversify fifty percent (50%) of the number of shares of Employer Securities acquired by or contributed to the Plan after December 31, 1986 that have ever been allocated to the

Participant's account on or before the most recent Plan allocation date less the number of shares of Employer Securities previously distributed, transferred, or diversified pursuant to a diversification election made after December 31, 1986 .

(e) ENHANCED DIVERSIFICATION. In addition, effective January 1, 2007 , for all Plan Years following the expiration of the Participant's qualified election period, a qualified Participant may elect to diversify up to one hundred percent (100%) of the number of shares of Employer Securities acquired by or contributed to the Plan after December 31, 1986 that have ever been allocated to the Participant's ESOP Account.

(f) SUPPLEMENTAL DIVERSIFICATION OPTION AT AGE 60. Effective January 1, 2015, in addition to all of the foregoing, and notwithstanding anything herein to the contrary, a Participant credited with ten (10) or more years of participation in the Plan who has reached the age of 60 shall have the right, commencing as of the first Plan year following the Participant's 60th birthday, to diversify up to one hundred percent (100%) of the number of shares of Employer Securities in such Participant's account as of the most recent Plan allocation date (less the number of shares of Employer Securities previously distributed, transferred or diversified in accordance with the terms hereof).

(g) ELECTION. A qualified Participant may elect to diversify his ESOP Account by directing the investment of up to the available percentage of such account (twenty-five percent (25%), fifty percent (50%) or one hundred percent (100%) as the case may be) to one or more of the Employee Savings and Profit Sharing Plan funds in accordance with the provisions the Employee Savings and Profit Sharing Plan, commencing as of the first day of the first Plan Year falling within the qualified election period. Each diversification election and transfer shall be made pursuant to forms and instructions provided by the Benefits Department, signed by the Participant and delivered to the Benefits Department pursuant to the rules contained herein, in the Employee Savings and Profit Sharing Plan and such other rules of uniform application promulgated by the Advisory Committee . Participant diversification elections and transfers may be made monthly and shall be made effective no later than the first day of the third calendar month following receipt by the Benefits Department of the appropriate forms. Such election and transfer shall be made in whole shares only (no fractional shares) on such form s as the Benefits Department shall determine in its discretion. The portion of the qualified Participant's ESOP Account that may be invested at the qualified Participant's direction, as determined pursuant to this Section 6.2, may be invested in a single fund, or the qualified Participant may direct five percent (5%) increments (or multiples of five percent (5%) increments) of amounts allocable to his ESOP Account to be invested in such funds as he shall desire.

ARTICLE SEVEN

THE ESOP FUND

7.1. ESOP FUND.

(a) GENERAL. The ESOP Fund is an "employee stock ownership plan" as defined in Section 407(d)(6) of the Act and Section 4975(e)(7) of the Code, which is designed to invest primarily in Employer Securities.

(b) USE OF CONTRIBUTIONS AND DIVIDENDS. All ESOP Contributions to the ESOP Fund shall be used by the ESOP Trustee to acquire Employer Securities to be held by the ESOP Trustees or to pay the principal and interest on any loan entered into pursuant to the provisions of this ARTICLE SEVEN. Dividends on shares of Employer Securities allocated to the Loan Suspense Account and earnings on ESOP Contributions allocated to the Loan Suspense Account may be used to repay any loan entered into pursuant to this ARTICLE SEVEN.

7.2. LOANS TO ACQUIRE EMPLOYER SECURITIES.

(a) BORROWING IN GENERAL. The ESOP Trustees shall have the authority to borrow funds to purchase Employer Securities. Notwithstanding anything set forth in the Plan or the Trust Agreements to which the ESOP Trustees are parties, no borrowing of funds to purchase of Employer Securities shall be made by the ESOP Trustees without their first obtaining a recommendation from the Advisory Committee stating: (1) that the Advisory Committee recommends that the ESOP Trustees borrow funds to acquire shares of Employer Securities, and (2) the terms and conditions which they recommend such borrowing be made. Before making such recommendation, the Advisory Committee shall take into account such items as they deem appropriate. In the event that such funds are borrowed from, or the loan is guaranteed by, a "disqualified person," as defined in Section 4975(e)(2) of the Code, or a "party in interest," as defined in Section (3)(14) of the Act, such loan shall be made only in accordance with all of the provisions of this ARTICLE SEVEN. Any loan entered into by the ESOP Trustee in connection with the purchase of Employer Securities shall be primarily for the benefit of Participants and their Beneficiaries.

(b) USE OF LOAN PROCEEDS. The proceeds of any loan shall be used within a reasonable time after receipt only for all or any of the following purposes:

(1) To acquire Employer Securities;

(2) To repay the loan entered into in connection with the purchase of Employer Securities as provided in (a) above; or

(3) To repay a prior loan entered into in connection with the purchase of other Employer Securities.

The provisions of this ARTICLE SEVEN are intended to be in accordance with Section 4975(d)(3) of the Code and applicable regulations thereunder and Section 408(b)(3) of the Act and applicable regulations thereunder. This ARTICLE SEVEN is to be construed in a manner consistent with such intention.

7.3. TERMS OF LOANS TO ACQUIRE EMPLOYER SECURITIES.

(a) LOAN TERMS. Any loan transaction entered into by the ESOP Trustee in order to purchase Employer Securities must, as determined in good faith by the ESOP Trustees at the time the loan is made, be at least as favorable to the Plan as the terms of a comparable loan resulting from an arm's-length negotiation between independent parties. The interest rate of any such loan must not be in excess of a reasonable rate of interest considering the amount and duration of the loan, the security and any guaranty involved, the credit standing of the Plan, the guarantor, if any, and the interest rate prevailing for comparable loans. Any loan entered into in connection with this ARTICLE SEVEN shall be for a specific term and may not be payable at the demand of any person, except in the case of default.

(b) RECOURSE OF LENDER. Any loan transaction entered into by the ESOP Trustee in connection with this ARTICLE SEVEN shall provide that the lender shall be without recourse against the ESOP Fund, provided that the lender may have recourse against assets of the Trust Fund that consist of (1) Employer Securities acquired with the proceeds of the loan and provided as collateral for the loan, (2) Employer Securities used as collateral on a prior loan repaid with the proceeds of the current loan, (3) ESOP Contributions, other than ESOP Contributions consisting of Employer Securities, that are made under the Plan in order to enable the ESOP Trustee to meet its obligations under the loan, (4) earnings attributable to the Employer Securities given as collateral and (5) the earnings from investment of ESOP Contributions credited to the Loan Suspense Account.

(c) LIMITATION ON PAYMENTS; ALLOCATION OF CONTRIBUTIONS. Payments on a loan during a Plan Year shall not exceed an amount equal to the sum of ESOP Contributions, other than ESOP Contributions consisting of Employer Securities, made by the Employers in order to enable the ESOP Trustee to meet its obligation under the loan, together with earnings thereon and dividends on Employer Securities allocated to the Loan Suspense Account, received during or prior to the Plan Year, less payments on the loan in prior Plan Years. Any such ESOP Contributions and the earnings thereon and dividends on Employer Securities allocated to the Loan Suspense Account shall be accounted for separately in the books of account of the Plan by crediting such contributions, the earnings thereon and such dividends to the Loan Suspense Account, rather than to the ESOP Accounts of Participants.

(d) REMEDIES. Any such loan shall also provide that in the event of default, the value of Plan assets transferred in satisfaction of the loan must not exceed the amount of

default. The loan shall provide for a transfer of Plan assets upon default only upon and to the extent of the failure of the Plan to meet the payment schedule of the loan.

7.4. THE LOAN SUSPENSE ACCOUNT.

(a) ALLOCATIONS TO LOAN SUSPENSE ACCOUNT. Employer Securities purchased with the proceeds of a loan entered into pursuant to this ARTICLE SEVEN shall not be credited to ESOP Accounts, but shall be credited to the Loan Suspense Account. One (1) or more such accounts may be established under this Section 7.4 with respect to one (1) or more such loans. ESOP Contributions and income thereon that are to be utilized by the ESOP Trustee for the purpose of paying the principal and interest on a loan entered into pursuant to this ARTICLE SEVEN and dividends payable on Employer Securities allocated to the Loan Suspense Account shall also be credited to the Loan Suspense Account.

(b) RELEASE OF SHARES FROM LOAN SUSPENSE ACCOUNT. As of each Accounting Date during the duration of the loan, the number of shares of Employer Securities released from the Loan Suspense Account for allocation pursuant to Section 8.2 shall equal the number of Employer Securities allocated to the Loan Suspense Account immediately before release as of the Accounting Date multiplied by a fraction. The numerator of the fraction is the principal and interest paid for the period ending on the Accounting Date, and the denominator of the fraction is the sum of the numerator plus all principal and interest to be paid for all future periods, determined without taking into account extensions, renewals or refinancing. If the interest rate under the loan is variable, the interest to be paid in future years must be computed by using the interest rate applicable as of the Accounting Date. The foregoing method of release shall be utilized by the Benefits Department, unless the loan documents specifically require the release of Employer Securities from the Loan Suspense Account for allocation to the ESOP Accounts of Participants pursuant to Section 8.2 in accordance with a different method permitted by Section 4975(d)(3) of the Code and the regulations thereunder. If the Loan Suspense Account includes more than one (1) class of Employer Securities, the number of Employer Securities of each class to be released for a Plan Year must be determined by applying the same fraction to each class. Such released Employer Securities shall be subject to allocation pursuant to Section 8.2.

If the loan documents specifically require the release of Employer Securities from the Loan Suspense Account based solely on the ratio that the payments of principal for each Plan Year bear to the total principal amount of the loan, the following three additional rules apply: (A) the loan must provide for annual payments of principal and interest at a cumulative rate that is not less rapid at any time than level annual payments of such amounts for 10 years; (B) interest included in any payment is disregarded only to the extent that it would be determined to be interest under standard loan amortization tables; and (C) the entire duration of the loan, including renewals, extensions, or refinancing, does not exceed 10 years.

7.5. PUT OPTION.

(a) GENERAL RULE. Employer Securities distributed pursuant to ARTICLE ELEVEN shall be subject to a put option as provided in this Section 7.5 if the Employer Securities are not publicly traded when the Employer Securities are distributed, or if the Employer Securities are subject to a "trading limitation" when distributed. For purposes of this Section 7.5, a "trading limitation" is a restriction under any Federal or state securities law or any regulation thereunder affecting the security that would make the Employer Securities not as freely tradeable as Employer Securities not subject to the restriction.

(b) EXERCISE OF PUT OPTION. The put option granted pursuant to this Section 7.5 may be exercisable by the Participant, a donee of the Participant, a Beneficiary receiving the Employer Securities or by any other person (including the Participant's estate or its distributees) to whom the Employer Securities pass by reason of the Participant's death. In the event that Employer Securities are subject to the put option granted by this Section 7.5, the holder of the option may "put" the securities to the Corporation by notifying the Corporation in writing that he is exercising the put option granted by this Section 7.5.

(c) PRICE. The price at which the option is exercisable shall be the fair market value of the Employer Securities as of the most recent Accounting Date under the Plan, with fair market value as of such date being determined by an independent appraiser (As such term is defined in Section 401(a) (28) of the Code) pursuant to applicable regulations issued by the Internal Revenue Service; provided, however, that if the holder of the put option is a "disqualified person" as defined in Section 4975(e)(2) of the Code, the fair market value shall be determined as of the date of exercise.

(d) PUT TO CORPORATION. The put option granted pursuant to this Section 7.5 shall extend to the Corporation and shall not extend to the Plan. However, the Advisory Committee shall have the option to assume for the Plan the rights and obligations of the Corporation at the time that the put option is exercised, if it so desires. Any other Affiliate may also assume the put exercise before the Corporation. If the Plan assumes the put, the put against the Corporation and/or Affiliates shall be extinguished.

(e) PUT TO AFFILIATE. In the event that, at the time a loan is entered into pursuant to this ARTICLE SEVEN, it is known that Federal or state law will be violated by the Corporation or another Affiliate honoring the put option, the Corporation shall arrange for put options to be exercised before a party which is an Affiliate, having substantial net worth at the time the loan is made, and whose net worth is reasonably expected to remain substantial.

(f) PERIOD OF EXERCISE. The put option shall be exercisable initially for a sixty (60) day period, beginning on the date the security subject to the put option is distributed (the "first put option period"), and for an additional sixty (60) day period in the

next following Plan Year (the "second put option period") if the put is not exercised during the first put option period. Upon the close of the Plan Year during which the security is distributed, the independent appraiser retained pursuant to Section 401(a)(28) of the Code shall determine the value of the Employer Securities and the Advisory Committee shall then notify each former Participant who did not exercise the put option during the initial put option period of the new value. Unless regulations issued by the United States Treasury Department provide otherwise, the second put option period shall then begin on the date such notice is given and shall end sixty (60) days thereafter. The period during which a put option pursuant to this Section 7.5 shall be exercisable shall not include any time in which a distributee is unable to exercise the put option because the Corporation or other party bound by the put option is prohibited from honoring it by applicable state or Federal law.

(g) CHANGE IN TRADING OF SECURITIES. If a Participant receives Employer Securities which are publicly traded without restriction when distributed from the Trust Fund but which cease to be so traded before the expiration of that former Participant's second put option period, the put option provisions of this Section 7.5 may be exercised by that former Participant during the balance (if any) of the first and/or second put option periods. The Corporation will notify each such former Participant of the applicability of this Section 7.5 in writing on or before the tenth (10th) day after the day on which the Employer Securities previously distributed cease to be so publicly traded. The number of days between such tenth (10th) day and the date on which notice is actually given, if later than the tenth (10th) day, shall be added to the duration of the put option, if (but only if) the notice is given or required to be given, during a put option period. Any such notice shall inform distributees of the terms of the put option that they are to hold.

(h) PAYMENT. Deferred payments under an exercised put option shall be permissible if adequate security and a reasonable interest rate are provided. If a put option is exercised with respect to Employer Securities received as a lump sum distribution from the Plan, payments may be made in a lump sum or in equal installments not less frequently than annually, beginning within thirty (30) days after the date the put option is exercised, for a period of not more than five (5) years. The determination of whether payment shall be made in installments or in a lump sum shall be made by the party to whom the Employer Securities may be put, in its sole discretion. If a put option is exercised with respect to Employer Securities received as part of an installment distribution under the Plan, final payment for the Employer Securities shall be made within thirty (30) days after the put option is exercised. Payment of the put option described in this Section 7.5 shall not be restricted by the provisions of a loan agreement or any other arrangement including the terms of the Corporation's or Affiliates' charters or articles of incorporation, unless so required by applicable state law.

(i) OBLIGATION TO ACQUIRE SECURITIES. Except as provided above, the Plan may not otherwise obligate itself to acquire Employer Securities from a particular Employer Security holder at an indefinite time determined upon the happening of an event

such as the death of the holder.

7.6. RIGHT OF FIRST REFUSAL.

(a) GENERAL RULE. If any Participant or his Beneficiary to whom shares of Employer Securities are distributed from the Plan shall, at any time, desire to sell some or all of such shares to a third party, the Participant or Beneficiary shall, prior to such sale, give written notice of such desire to the Employer and the Advisory Committee, which notice shall set forth the number of shares offered for sale, the proposed terms of the sale and the names and addresses of both the Participant or Beneficiary and the third party. Employer Securities that were not acquired with the proceeds of an exempt loan shall be subject to such rights of first refusal or other restrictions as may be specified from time to time in the Employer's Articles of Incorporation or By-Laws, or in any applicable agreement. Employer Securities that were acquired with the proceeds of an exempt loan under this ARTICLE SEVEN shall be subject to the right of first refusal described below Section 7.5. The right of first refusal provided by this Section shall not be applicable to any transfer of Employer Securities at a time when such securities are listed on a National Securities Exchange registered under Section 6 of the Securities Exchange Act of 1934, or quoted on a system sponsored Exchange Act by a national securities association registered under Section 15A (b) of the Securities of 1934.

(b) TIME PERIODS. Both the Advisory Committee, acting on behalf of the Plan, and the Employer shall each have a right of first refusal for a period of fourteen (14) days from the date of such written notice to acquire the shares of Employer Securities subject to the sale. As between the Advisory Committee and the Employer, the Advisory Committee shall have priority to acquire the shares pursuant to the right of first refusal.

(c) PRICE AND TERMS. The selling price and other sale terms under the right of first refusal shall be the same as offered by the Participant and Beneficiary to the third party, unless the fair market value of the Employer Securities as of the immediately preceding Accounting Date, as determined by the independent appraiser retained pursuant to Section 401(a)(28) of the Code, is higher, in which case such higher price shall be paid.

(d) SALE TO THIRD-PARTY. If the Advisory Committee and the Employer do not exercise their respective rights of first refusal within the fourteen (14) day period provided above, the Participant or his Beneficiary shall have the right, at any time following the expiration of such fourteen (14) day period, to sell the Employer Securities to the third party; provided, however, that (1) no sale shall be made to the third party on terms more favorable to the third party than the terms set forth in the written notice of sale delivered to the Advisory Committee or Employer by the Participant or his Beneficiary, and (2) if the sale is not made to the third party on the terms offered to the Employer and the Advisory Committee, the Employer Securities subject to such sale shall again be subject to the right of first refusal set forth above.

(e) TRANSFER OF SHARES. Following the Employer's or Advisory Committee's exercise of the right of first refusal, the sale shall take place at such place agreed upon between the Advisory Committee or Employer and the Participant or Beneficiary, no later than ten (10) days after the Employer or the Advisory Committee shall have notified the Participant or Beneficiary of its exercise of the right of first refusal. The Participant or Beneficiary shall deliver certificates representing the Employer Securities subject to such sale duly endorsed in blank for transfer, or with stock powers attached duly executed in blank with all required transfer tax stamps attached or provided for, and the Employer or the Advisory Committee shall deliver the purchase price, or an appropriate portion thereof, to the Participant or Beneficiary.

(f) OTHER RESTRICTIONS PROHIBITED. Except as provided in this Section or in Section 7.5, or as otherwise required by applicable law, no Employer Securities acquired with the proceeds of an exempt loan may be subject to put, call or option, or buy-sell or similar arrangement, while held by and when distributed from this Plan, whether or not the Plan is then an "employee stock ownership plan" as defined in Section 4975(e)(7) of the Code.

7.7 NONTERMINABLE PROTECTIONS AND RIGHTS.

The protections and rights accorded by Sections 7.5 and 7.6 to Participants and Beneficiaries or other persons (including the Participant's estate or its distributees) to whom Employer Securities pass by way of gift from the Participant or by reason of the Participant's death shall never terminate, even if all loans described in Section 7.2 have been repaid or the Plan ceases "employee stock ownership plan" as defined in Section 4975(e)(7) of the Code. The fact that a put option is not exercisable pursuant to the provisions of Section 7.5, however, shall not violate the requirements of this Section 7.6.

ARTICLE EIGHT

ACCOUNTING

8.1. INDIVIDUAL ACCOUNTS.

(a) ESOP ACCOUNT. An ESOP Account shall be maintained for each Participant in the Plan. The Account will reflect balances derived from ESOP Contributions made on behalf of the Participant and any cash dividends reinvested in Employer Securities pursuant to an election under Section 9.2 and shall reflect the fair market value, as of the most recent Accounting Date, of the Participant's interest in the ESOP Fund; provided that the ESOP Fund shall not reflect amounts credited to the Loan Suspense Account pursuant to ARTICLE SEVEN. The Accounts shall reflect any withdrawals and distributions to the Participant. The establishment and maintenance of separate Accounts for each Participant shall not be construed as giving any person any interest in any specific assets of the ESOP Fund.

8.2. ALLOCATION OF CONTRIBUTIONS.

(a) ESOP CONTRIBUTIONS AND EMPLOYER SECURITIES RELEASED FROM THE LOAN SUSPENSE ACCOUNT. Regular ESOP Contributions made pursuant to Section 5.2(a) that are not allocated to the Loan Suspense Account pursuant to Section 7.4 shall be allocated to the ESOP Account of each eligible Participant by crediting each such Participant's ESOP Account in the ratio that each such Participant's Earnings for the Plan Year bear to the Earnings of all such Participants for the Plan Year. Employer Securities allocated to the Loan Suspense Account that become subject to allocation to ESOP Accounts pursuant to Section 7.4 which are attributable to ESOP Contributions used by the ESOP Trustee to meet its obligations under a loan pursuant to Section 7.2 shall be allocable as of the Accounting Date on which such Employer Securities are released from the Loan Suspense Account among the ESOP Accounts of all eligible Participants in the ratio that each such Participant's Earnings for such Plan Year bear to the Earnings for such Plan Year of all such Participants. Special ESOP Contributions made pursuant to Section 5. 1 (b) shall be allocated to the ESOP Accounts of each Participant on whose behalf such contribution is made by crediting each such Participant's ESOP Account in the same ratio that each such Participant's Earnings for the Plan Year bear to the Earnings of all such Participants for the Plan Year. Special "per capita" ESOP Contributions made pursuant to Section 5. 1 (c) shall be allocated to the ESOP Account of each eligible Participant on whose behalf such a contribution has been made in such amount and under such terms and conditions as the Board shall direct, in its sole and absolute discretion. Only Earnings earned while the Participant is eligible to participate in the Plan will be considered for purposes of this paragraph. Notwithstanding anything to the contrary herein encumbered Employer Securities released from the Loan Suspense Account shall be allocated to Participant's ESOP Accounts in shares of Employer Securities or other non-monetary units rather than by dollar amounts.

(b) FORFEITURES. Forfeitures that become available for allocation pursuant to Sections 10.3 and 11.8 that are not used to restore prior forfeitures pursuant to Sections 10.4 and 11.8 shall be allocated to the ESOP Accounts of each eligible Participant in the same ratio that each such eligible Participant's Earnings for the Plan Year bear to the Earnings of all such eligible Participants for the Plan Year.

(c) ELIGIBLE PARTICIPANTS. As a general rule, a Participant will be entitled to share in the allocation of ESOP Contributions, Employer Securities released from the Loan Suspense Account, or forfeitures for a Plan Year only if the Participant is in the active employ of the Employer on the last day of the Plan Year and has completed at least one thousand (1,000) Hours of Service during the Plan Year. If a Participant dies, retires on or after his Normal Retirement Date, or terminates employment due to a Disability during a Plan Year, however, the Participant shall be entitled to share in the allocations for that Plan Year regardless of whether the Participant is employed on the last day of the Plan Year or whether the Participant completes one thousand (1,000) Hours of Service during the Plan Year.

(d) TOP HEAVY ALLOCATIONS. Notwithstanding anything to the contrary in this Section or any other provision of this Plan, in any Plan Year in which the Plan is Top Heavy, the Employer shall make a special ESOP Contribution on behalf of each Participant who is not a Key Employee for the Plan Year in such amount as may be necessary to assure that the sum of the ESOP Contributions, and forfeitures, if any, allocated to the Participant's accounts equals at least the "minimum required contribution." The "minimum required contribution" is the lesser of (a) three percent (3%) of the Participant's Compensation for the Plan Year or (b) if the Employer does not have a defined benefit plan which is enabled to satisfy Section 401 of the Code by this Plan, the Participant's Compensation for the Plan Year multiplied by the "Employer contribution percentage" for such Plan Year for the Key Employee for whom the "Employer contribution percentage" is the highest. For this purpose, the "Employer contribution percentage" shall equal the sum of ESOP Contributions and forfeitures allocated to a Participant divided by the Compensation of the Participant. The minimum required contribution called for by this paragraph will be determined without regard to Employer contributions to the Social Security System. The special ESOP Contribution called for by this paragraph shall be allocated on behalf of all Employees who are not Key Employees for the Plan Year and who are employed by the Employer on the last day of the Plan Year without regard to whether such Employees have completed one thousand (1,000) Hours of Service during the Plan Year. In determining whether the minimum required contribution provisions of this Section have been satisfied, all Employer contributions and forfeiture allocations for the Plan Year under all "defined contribution plans," as defined in Section 414(i) of the Code, maintained by the Employer or a Key Employee who is Affiliate shall be considered as allocable under this Plan. If a non-Key Employee who is participating in this Plan is covered under a "defined benefit plan," as defined in Section 414(j) of the Code, sponsored by the Employer or an Affiliate shall be required pursuant to this paragraph if such Employee is provided with a top heavy minimum defined benefit pursuant to the defined benefit plan. All special ESOP Contributions made pursuant to this paragraph on behalf of a Participant shall be allocated to that Participant's ESOP Contributions Account.

(e) ALLOCATION TO CERTAIN PERSONS PROHIBITED. Notwithstanding

the foregoing, no portion of the assets of the Plan attributable (or allocable in lieu of) Employer Securities acquired by the Plan in a sale to which Section 1042 of the Code applies may accrue or be allocated directly or indirectly under any Plan of the Employer meeting the requirements of Section 401 (a) of the Code (1) during the "nonallocation period" for the benefit of (A) any taxpayer who makes an election under Section 1042(a) of the Code with respect to Employer Securities, or (B) any individual who is related to the taxpayer within the meaning of Section 267(b) of the Code, or (2) for the benefit of any other person who owns (after the application of Section 318(a) of the Code) more than twenty-five percent (25%) of (A) any class of outstanding stock of the corporation that issued such Employer Securities or any corporation which is a member of a controlled group of corporations (within the meaning of Section 409(1)(4) of the Code) of such corporation or (B) the total value of any class of outstanding stock of any such corporation. Clause (1)(B) of the preceding sentence shall not apply to any individual if the individual is the lineal descendant of the taxpayer and the aggregate amount allocated to the benefit of all lineal descendants during the nonallocation period does not exceed more than five percent (5%) of the Employer Securities (or amounts allocated in lieu thereto) held by the Plan which are attributable to a sale to the Plan by any person related to such descendants (within the meaning of Section 267(c)(4) of the Code) in a transaction to which Section 1042 of the Code applied. For purposes of this Section, "nonallocation period" means the period beginning on the date of the sale of the qualified securities and ending on the later of: (1) the date which is ten (10) years after the date of the sale; or (2) the date of the Plan allocation attributable to the final payment of acquisition indebtedness incurred in connection with the sale.

8.3. VALUATION AND ADJUSTMENT.

The Benefits Department shall determine the fair market value of a Participant's Account as follows:

(a) First , as of each Accounting Date, the Benefits Department shall charge to the Participant's ESOP Account all withdrawals or distributions , including amounts diversified pursuant to Section 6.2, made since the most recent Accounting Date that have not previously been charged to the ESOP Account.

(b) Second , as of each Accounting Date, the Benefits Department shall credit each Participant's ESOP Account with its pro rata share of any increase, or charge each Participant's ESOP Account with its pro rata share of any decrease, in the fair market value of the ESOP Fund as of the current Accounting Date. Dividends on shares of Employer Securities which have been allocated to the Participants' ESOP Accounts shall be credited first to a cash fund maintained by the Trustee. Any cash dividends which are currently available for distribution to Participants (or their Beneficiaries) under Section 9.2 shall not be credited to the cash fund. Dividends passed through to the Participant and voluntarily reinvested by the Participant in Employer Securities will be credited to the cash fund shall be

used to purchase additional Employer Securities, which, pursuant to this Section 8.3(b), shall be credited on a pro rata basis, to each Participant's ESOP Account. Dividends on shares of Employer Securities which are held in the Loan Suspense Account created pursuant to Section 7.4(a) shall be used along with the Employer's ESOP Contributions to repay the loan as provided in Section 7.1(b).

(c)Third, if the Accounting Date is the final Accounting Date of the Plan Year, the Benefits Department shall credit to the ESOP Account the annual ESOP Contribution to be allocated for that Plan Year, in accordance with Section 8.2 of the Plan, to the extent not already allocated thereto, subject to the provisions of ARTICLE SEVEN. Forfeitures becoming allocable pursuant to Section 10.3 or 11.8 shall similarly be allocated.

8.4. STATEMENTS TO PARTICIPANTS.

At least quarterly, the Benefits Department shall furnish to each Participant a statement showing his Account balance in the ESOP Fund as of such date.

8.5. LIMITATION ON ANNUAL ADDITIONS.

(a) GENERAL RULE. For Plan years beginning before January 1, 2002, the maximum Annual Additions that may be contributed or allocated to a Participant's Account under the Plan for any Plan Year shall not exceed the lesser of (1) Forty Thousand Dollars (\$40,000) (or such greater amount as may be permitted under Section 415(d)) (the "dollar limitation"), or (2) twenty-five percent (25%) of the Compensation of the Participant for the Plan Year (the "compensation limitation"). For Plan Years beginning on or after January 1, 2002, except as provided in Section 4.2, under Code Section 414(v) and this Section 8.5, the Annual Additions to be allocated to the Accounts of a Participant for any Plan Year shall not exceed an amount equal to the lesser of (1) Forty Thousand Dollars (\$40,000) (or such greater amount as may be permitted under Section 415(d)) (the "dollar limitation"), or (4) one hundred percent (100%) of the Compensation of the Participant for the Plan Year (the "compensation limitation").

The compensation limit referred to in (2) and (4) above shall not apply to any contribution for medical benefits after separation from service (within the meaning of Section 401(h) or Section 419A (f)(2) of the Code) which is otherwise treated as an annual addition.

(b) EXCLUSION OF INTEREST PAYMENTS. For any "special permissible allocation year", the limitations imposed by this Section 8.5 shall not apply to, and the Participant's Annual Addition shall be determined without regard to, any ESOP Contributions which are applied to pay interest on an exempt loan. For purposes of this Section 8.5, an "exempt loan" is a loan described in ARTICLE SEVEN, incurred for the purpose of acquiring Employer Securities.

(c) MULTIPLE DEFINED CONTRIBUTION PLANS. The limitations of this Section 8.5 with respect to any Participant who is at any time participating in any other "defined contribution plan," as defined in Section 414(i) of the Code, maintained by the Corporation or by an Affiliate shall apply as if the total Annual Additions under all such defined contribution plans in which the Participant is participating were allocated under this Plan.

(d) ADJUSTING ANNUAL ADDITIONS. In the event it is necessary to limit the Annual Additions to the Account of a Participant under this Plan due to the allocation of forfeitures, a reasonable error in estimating a Participant's Compensation, or for any other reason the Commissioner determines to be justifiable, the Benefits Department shall limit the allocation of ESOP Contributions to the Participant's ESOP Account. Further reductions or adjustments to the methods described above for adjusting the Accounts of Participants may be made pursuant to the directions of the Benefits Department and may be made pursuant to priorities established under related defined contribution plans.

(e) TREATMENT OF ESOP CONTRIBUTIONS ALLOCATED TO LOAN SUSPENSE ACCOUNT. In computing the limitation on Annual Additions pursuant to this Section 8.5, solely for the purposes of this Section 8.5, the Benefits Department shall compute the ESOP Contribution allocable to ESOP Accounts as though no part of the ESOP Contribution for the Plan Year is allocable to the Loan Suspense Account, but rather as though the entire ESOP Contribution is subject to allocation pursuant to Section 8.2.

(f) TREATMENT OF AFFILIATES. For purposes of this Section, the Employer and all of its Affiliates shall be treated as a single entity and any plans maintained by an Affiliate shall be deemed to be maintained by the Employer.

8.6. VALUATION OF EMPLOYER SECURITIES.

In the event that Employer Securities credited to the ESOP Fund are not readily tradeable on an established securities market, the fair market value of such securities must be determined by an independent appraiser meeting the requirements of Section 401(a)(28)(C) of the Code.

ARTICLE NINE

WITHDRAWALS PRIOR TO TERMINATION OF EMPLOYMENT

9.1. WITHDRAWALS OF AMOUNTS CREDITED TO THE ESOP FUND.

Except as provided in Section 6.2 (diversification), there shall be no withdrawals permitted from ESOP Accounts.

9.2. CASH DIVIDENDS.

(a) If so determined by the Board, any cash dividends payable on Employer Securities allocated to the ESOP Accounts of Participants may be paid currently (or within 90 days after the end of the Plan Year in which the dividends are paid to the Trust) in cash by the Trustee to such Participants (or their Beneficiaries) on a nondiscriminatory basis, or the Corporation may pay such dividends directly to the Participants (or Beneficiaries).

(b) If so determined and to the extent specified by the Board, Participants may be offered the opportunity to elect to have cash dividends payable on Employer Securities allocated to their ESOP Accounts paid directly to such Participants in accordance with the provisions of the preceding paragraph or to have such cash dividends reinvested in Employer Securities and accumulated in subaccounts of the ESOP Accounts ("Reinvested Dividend Accounts"). A Participant's interest in Reinvested Dividend Account shall be 100% vested and non-forfeitable at all times. Any election by Participants shall be made at such time and in such manner as determined by the Advisory Committee. If the reinvestment of dividends shall require registration and/or qualification of the securities under applicable Federal or state securities laws, then the Corporation, at its own expense, will take, or cause to be taken, any and all such actions as may be necessary or appropriate to effect such registration and/or qualification.

(c) Elections and/or distributions of cash dividends under this Section 9.2 may be limited to Participants who are active Employees, may be limited to dividends on shares of Employer Securities which are then vested, or may be applicable to cash dividends on all shares allocated to Participants' ESOP Accounts.

(d) If a Participant does not make an affirmative election within the time and in such manner as provided by the Advisory Committee, such Participant shall be deemed to have elected to have such cash dividends reinvested in Employer Securities.

ARTICLE TEN

VESTING

10.1. INTENTIONALLY OMITTED

10.2. VESTING IN THE ESOP ACCOUNT.

Each Participant shall be fully vested in the amounts credited to or allocable to his

ESOP Account on and after the first to occur of the following events:

- (a) The later of attainment by the Participant of age sixty-five (65) or the fifth (5th) anniversary of the Participant's commencement of participation in the Plan;
 - (b) The date of his separation from employment due to Disability, as determined by the Benefits Department;
 - (c) The date of death of the Participant;
 - (d) Termination or partial termination of this Plan as provided in Section 13.3 of this Plan;
 - (e) Complete discontinuance of contributions by the Employers as provided in Section 13.3 of this Plan; or
- F. The completion of seven (7) years of Continuous Service by the Participant (however, see 10.3 (a) below).

10.3. DETERMINATION OF VESTED INTEREST IN ESOP ACCOUNT IN THE EVENT OF TERMINATION OF EMPLOYMENT.

(a) VESTING SCHEDULE. A Participant's vested percentage shall be determined as of the day of his termination of employment. Until such time as the earlier of (1) the date any ESOP loan existing as of September 26, 2005 is repaid or (2) the date such loan is scheduled to be repaid, the value of the Participant's vested interest in his ESOP Account shall be determined in accordance with the following schedule:

Years of Vested <u>Continuous Service Percentage of Account</u>	
Less than three	0%
Three but less than four	20%
Four but less than five	40%
Five but less than six	60%
Six but-less than seven	80%
Seven or more	100%

Thereafter, the Participant's vested interest in his ESOP Account shall be determined in accordance with the vesting schedule set forth in paragraph (c) below, regardless of whether the Plan is Top Heavy.

If, after the application of the above vesting schedule, the Participant is entitled to receive a distribution of a fractional share of Employer Securities, such fractional share shall be rounded up to the nearest whole number and the distribution shall be made only in whole shares of Employer Securities.

(b) TIME OF DETERMINATION. A Participant's vested percentage shall be determined as of this Termination Date. The value of the Participant's vested interest in his ESOP Account shall be determined as of the earlier of (1) the Accounting Date immediately preceding the first distribution to the Participant from such Account following his termination of employment or (2) the Accounting Date coinciding with or next on which the Participant incurs a one-year Break in Continuous Service. If a Participant has no vested interest in any of his Accounts, the Participant shall be deemed to have received a distribution of his zero (0) Account balance as of the date of his termination of employment. Any amounts credited to the Participant's Accounts in which the Participant is not fully vested shall be forfeited as the later of such Accounting Date or the date on which the Participant's employment is terminated. The amount forfeited shall then be available for allocation to the accounts of the remaining Participants as of the year-end Accounting Date coinciding with or next following the date of the forfeiture, to the extent such forfeiture is not used to restore forfeitures previously charged to a reemployed former Participant pursuant to Section 10.4. If a portion of a Participant's ESOP Account is forfeited, Employer Securities allocated pursuant to Section 8.2(a) must be forfeited only after other assets have been forfeited. Furthermore, if interests in more than one class of Employer Securities are allocable to the Participant's ESOP Account, the Participant shall be treated as forfeiting the same proportion of each class.

(c) TOP HEAVY VESTING. If this Plan is or becomes Top Heavy, the vested interest of any Participant other than a Participant who is not credited with at least one (1) Hour of Service while the Plan is Top Heavy shall be determined in accordance with the following schedule instead of the schedules set forth above:

Years of Vested

Continuous Service Percentage of Account

Less than two 0%

Two but less than three 20%

Three but less than four 40%

Four but less than five 60%

Five but less than six 80%

Six or more 100%

10.4. RESTORATION OF FORFEITURES.

(a) ELIGIBILITY. Subject to the provisions of this Section, any forfeitures,

charged to the ESOP Account of a former Participant will be restored if the former Participant returns to employment with an Employer or any Affiliate prior to incurring five (5) consecutive Breaks in Continuous Service. Prior forfeitures will be restored only if the former Participant repays, in a timely manner as provided bellow, the full amount, unadjusted for any subsequent gains or losses, previously distributed to him, which amount may include cash in lieu of Employer Securities. If a former Participant who was deemed to have received a distribution resumes employment with the Employer prior to incurring five (5) consecutive one year Breaks in Continuous Service, any forfeitures charged to the former Participant's Account upon his prior termination of employment shall be restored to such Account immediately.

(b) RETURN OF DISTRIBUTIONS. A former Participant may repay the full amount previously distributed to him prior to the earliest of (1) the fifth (5th) anniversary of the former Participant's reemployment by the Employer or (2) the last day of the Plan Year in which the Participant incurs his fifth (5th) consecutive Break in Continuous Service. The amount of any distribution repaid by the former Participant shall be allocated between his Accounts in Account. Any forfeitures restored by the Employer proportion to the amount distributed from each of the forfeiture was pursuant to this Section charged. The Participant must repay the amount distributed from both his other Accounts in order to qualify for the restoration of any prior forfeitures. A Participant may not repay a prior distribution pursuant to this paragraph if the Participant had a fully vested interest in all of his Accounts when the prior distribution was made.

(c) RESTORATION CONTRIBUTIONS. Any forfeitures available for allocation as of the last day of the Plan Year in which an individual does everything necessary in order to have a prior forfeiture restored will be applied first to restore the prior forfeiture. If the available forfeitures are not sufficient to restore the prior forfeiture, the Employer will make a special contribution equal to the balance of the amount forfeited. Such contributions or forfeitures will be allocated to the account from which the distribution was made.

10.5. AMENDMENTS TO VESTING SCHEDULE.

If the vesting schedule set forth in Section 10.3 is amended, in the case of an Employee who is a Participant on the later of (a) the date the amendment is adopted, or (b) the date the amendment is effective, the non-forfeitable percentage of the benefit to which the Employee is entitled (determined as of such date) shall not be less than the non-forfeitable percentage of the benefit to which he is entitled under the Plan without regard to such amendment. If the vesting schedule designated in Section 10.3 is amended, each Participant whose benefits would be determined under such schedule and who is credited with three (3) or more years of Continuous Service shall have the right to elect, during the period computed pursuant to this Section, to have his non-forfeitable benefit determined without regard to such

amendment; provided, however, that no election shall be provided to any Participant whose non-forfeitable percentage under the Plan, as amended, cannot at any time be less than the percentage computed without regard to such amendment. The election period shall commence on the date the amendment is adopted and end on the later of (a) sixty (60) days after adoption of the amendment, (b) sixty (60) days after the effective date of the amendment, or (c) sixty (60) days after the Participant is notified of the amendment in writing by the Corporation or the Benefits Department . Such election, if exercised, shall be irrevocable, and shall be available only to an Employee who is a Participant when the election is made and who has completed at least three (3) years of Continuous Service when the election is made. Any change in the applicability of the vesting schedule set forth in Section 10.3 as a result of the Plan ceasing to be Top Heavy shall be treated as an amendment to such vesting schedule for purposes of this Section.

ARTICLE ELEVEN

DISTRIBUTION OF BENEFITS

11.1. NORMAL AND LATE RETIREMENT.

A Participant shall be entitled to full distribution of his accounts, as provided in Sections 11.5 and 11.6, upon actual retirement as of or after his Normal Retirement Date. A Participant may remain in the employment of the Employer after his Normal Retirement Date, if he desires, and shall retire at such later time as he may desire, unless the Employer lawfully directs earlier retirement.

11.2. DISABILITY RETIREMENT.

A Participant whose active employment is discontinued due to Disability shall be entitled to full distribution of his accounts, as provided in Sections 11.5 and 11.6. Subject to the provisions of Section 11.5, the payments may commence at any time on or after the date of his discontinuance of active employment due to Disability.

11.3. DEATH.

(a) **BENEFIT.** In the event that a Participant (which term for purposes of this Section includes former Participants) shall die prior to his Benefit Commencement Date, the Participant's surviving spouse (or his other designated Beneficiary, if the Participant is unmarried or his spouse has consented in writing to designation of another Beneficiary) shall be entitled to full distribution of the Participant's accounts at the time and in the manner provided in Sections 11.5 and 11.6.

(b) SPOUSE AS BENEFICIARY. Notwithstanding any Beneficiary designation made by the Participant to the contrary, except as otherwise noted below, a married Participant's spouse shall be deemed to be his Beneficiary for purposes of this Plan unless the Participant's spouse consents to the designation of a different Beneficiary. Once given, the spouse's consent will be irrevocable. The consent of the Participant's spouse to his election shall be in writing, acknowledge the effect of such an election, be witnessed by a notary public and be provided to the Benefits Department. The spouse may not consent to the designation of another Beneficiary generally, but rather must consent to the designation of a particular Beneficiary. If the Participant elects to change the Beneficiary, the spouse's prior consent will be null and void and a new consent will be required, unless the spouse's consent expressly permits a change of designation without the further consent of the spouse.

In the event that a Participant fails to designate a beneficiary to receive a benefit that becomes payable under the Plan, or in the event that the Participant is predeceased by all designated primary contingent beneficiaries, the death benefit shall be payable to the following classes of takers, each class to take to the exclusion of all subsequent classes, and all members of each class to share equally:

- (i) surviving spouse;
- (ii) lineal descendants (including legally adopted children), per stirpes;
- (iii) surviving parents;
- (iv) Participant's estate.

No spousal consent will be required if the Advisory Committee determines, in its sole discretion, that such consent cannot be obtained because the spouse cannot be located or other circumstances exist that preclude the Participant from obtaining such consent (to the degree permitted under applicable regulations issued by the United States Treasury Department).

Any spousal consent given pursuant to this Section or dispensed with pursuant to the preceding sentence will be valid only with respect to the spouse who signs the consent or with respect to whom the consent requirement is waived by the Advisory Committee .

Notwithstanding the foregoing, effective January 1, 2002 , upon the receipt of written proof of the dissolution of marriage of a Participant, any earlier designation of the Participant's former spouse as a beneficiary shall be treated as though the Participant's former spouse had predeceased the Participant, unless, prior to payment of benefits on behalf of the Participant (1) the Participant executes and delivers another beneficiary designation that complies with this Plan and that clearly names such former spouse as a beneficiary; or (2) there is delivered to the Plan a qualified domestic relations order providing that the former spouse is to be treated as the beneficiary. In any case, once a Participant's former spouse is

treated under the Participant's beneficiary designation as having predeceased the Participant, no heirs or other beneficiaries of the former spouse shall receive benefits from the Plan as beneficiary of the Participant, except as otherwise provided in the Participant's beneficiary designation.

(c) DEATH AFTER COMMENCEMENT OF BENEFITS. In the event that a former Participant shall die after his Benefit Commencement Date but prior to the complete distribution of all amounts to which such Participant is entitled under ARTICLE ELEVEN, the Participant's spouse or other designated Beneficiary shall be entitled to receive any remaining amounts to which the Participant would have been entitled had the Participant survived. The Benefits Department may require and rely upon such proofs of death and the right of any spouse or Beneficiary to receive benefits pursuant to this Section as the Benefits Department may reasonably determine, and its determination of death and the right of such spouse or Beneficiary to receive payment shall be binding and conclusive upon all persons whomsoever.

11.4. OTHER SEPARATIONS FROM EMPLOYMENT.

A Participant who separates from employment for any reason other than retirement, death or Disability shall be entitled to distribution of his vested interest in his accounts at the time and in the manner provided in Sections 11.5 and 11.6.

11.5. TIME OF DISTRIBUTION OF BENEFITS.

(a) RETIREMENT. Payment to a Participant who is entitled to benefits under Section 11.1 normally shall commence within a reasonable time following the Participant's Termination Date; except that, at the election of the Participant, payment of benefits may be postponed until after the next year-end Accounting Date, at which time losses or earnings on the ESOP Trust Fund will be allocated to the Participant's Account.

(b) TERMINATION AND DISABILITY. Payment to a Participant who is entitled to benefits under Section 11.2 or Section 11.4 normally shall commence not later than the date on which the Participant shall attain his Normal Retirement Date. As a general rule, the Benefits Department will begin distributions pursuant to Section 11.2 or Section 11.4 as soon as possible after the year-end Accounting Date next following the Participant's termination of employment or discontinuance of active employment due to Disability. At the request of the Participant, his ESOP Account may be distributed as soon as possible following the Participant's Termination Date or discontinuance of active employment due to Disability. If the total amount distributable to the Participant from all of his accounts at the time of any distribution under this ARTICLE ELEVEN exceeds One Thousand Dollars (\$1,000.00), no distribution shall be made unless the Participant requests said distribution in writing. For

purposes of this rule, if the total amount distributable to the Participant from all his accounts at the time of any distribution exceeds One Thousand Dollars (\$1,000.00), then the amount in the Participant's account at all times thereafter will be deemed to exceed One Thousand Dollars (\$1,000.00).

(c) DEATH AFTER COMMENCEMENT OF PAYMENTS. In the event of the death of a Participant after his Benefit Commencement Date but prior to the complete distribution to such Participant of the benefits payable to him under the Plan, any remaining benefits shall be distributed over a period that does not exceed the period over which distribution was to be made prior to the date of death of the Participant. Payments to the Beneficiaries entitled to payments pursuant to Section 11.3 shall commence as soon as possible following the death of the Participant.

(d) DEATH PRIOR TO COMMENCEMENT OF BENEFITS. In the event of the death of the Participant prior to his Benefit Commencement Date, payments to the Participant's Beneficiaries must be paid in full by December 31 of the calendar year which includes the fifth (5th) anniversary of the date of the Participant's death.

(e) REQUIRED COMMENCEMENT OF PAYMENTS. In no event shall payment to a former Participant continue later than sixty (60) days after the last to occur of (1) the last day of the Plan Year in which the Participant attains the age of sixty-five (65) years, (2) the last day of the Plan Year in which the Participant separates from employment with the Employer, or (3) the tenth (10th) anniversary of the last day of the Plan Year in which the Participant commenced participation in the Plan. In addition, payments must commence by the Participant's Required Beginning Date.

(f) CONSENT TO EARLY DISTRIBUTIONS. Except as otherwise provided in Section 11.6 concerning the payment of small amounts, no benefit payments may commence pursuant to the preceding provisions of this Section prior to the Participant's Normal Retirement Date unless the Participant requests the earlier commencement of payments. The Participant's request must be in writing in a form acceptable to the Benefits Department.

11.6. METHOD OF DISTRIBUTION.

(a) DISTRIBUTION IN KIND.

(i) Distribution of amounts credited to the ESOP Fund shall be made in Employer Securities in a single distribution (other than cash in lieu of fractional shares).

(ii) If the value of a Participant's Account at the time of distribution does not exceed One Thousand Dollars (\$1,000.00), payment of amounts credited to the ESOP

Fund shall be made in cash, subject to the Participant's or Beneficiary's right to elect a distribution of Employer Securities with respect to amounts credited to the ESOP Fund (other than cash in lieu of fractional shares).

(b) EMPLOYER SECURITIES. If Employer Securities consisting of stock acquired with the proceeds of an exempt loan are available for distribution and consist of more than one (1) class, a distributee shall receive substantially the same proportion of each class.

(c) MINIMUM DISTRIBUTION AND INCIDENTAL BENEFIT REQUIREMENTS.

Notwithstanding any provision in this subsection to the contrary, distribution of a Participant's Accounts shall commence (whether or not he or she remains in the employ of the Employer) not later than the Participant's Required Beginning Date. Unless the Participant's entire interest is distributed to him by the Required Beginning Date, the distributions must be made over a period certain not extending beyond the life expectancy of the Participant, or over a period certain not extending beyond the joint life and last survivor life expectancy of the Participant and the Participant's designated Beneficiary. All distributions made pursuant to the Plan shall comply with the regulations issued by the United States Treasury Department under Section 401(a)(9) of the Code, and such regulations shall override and supersede any conflicting provisions of this Section or any other Section of this Plan. In addition, all benefit payment options shall be structured so as to comply with the incidental benefit requirements of Section 401(a)(9)(G) of the Code and any regulations issued pursuant thereto, which require, generally, that certain minimum amounts be distributed to a Participant during each calendar year, commencing with the calendar year in which the Participant's required beginning date falls, in order to assure that only "incidental" benefits are provided to a Participant's beneficiaries. The provision of this paragraph shall control over any conflicting provisions of this Plan

(e) DISTRIBUTION OF SMALL AMOUNTS. Notwithstanding any provision of this Plan to the contrary, the Advisory Committee, in its sole discretion, may direct payment of benefits, by a Policy set by the Advisory Committee with instructions to the Benefits Department, in a single lump sum if the total amount distributable to the Participant from all of his accounts at the time of any distribution under this ARTICLE ELEVEN, does not exceed One Thousand Dollars (\$1,000.00). For purposes of this rule, if the total amount distributable to the Participant from all his accounts at the time of any distribution exceeds One Thousand Dollars (\$1,000.00), then the amount in the Participant's account at all times thereafter will be deemed to exceed One Thousand Dollars (\$1,000.00). The Advisory Committee, in its sole discretion, may direct payment of the total amount distributable to the Participant, regardless of whether the balance of all his accounts at any time ever exceeded One Thousand Dollars (\$1,000.00), upon such distributable amount falling below One Thousand Dollars (\$1,000.00). Participant consent shall still be required however if the

Participant had previously had a Benefit Commencement Date. All distributions pursuant to this paragraph must be made not later than the close of the second Plan Year following the Plan Year in which the Participant's employment is terminated.

The value of a Participant's nonforfeitable Account Balance shall be determined without regard to that portion of the Account Balance that is attributable to Rollover Contributions (and earnings allocable thereto) within the meaning of Sections 402(c), 403(a)(4), 403(b)(8), 408(d)(3)(A)(ii) and 457(e)(16) of the Code. If the value of the Participant's nonforfeitable Account Balance as so determined is One Thousand Dollars (\$1,000.00) or less, the Plan may distribute the Participant's entire nonforfeitable Account Balance.

(f) AMOUNT OF DISTRIBUTION. For the purposes of determining the amount to be distributed to Participants and Beneficiaries, the Participant's Account will be valued as of the Accounting Date preceding the date upon which distribution is to commence, and the Account shall then be adjusted to reflect any contributions made by or on behalf of the Participant after such Accounting Date.

(g) LIFE EXPECTANCIES. For purposes of this Plan, life expectancies shall be calculated by use of the expected return multiples specified in Tables V and VI of §1.72-9 of the regulations issued by the United States Treasury Department, and in accordance with the rules and procedures specified in regulations issued under Section 401(a)(9) of the Code, as such Tables and regulations may be amended from time to time, or any Tables or regulations subsequently issued in replacement of said Tables or regulations. The life expectancy of a Participant and his spouse may be recalculated annually. The life expectancy of any other individual shall be calculated using the individual's attained age on his birthday in the relevant calendar year (as determined in accordance with regulations issued pursuant to Section 401(a)(9) of the Code) and such individual's life expectancy during any later calendar year shall be the life expectancy as originally determined less the number of calendar years that have elapsed since the calendar year of the initial determination.

11.7. PAYMENTS TO DISABLED. If any person to whom a payment is due under this Plan is unable to care for his affairs because of physical or mental disability, or is subject to a legal disability, the Advisory Committee shall have the authority to cause the payments becoming due to such person to be made to his duly-appointed legal guardian or custodian, to his spouse or to any other person charged with the legal obligation to support him, without any responsibility on the part of the Advisory Committee, the Employer, the Benefits Department, or the Trustees to see to the application of such payments. Payments made pursuant to such power shall operate as a complete discharge of the Advisory Committee, the Employer, the Benefits Department, the Trustees, the ESOP Fund and the Trust Fund. Subject

to the right to appeal as set forth in Section 12.3(g) of the plan, the decision of the Advisory Committee in each case shall be final and binding upon all persons whomsoever.

11.8. MISSING PAYEES. It shall be the responsibility of each Participant to advise the Benefits Department of the current mailing address of such Participant and his Beneficiary, and any notice or payment addressed to such last known address of record shall be deemed to have been received by the Participant. Should the Benefits Department not be able to locate a Participant who is entitled to be paid a benefit under the Plan after making reasonable, diligent efforts to contact said Participant, and a period of two (2) years has elapsed from the Participant's Termination Date, a forfeiture of the Participant's vested benefit shall occur and be redistributed in accordance with Sections 8.2(b) and 10.4(c). Notwithstanding said forfeiture, in the event the Participant should thereafter make a claim for his benefits, as determined prior to the date of forfeiture, the Benefits Department shall restore (as of the next Accounting Date) his account balance together with interest at the "Short Term Federal Rate," as defined in Internal Revenue Code Section 1274, from the date of forfeiture. Such amounts shall be restored in a manner consistent with the restoration of forfeitures as set forth in Section 10.4(c). Should there be insufficient forfeitures occurring on said Accounting Date, the Employer shall be obligated to restore said Account by means of a special contribution to the Plan.

11.9. WITHHOLDING. Payment of benefits under this Plan shall be subject to applicable law governing the withholding of taxes from benefit payments, and the Trustees, Benefits Department and Advisory Committee shall be authorized to withhold taxes from the payment of any benefits hereunder, in accordance with applicable law.

11.10. UNDERPAYMENT OR OVERPAYMENT OF BENEFITS. In the event that, through misstatement or computation error, benefits are underpaid or overpaid, there shall be no liability for any more than the correct benefit sums under the Plan. Overpayments may be deducted from future payments under the Plan, and underpayments may be added to future payments under the Plan. In lieu of receiving reduced benefits under the Plan, a Participant or beneficiary may elect to make a lump sum repayment of any overpayment.

11.11. TRANSFERS FROM THE PLAN. Upon receipt by the Benefits Department of a written request from a Participant who has separated or is separating from the Employer and has not yet received distribution of his benefits under the Plan, the Benefits Department shall direct the ESOP Trustee to transfer such Participant's vested interest in his ESOP Account to the trustee or other administrative agent of another plan or trust or individual retirement account certified by the Participant as meeting the requirements for qualified plans or trusts or individual retirement accounts under the Code. The ESOP Trustee shall make such transfer within a reasonable time following receipt of such written direction by the Benefits Department. The Employer, Benefits Department, the Advisory Committee and the ESOP

Trustee shall not be responsible for ascertaining whether the transferee plan, trust, or individual retirement account is qualified under the Code, and the written request of the Participant shall constitute a certification on the part of such Participant that the plan, trust, or individual retirement account is qualified and provides for the acceptance of such transfer.

11.12A. ELIGIBLE ROLLOVER DISTRIBUTIONS.

(a) Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this Section 11.12A, a distributee may elect, at the time and in the manner prescribed by the Plan Administrator, to have any portion of an eligible rollover distribution that is equal to at least \$500 paid directly to an eligible retirement plan specified by the distributee in a direct rollover. If an eligible rollover distribution is less than \$500, a distributee may not make the election described in the preceding sentence to rollover a portion of the eligible rollover distribution.

(b) For purposes of this Paragraph 11.12A, the following definitions shall apply:

(1) Eligible rollover distribution: An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under § 401(a)(9) of the Internal Revenue Code; the portion of any other distribution(s) that is not includible in gross income; and any other distribution(s) that is reasonably expected to total less than \$200 during a year.

A portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be transferred only to an individual retirement account or annuity described in § 408(a) or (b) of the Code, or to a qualified defined contribution plan described in § 401(a) or 403(a) of the Code that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

(2) Eligible retirement plan: An eligible retirement plan is an eligible plan under § 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this plan, an

individual retirement account described in § 408(a) of the Code, and individual retirement annuity described in § 408(b) of the Code an annuity plan described in § 403(a) of the Code, an annuity contract described in § 403(b) of the Code, or a qualified plan described in § 401(a) of the Code, that accepts the distributee's eligible rollover distribution. The definition of eligible retirement plan shall also apply in the case of a distribution to a surviving spouse, or to a spouse or former spouse who is the alternate payee under a qualified domestic relation order, as defined in § 414(p) of the Code.

If any portion of an eligible rollover distribution is attributable to payments or distributions from a designated Roth account, an eligible retirement plan with respect to such portion shall include only another designated Roth account of the individual from whose account the payments or distributions were made, or a Roth IRA of such individual.

For distributions made after December 31, 2007, a P articipant may elect to roll over directly an eligible rollover distribution to a Roth IRA described in Code §408A(b).

(3) Distributee: A distributee includes an employee or former employee. In addition, the employee's or former employee's surviving spouse and the employee's or former employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in § 414(p) of the Code, are distributees with regard to the interest of the spouse or former spouse.

(4) Direct Rollover: A direct rollover is a payment by the P lan to the eligible retirement plan specified by the distributee.

11. 12B. DIRECT ROLLOVER O F NON-SPOUSAL DISTRIBUTION.

(a) For distributions after December 31, 2008, a non-spouse beneficiary who is a "designated beneficiary" under Code §401 (a)(9)(E) and the regulations thereunder, by a direct trustee-to-trustee transfer ("direct rollover"), may roll over all or any portion of his or her distribution to an individual retirement account the beneficiary establishes for purposes of receiving the distribution. In order to be able to roll over the distribution, the distribution otherwise must satisfy the definition of an eligible rollover distribution.

(b) Although a non-spouse beneficiary may roll over directly a distribution, any distribution made prior to January 1, 2010 is not subject to the direct rollover requirements of Code §401 (a)(31) (including Code §401 (a)(31)(B), the notice requirements of Code §402(f) or the mandatory withholding requirements of Code §3405(c)). If a non-spouse beneficiary receives a distribution from the Plan, the distribution is not eligible for a "60-day" rollover.

- (c) If the Participant's named beneficiary is a trust, the Plan may make a direct rollover to an individual retirement account on behalf of the trust, provided the trust satisfies the requirements to be a designated beneficiary within the meaning of Code §401(a)(9)(E).
- (d) A non-spouse beneficiary may not roll over an amount which is a required minimum distribution, as determined under applicable Treasury regulations and other Revenue Service guidance. If the Participant dies before his or her required beginning date and the non-spouse beneficiary rolls over to an IRA the maximum amount eligible for rollover, the beneficiary may elect to use either the 5-year rule or the life expectancy rule, pursuant to Treas. Reg. §1.401(a)(9)-3, A-4(c), in determining the required minimum distributions from the IRA that receives the non-spouse beneficiary's distribution.

ARTICLE TWELVE

PLAN ADMINISTRATION

12.1. THE ADVISORY COMMITTEE AND BENEFITS DEPARTMENT.

(a) APPOINTMENT AND REMOVAL. The Corporation is the plan administrator, but it delegates its duties and responsibilities as such to the Benefits Department and the Advisory Committee, to the extent and in the manner set forth herein.

(i) The Advisory Committee shall consist of not less than three (3) members (who may be directors, officers or other employees of the Employers or Participants in this Plan). Such members shall be appointed from time to time by the President of the Corporation and shall serve at his pleasure. Each member may be dismissed by the President or his designee at any time by notice to the members of the Advisory Committee. A member of the Advisory Committee may resign at any time by delivering his written resignation to the President or his designee. The members of the Advisory Committee may be appointed to succeed themselves. The members of the Advisory Committee shall be compensated for their services to the extent determined by the President of the Corporation.

(ii) The Benefits Department is a sub-department within the Human Resources Department of U-Haul International, Inc. and the supervisors and/or managers working within the Benefits Department shall be primarily responsible for coordination of the Benefits Department's duties and responsibilities under the Plan.

(b) CHAIRMAN AND SECRETARY. The members of the Advisory Committee shall elect a chairman and shall also elect a secretary who may, but need not, be one of the

members of the Advisory Committee. The secretary of the Advisory Committee or his designee shall record all acts and determinations of the Advisory Committee and shall preserve and retain custody of all such records, together with such other documents as may be necessary for the administration of the Plan or as may be required by law.

(c) MEETINGS AND MAJORITY ACTION OF THE ADVISORY COMMITTEE. The Advisory Committee may adopt by-laws which, among other things provide for: the holding of meetings upon such notice, and at such place or places, and at such intervals as it may from time to time determine; that majority of the members of the Advisory Committee at any time in office shall constitute a quorum for the transaction of business; all resolutions or other actions taken by the Advisory Committee shall be by vote of a majority of the Advisory Committee at a meeting of the Advisory Committee or without a meeting by an instrument in writing signed by a majority of the members of the Advisory Committee.

12.2. POWERS OF THE ADVISORY COMMITTEE AND BENEFITS DEPARTMENT.

(a) GENERAL POWERS.

(i) The Advisory Committee shall have the power and discretion to perform the administrative duties assigned to it and as described in this Plan and shall have all powers necessary to enable it to properly carry out such duties. To the extent not otherwise delegated pursuant to the Plan, the Advisory Committee shall be responsible for the general administration of the Plan.

(ii) The Benefits Department shall have the power and discretion to perform the administrative duties assigned to it and as described in this Plan or required for proper administration of the Plan and shall have all powers necessary to enable it to properly carry out such duties .

(b) BENEFIT PAYMENTS. Except as is otherwise provided hereunder, the Benefits Department shall determine the manner and time of payment of benefits under this Plan. All benefit disbursements by the Trustee shall be made upon the instructions of the Benefits Department. Benefits under this Plan will be paid only if the Benefits Department, in its capacity as a Plan Administrator, decides in its discretion that the applicant for such benefits is entitled to them.

(c) DECISIONS FINAL. All matters to be decided by the Advisory Committee shall be decided by the Advisory Committee in the exercise of its discretion and shall be binding and conclusive upon all persons, unless arbitrary and capricious. All matters to be decided by the Benefits Department shall be decided by the Benefits Department in the

exercise of its discretion and, unless arbitrary and capricious, shall be binding and conclusive upon all persons, unless arbitrary and capricious.

(d) REPORTING AND DISCLOSURE. The Benefits Department shall file all reports and forms lawfully required to be filed by the Benefits Department with any governmental agency or department, federal or state, and shall distribute any forms, reports, statements or plan descriptions lawfully required to be distributed to Participants and others by any governmental agency or department, federal or state.

(e) INVESTMENT. Notwithstanding anything set forth in the Plan or the Trust Agreement, no purchase of Employer Securities shall be made by the ESOP Trustees without their first obtaining a recommendation from the Advisory Committee stating: (1) that the Advisory Committee recommends that the ESOP Trustees acquire shares of Employer Securities and (2) upon the terms and conditions which they recommend such shares be acquired. Before making such recommendation, the Advisory Committee shall take into account such items as they deem appropriate, including, but not limited to, their reviewing appraisals and financial statements of the Employer.

12.3. CLAIMS.

(a) FILING OF CLAIM. A Participant or Beneficiary entitled to benefits need not file a written claim to receive benefits. If an Employee, Participant, Beneficiary or any other person is dissatisfied with the determination of his benefits, eligibility, participation or any other right or interest under this Plan, such person may file a written statement setting forth the basis of the claim with the Advisory Committee in a manner prescribed by the Advisory Committee. In connection with the determination of a claim, or in connection with review of a denied claim, the claimant may examine this Plan and any other pertinent documents generally available to Participants relating to the claim and may submit comments in writing.

(b) NOTICE OF DECISION. A written notice of the disposition of any such claim shall be furnished to the claimant within thirty (30) days after the claim is filed with the Advisory Committee, provided that the Advisory Committee may have an additional period to decide the claim if it advises the claimant in writing of the need for an extension and the date on which it expects to decide the claim. The notice of disposition of a claim shall refer, if appropriate, to pertinent provisions of this Plan, shall set forth in writing the reasons for denial of the claim if the claim is denied (including references to any pertinent provisions of this Plan), and where appropriate shall explain how the claimant can perfect the claim.

(c) REVIEW. If the claim is denied, in whole or in part, the claimant shall also be notified in writing that a review procedure is available. Thereafter, within ninety (90) days after receiving the written notice of the Advisory Committee's disposition of the claim, the

claimant may request in writing, and shall be entitled to, a review meeting with the Advisory Committee to present reasons why the claim should be allowed. The claimant shall be entitled to be represented by counsel at the review meeting. The claimant also may submit a written statement of his claim and the reasons for granting the claim. Such statement may be submitted in addition to, or in lieu of, the review meeting with the Advisory Committee. The Advisory Committee shall have the right to request of and receive from a claimant such additional information, documents or other evidence as the Advisory Committee may reasonably require. If the claimant does not request a review meeting within ninety (90) days after receiving written notice of the Advisory Committee's disposition of the claim, the claimant shall be deemed to have accepted the Advisory Committee's written disposition, unless the claimant shall have been physically or mentally incapacitated so as to be unable to request review within the ninety (90) day period.

(d) DECISION FOLLOWING REVIEW. A decision on review shall be rendered in writing by the Advisory Committee ordinarily not later than sixty (60) days after review, and a written copy of such decision shall be delivered to the claimant. If special circumstances require an extension of the ordinary period, the Advisory Committee shall so notify the claimant. In any event, if a claim is not determined within one hundred twenty (120) days after submission for review, it shall be deemed to be denied.

(e) DECISIONS FINAL: PROCEDURES MANDATORY. To the extent permitted by law, a decision on review by the Advisory Committee shall be binding and conclusive upon all persons whomsoever. To the extent permitted by law, completion of the claims procedures described in this Section shall be a mandatory precondition that must be complied with prior to commencement of a legal or equitable action in connection with the Plan by a person claiming rights under the Plan or by another person claiming rights through such a person. The Advisory Committee may, in its sole discretion, waive these procedures as a mandatory precondition to such an action.

(f) APPEAL BY ARBITRATION. The following shall be effective for any claims filed on or after January 1, 2002 :

(i) if the claimant is dissatisfied with the written decision of the Advisory Committee following review, he shall have the right to request a further appeal by arbitration of the matter in accordance with the then existing rules of the American Arbitration Association, provided the claimant submits a request for binding arbitration to the Advisory Committee, in writing, within sixty (60) days of receipt of the written review decision of the Advisory Committee.

(ii) such arbitration shall take place in state of Claimant's residence and the arbitrator or arbitrators shall be required to have expertise in employee benefit-related matters.

The arbitrator or arbitrators shall be limited in their review of the denial of a claim to the standard of review a court of competent jurisdiction would employ under the same or similar circumstances in reviewing the denial of an employee benefit claim.

(iii) the determination in any such arbitration shall grant the prevailing party full and complete relief including the costs and expenses of arbitration (including reasonable attorneys' fees). The arbitration determination shall be enforceable through any court of competent jurisdiction.

(iv) to the extent permitted by law, the procedures specified in this section 12.3 shall be the sole and exclusive procedure available to a claimant who is otherwise adversely affected by any action of the Advisory Committee. The Advisory Committee may, in its sole discretion, waive these procedures as a mandatory precondition to such an action.

(g) APPEAL OF DISABILITY BENEFIT DENIAL. The following procedure shall be effective as of January 1, 2003 and shall apply only to the extent a Participant in the Plan is not also a participant in the Amerco Disability Plan. A Participant who is also a participant in the Amerco Disability Plan shall be subject to the appeal provisions thereof:

(a) Any claim for disability benefits shall be made to the Advisory Committee. If the Advisory Committee denies a claim, or reduces or terminates disability benefits prior to the expiration of the fixed payment period (an "Adverse Determination"), the Advisory Committee shall provide notice to the claimant, in writing, within forty-five (45) days of receipt of the claim.

This period may be extended by the Plan for up to thirty (30) days, provided the Advisory Committee both determines it is necessary due to matters beyond the control of the Plan and notifies the claimant, in writing, prior to the expiration of the initial forty-five (45) day period, of the circumstances requiring the extension and the date the Advisory Committee expects to render a decision. If, prior to the expiration of the first thirty (30) day extension period, the Advisory Committee determines a decision can not be reached due to matters beyond the control of the Plan, the period for making a determination may be extended for an additional thirty (30) days provided the Advisory Committee notifies the claimant, in writing, prior to the expiration of the initial thirty (30) day extension period and the date the Advisory Committee expects to render a decision.

In the case of any extension, the notice of extension shall specifically explain the standards on which entitlement to a benefit is based, the unresolved issues that prevent the rendering of a decision on the claim and the additional information needed to resolve those issues. The claimant shall be afforded at least forty-five (45) days within which to provide any such information required by the Advisory Committee. If the Advisory Committee does

not notify the claimant of the denial of the claim within the period(s) specified above, then the claim shall be deemed denied.

The notice of an Adverse Determination shall be written in a manner calculated to be understood by the claimant and shall set forth:

- (1) the specific reason or reasons for the Adverse Determination, including the identity of any medical or vocation experts whose advice was obtained in connection with the Adverse Determination, regardless of whether the advice was relied upon in making the Adverse Determination;
- (2) specific references to the pertinent Plan provisions on which the Adverse Determination is based;
- (3) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation as to why such information is necessary;
- (4) an explanation of the Plan's review procedure and the time limits applicable to such procedures, including a statement of the claimant's right to bring a civil action under Section 502(a) of the Act following an adverse determination on review; and
 - (5)(A) If an internal rule, guideline, protocol, or other similar criterion was relied upon in making the Adverse Determination, either a copy of the specific rule, guideline, protocol, or other similar criterion; or a statement that such a rule, guideline, protocol, or other similar criterion was relied upon in making the Adverse Determination, will be provided to the Participant free of charge upon request; or
 - (B) If the Adverse Determination is based on medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to the claimant's medical circumstances, or a statement that such explanation will be provided free of charge upon request.
- (b) Within one hundred eighty (180) days after receipt of the above material, the claimant shall have a reasonable opportunity to appeal the Adverse

Determination to the Claims Review Board for a full and fair review. The claimant or his/her duly authorized representative may:

- (1) request a full and fair review of the claim and the Adverse Determination upon written notice to the Advisory Committee;
- (2) request review of pertinent documents, records, and other information relevant to the claim; and
- (3) submit issues, written comments, documents, records and other information relevant to the claim.

In deciding an appeal of any Adverse Determination based in whole or in part on a medical judgment, the Claims Review Board shall consult with a health care professional who has appropriate training and experience in the field of medicine involved in the medical judgment. Such health care professional shall not have been involved in rendering the Adverse Determination nor the subordinate of any person involved in rendering the Adverse Determination.

(c) A decision on the review by the Claims Review Board will be made not later than forty-five (45) days after receipt of a request for review, unless special circumstances require an extension of time for processing (such as the need to hold a hearing), in which event a decision should be rendered as soon as possible, but in no event later than ninety (90) days after such receipt. The decision of the Claims Review Board shall be written and shall include specific reasons for the decision, written in a manner calculated to be understood by the claimant and shall set forth:

- (1) the specific reason or reasons for the decision;
- (2) specific references to the pertinent Plan provisions on which the decision is based;
- (3) a statement that the claimant is entitled to receive upon request, free of charge, reasonable access to and copies of, all materials and information relevant to the claim for benefits;
- (4) a statement of the plan's voluntary arbitration procedures and the claimant's right to bring a civil action under Section 502(a) of the Act; and

- (5)(A) If an internal rule, guideline, protocol, or other similar criterion was relied upon in making the decision, either a copy of the specific rule, guideline, protocol, or other similar criterion; or a statement that such a rule, guideline, protocol, or other similar criterion was relied upon in making the decision, will be provided to the claimant free of charge upon request; or
- (B) If the decision based on medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to the claimant's medical circumstances, or a statement that such explanation will be provided free of charge upon request.
- (d) In the event a claimant is not satisfied with the results of an appeal as set forth above, in lieu of the right to bring a civil action in Federal court under ERISA Section 502(a), the claimant shall have the option to appeal the matter to voluntary binding arbitration in accordance with the employee benefit claim arbitration rules of the American Arbitration Association. In order to take advantage of this voluntary arbitration the claimant must submit a request for voluntary arbitration to the Advisory Committee, in writing, within ninety (90) days of receipt of the written appeal decision. Any voluntary binding arbitration proceeding shall be conducted in the claimant's home state.
- (e) Along with the written decision of the Claims Review Board on the secondary appeal, the claimant shall be provided with sufficient information to make an informed decision about whether to submit a claim to voluntary binding arbitration. This information shall include, but not be limited to:
- I. a statement that the decision whether to arbitrate a claim will have no effect on rights to any other benefits under the Plan;
 - II. notice of the right to representation;
 - III. notice of the right to bring a civil action in federal court under ERISA Section 502(a) in lieu of voluntary binding Arbitration;
- (iv) a statement that the Plan will not assert that failure to exhaust administrative remedies in any federal court action in the event you the claimant elects not to pursue voluntary binding arbitration;

(v) the applicable arbitration rules; and

(vi) the arbitrator selection process.

(f) If a claimant decides to utilize the voluntary binding arbitration, the Claims Review Board shall submit to the arbitrator or arbitrators, when selected, a copy of the record upon which the appeal decision was made. The arbitrator or arbitrators shall be limited in their review of the denial of a claim to the same standard of review a court of competent jurisdiction would employ under similar circumstances. No fees or costs, other than the claimant's representative's legal and/or advisory fees, costs and disbursements shall be imposed on the claimant as part of this voluntary arbitration process.

12.4. THE ESOP TRUSTEES.

The ESOP Trustees shall be appointed under and shall be governed by the provisions of the ESOP Trust Agreement.

12.5. SCOPE OF RESPONSIBILITY.

(a) GENERAL. The Corporation and other Employers, the Advisory Committee, the Benefits Department and the ESOP Trustees shall perform the duties respectively assigned to them under the Plan, or the ESOP Trust Agreement or pursuant to the written directions of the Board, and shall not be responsible for performing duties assigned to others under the terms and provisions of the Plan or the ESOP Trust Agreement or assigned to others pursuant to the written directions of the Board. No inference of approval or disapproval is to be made from the inaction of any party described above or the employee or agent of any of them with regard to the action of any other such party.

(b) CONFLICTS. No member of the Advisory Committee may act, vote or otherwise influence the Advisory Committee regarding his own eligibility, participation, status or rights under the Plan.

(c) ADVISOR. The Corporation, Benefits Department, Advisory Committee and ESOP Trustees shall have the authority to employ advisors, legal counsel, accountants and investment managers in connection with the administration of the Plan, and may delegate to others as permitted herein. To the extent permitted by applicable law, the Corporation, Benefits Department, the Advisory Committee and the ESOP Trustees shall not be liable for complying with the directions of any advisors, legal counsel, accountants and investment manager, appointed pursuant to this Section.

(d) MULTIPLE CAPACITIES. Persons, organizations or corporations acting in a position of any fiduciary responsibility with respect to the Plan and/or the ESOP Trust Fund may serve in more than one (1) fiduciary capacity.

(e) ALLOCATION OF RESPONSIBILITIES. The Benefits Department or the Advisory Committee from time to time may allocate to one (1) or more of the members of the Advisory Committee and may delegate to any other persons or organizations any of the rights, powers, duties and responsibilities of the Benefits Department or the Advisory Committee, respectively, with respect to the operation and administration of the Plan, and the Benefits Department may employ and authorize any person to whom any of its fiduciary responsibility has been delegated to employ persons to render advice with regard to any fiduciary responsibility held hereunder.

(f) INDEMNIFICATION. To the extent permitted by law, the Employers shall and do hereby jointly and severally indemnify and agree to hold harmless their employees, agents and members of the Advisory Committee and employees of the Benefits Department, from all loss, damage or liability, joint or several (including payment of expenses in connection with defense against any such claim) for their acts, omissions and conduct, and for the acts, omissions and conduct of their duly appointed agents, which acts, omissions or conduct constitute or are alleged to constitute a breach of such individual's fiduciary or other responsibilities under the Act or any other law, except for those acts, omissions or conduct resulting from his own willful misconduct, willful failure to act, or gross negligence; provided, however, that if any party would otherwise be entitled to indemnification hereunder in respect of any liability and such party shall be insured against loss as a result of such liability by any insurance contract or contracts, such party shall be entitled to indemnification hereunder only to the extent by which the amount of such liability shall exceed the amount thereof payable under such insurance contract or contracts.

(g) INSURANCE. The Employers may obtain insurance covering themselves and others for breaches of fiduciary obligations under this Plan to the extent permitted by law, and nothing in this Plan shall restrict the right of any person to obtain such insurance for himself in connection with the performance of his duties under this Plan. The Corporation, the Advisory Committee, the Benefits Department and the ESOP Trustee shall be the Named Fiduciaries under the Plan, and the Corporation shall be the plan administrator.

12.6. EXPENSES.

Any brokerage commissions, transfer taxes and other charges and expenses in connection with the purchase and sale of securities shall be charged to the ESOP Fund. Any income taxes or other taxes payable with respect to the ESOP Fund shall likewise be charged to that the ESOP Fund. Any other expenses associated with the administration of the Plan or

the ESOP Trust Fund shall be paid from the ESOP Trust Fund if not paid by the Corporation or an Affiliated Company.

12.7. TRUST AGREEMENT.

The Board shall maintain an ESOP Trust Agreement pursuant to which the ESOP Trustees shall be appointed providing for the administration of the ESOP Fund in such form and containing such provisions as the Board may deem appropriate. The ESOP Trust Agreement shall contain such terms as the Board may deem appropriate, including, but not limited to, provisions with respect to the powers and authority of the ESOP Trustee and the authority of the Board to amend the ESOP Trust Agreement, to terminate the trust and to settle the accounts of the ESOP Trustee on behalf of all persons having an interest in the ESOP Fund. The ESOP Trust Agreement shall form a part of the Plan and any and all rights and benefits which may accrue to any persons under the Plan shall be subject to all the terms and provisions of the ESOP Trust Agreement.

12.8. VOTING OF EMPLOYER SECURITIES.

(a) GENERAL RULE. Except as otherwise provided herein, and unless such responsibilities or duties are properly delegated to a named fiduciary or investment Manager other than the ESOP Trustee, the ESOP Trustee shall vote all voting Employer Securities held as assets of the ESOP Fund in its discretion.

(b) VOTING PASS THROUGH. Notwithstanding anything to the contrary in paragraph (a) above, and subject to the limitations contained in paragraph (f) herein, a Participant (or the Beneficiary if the Participant has died) shall direct the ESOP Trustee, or an agent designated by the ESOP Trustee for that purpose, with respect to the voting of shares of the Employer Securities allocated to the Participant's Accounts to the extent that, and with respect to matters for which, Participants are granted pass through voting rights as provided in paragraphs (c) or (d), whichever is applicable. The pass through voting rights provided herein shall not apply to, and the ESOP Trustee shall be responsible for voting in its discretion, shares of Employer Securities which are not yet allocated to Participants' Accounts. Similarly, the ESOP Trustee shall retain responsibility for voting in its discretion, shares of Employer Securities which are subject to the pass through voting rights provided herein to the extent that Participants fail to give directions with respect to such allocated shares. Notwithstanding the foregoing, nothing in this Section 12.8 shall prohibit delegation of the ESOP Trustee's voting responsibilities or duties to another named fiduciary or investment manager to the extent permitted by, and in accordance with, the Act. To the extent permitted by law, the ESOP Trustee shall not be liable for following the proper directions of Participants, an investment manager, or another named fiduciary in accordance with the rules herein .

(c) NO REGISTRATION-TYPE CLASS OF SECURITIES. If the Corporation does not have a "registration-type class of securities," the voting pass through rights provided in paragraph (b) above shall apply to all voting Employer Securities allocated to Participant Accounts with respect to all matters involving approval or disapproval of any corporate merger or consolidation, recapitalization, reclassification, liquidation, dissolution, sale of substantially all the assets of a trade or business, or any similar transaction (as defined in the applicable regulations under Section 409(e)(3) of the Code).

(d) REGISTRATION-TYPE CLASS OF SECURITIES. If the Corporation has a "registration-type class of securities", the voting pass through rights provided in paragraph (b) above, shall apply to all voting Employer Securities allocated to Participant Accounts with respect to all matters submitted to shareholders for their vote.

(e) PROXY MATERIALS: VOTING DIRECTION. Prior to the holding of any annual or special meeting of the shareholders of the Corporation at which such matters are to be voted upon, the ESOP Trustee, or an agent designated by the ESOP Trustee for that purpose, shall verify that the Corporation or its agent has sent to each Participant (or Beneficiary if the Participant through voting rights as described herein, a proxy statement and/or has died) entitled to pass through voting rights as described herein, a proxy statement and/or other neutral information which the ESOP Trustee deems appropriate in order to provide Participants necessary and accurate information regarding the voting decisions being passed through, together with a form to be returned to the ESOP Trustee or its designated agent instructing the ESOP Trustee to vote the shares of Employer Securities allocated to the Participant's Accounts in accordance with formation, the Participant's wishes. Alternatively, or if the Corporation fails to provide such , ESOP Trustee shall send or cause to be sent such information to Participants who are entitled to direct the voting of Employer Securities hereunder. Each Participant shall have the right to direct the ESOP Trustee how to vote the number of votes attributable to the full and fractional shares of Employer Securities that are subject to pass through voting herein by completing the voting, direction form and returning it to the ESOP Trustee or its designated agent. If the ESOP Trustee, or its designated agent, does not receive instructions from a Participant at least two (2) days prior to such meeting, the ESOP Trustee shall vote all of the Employer Securities attributable to the Accounts of such a Participant, in its discretion, subject to the directions of the independent fiduciary, if one has been appointed. If the ESOP Trustee has designated an agent for purposes of this Section 12.8, the ESOP Trustee may remove such agent and appoint a new agent, or exercise its power, without the use of an agent, as it shall determine in its sole discretion.

(f) VOTING RIGHTS OVERRIDE. Notwithstanding anything in this Section 12.8 to the contrary, the ESOP Trustee shall disregard any Participant directions made under

authority of paragraph (b), and vote any Employer Securities subject to such directions in the ESOP Trustee's sole discretion, to the extent required by the Act or the Code.

(g) REGISTRATION-TYPE CLASS OF SECURITIES DEFINED. For purposes of this Section 12.8, the phrase "registration-type class of securities" means:

(1) a class of securities required to be registered under section 12 of the Security Exchange Act of 1934, and

(2) a class of securities which would be required to be so registered except for the exemption from registration provided in subsection (g)(2)(H) of such Section 12.

12.9. SECURITIES REGISTRATION.

In the event that, in the opinion of counsel for the Corporation, the ESOP Trustees or the Advisory Committee, any acquisition, sale or distribution of Employer Securities shall be made in circumstances requiring registration of the securities or Participants' interests in the Trust Fund under the Securities Act of 1933 or qualification of the securities under the "blue sky" laws of any state or states, or requiring any other form of compliance with Federal or state securities laws, then the Employers may, in their sole discretion and at their own expense, take or cause to be taken any and all such action as may be necessary or appropriate to effect such registration, qualification or other form of compliance, but shall not be required to take such action.

12.10. SECURITIES RESTRICTIONS.

The Benefits Department may, in its sole discretion and subject to ARTICLE SEVEN, condition delivery of Employer Securities distributable pursuant to ARTICLE ELEVEN upon delivery by the Participant to the Benefits Department of a written statement, in such form as the Benefits Department may reasonably require, containing all or any of the following:

(a) A certification that he is acquiring the Employer Securities for his own account and not with a view to or for sale in connection with any distribution of such shares;

(b) An acknowledgment that the Employer Securities are being acquired in a transaction not involving any public offering and without being registered under the Securities Act of 1933 and that the shares may not be sold except in a transaction that complies with the requirements of the Securities Act of 1933 and the rules and regulations promulgated thereunder;

(c) An acknowledgment that his right to transfer such Employer Securities and the right of any person to acquire such Employer Securities may be restricted by the provisions of this ARTICLE TWELVE and/or ARTICLE SEVEN of this Plan, and that the certificates evidencing the Employer Securities may contain a legend setting forth or referring to the various restrictions to which transfer of such Employer Securities are or may be subject;

(d) An acknowledgment that the Employer Securities are being acquired in a private transaction, that such shares have not been registered under the Securities Act of 1933 and that the Corporation, ESOP Trustees and Advisory Committee have neither the obligation or the intention to effect any such registration and therefore such Employer Securities must be held by the distributee indefinitely and without any market therefor unless the shares are subsequently registered under the Securities Act of 1933 or an exemption from the registration provisions of such Act is available; and

(e) An acknowledgment, if appropriate, that he has been advised that Rule 144 under the Securities Act of 1933 (which Rule permits sales of securities in limited amounts in accordance with the terms and conditions of such Rule) or any successor thereto may not be applicable to resales of the Employer Securities, and that no assurance has been given him as to whether or when there may be any registration statement under such Act covering the Employer Securities being distributed, or whether or when such Rule or any other exemption from the requirements for registration under such Act might be applicable.

ARTICLE THIRTEEN

AMENDMENT, MERGER AND TERMINATION

13.1. AMENDMENT OF PLAN AND TRUST AGREEMENTS.

The Plan and the ESOP Trust Agreement may be amended at any time and from time to time by an instrument in writing executed pursuant to authority granted by the Board, and/or in the case of amendments required by changes in the law or those having a minimal financial impact to the Plan or ESOP Trust Agreement, by the President of the Corporation or such persons as may be authorized by the Board. No amendment shall substantially increase the duties and liabilities of the members of the Advisory Committee and ESOP Trustees then serving without their written consent. Any such amendment may be in whole or in part and may be prospective or retroactive; provided, however, that no amendment shall be effective to the extent it shall have the effect of reverting to the Corporation or any other Employer the whole or any part of the principal or income of the ESOP Trust Fund or of diverting any part of the principal or income of the ESOP Trust Fund to purposes other than for the exclusive benefit of the Participants or their Beneficiaries.

13.2. MERGER OR CONSOLIDATION.

In the event of merger or consolidation of this Plan with another stock bonus plan, employee stock ownership plan, profit sharing plan, pension plan or other plan, or a transfer of assets or liabilities of the ESOP Trust Fund to any other such fund, each Participant shall have a right to a benefit immediately after such merger, consolidation or transfer (if the Plan was then terminated) that is at least equal to, and may be greater than, the benefit to which he had a right immediately before such merger, consolidation or transfer (if the Plan was then terminated).

13.3. DISCONTINUANCE AND TERMINATION OF PLAN.

The Board shall have the right to terminate the Plan and to direct distribution of the ESOP Trust Fund. In the event of termination of the Plan, the Board shall have the power to terminate contributions by appropriate resolution. A certified copy of such resolution or resolutions shall be delivered to the Advisory Committee. In the event of termination of the Plan or discontinuance of contributions (and the Employer does not establish or maintain a successor defined contribution plan, in accordance with the provisions set forth in Treasury Regulations Section 1.401(k)-1(d)(3)), the Board may direct the Advisory Committee to instruct the Benefits Department and the ESOP Trustees to make distribution to the Participants as soon as practicable in the same manner as if their employment with the Employer had then terminated (provided that in any event distribution of the ESOP Trust Fund may be delayed pending liquidation of any loan obligation entered into pursuant to ARTICLE SEVEN), or the Board may direct that the Plan shall be continued without any further contributions. No distributions shall be made after termination of contributions by the Employers until a reasonable time after the Corporation has received from the United States Treasury Department a determination under the provisions of the Code as to the effect of such termination or discontinuance upon the qualification of the Plan. In the event such determination is unfavorable, then prior to making any distributions hereunder, the Benefits Department and the ESOP Trustees shall pay any Federal or state income taxes due because of the income of the ESOP Trust Fund and shall then distribute the balance in the manner above provided. The Corporation may, by written notice delivered to the Benefits Departments, the ESOP Trustees and the Advisory Committee, waive the Corporation's right hereunder to apply for such a determination, and if no application for determination shall have been made within sixty (60) days after the date specified in the terminating resolution or after the date of discontinuance of contributions, the Corporation shall be deemed to have waived such right. A mere suspension of contributions by the Employers shall not be construed as discontinuance thereof. In the event of a complete or partial termination of the Plan, or complete discontinuance of contributions under the Plan, the Account balances of each affected Participant shall be non-forfeitable to the extent funded.

13.4. SUCCESSORS.

In case of the merger, consolidation, liquidation, dissolution or reorganization of an Employer, or the sale by an Employer of all or substantially all of its assets, provision may be made by written agreement between the Corporation and any successor corporation acquiring or receiving a substantial part of the Employer's assets, whereby the Plan will be continued by the successor. If the Plan is to be continued by the successor, then effective as of the date of the applicable event the successor corporation shall be substituted for the Employer under the Plan. The substitution of a successor corporation for an Employer will not in any way be considered a termination of the Plan.

ARTICLE FOURTEEN

INALIENABILITY OF BENEFITS

14.1. NO ASSIGNMENT PERMITTED.

(a) GENERAL PROHIBITION. No Participant or Beneficiary, and no creditor of a Participant or Beneficiary, shall have any right to assign, pledge, hypothecate, anticipate or in any way create a lien upon the ESOP Trust Fund. All payments to be made to Participants or their Beneficiaries shall be made only upon their personal receipt or endorsement, except as provided in Section 11.7, and no interest in the ESOP Trust Fund shall be subject to assignment or transfer or otherwise be alienable, either by voluntary or involuntary act or by operation of law or equity, or subject to attachment, execution, garnishment, sequestration, levy or other seizure under any legal, equitable or other process, or be liable in any way for the debts or defaults of Participants and Beneficiaries except as allowed under section 401(a)(13) of the Code.

(b) PERMITTED ARRANGEMENTS. This Section shall not preclude arrangements for the withholding of taxes from benefit payments, arrangements for the recovery of benefit overpayments, arrangements for the transfer of benefit rights to another plan, or arrangements for direct deposit of benefit payments to an account in a bank, savings and loan association or credit union (provided that such arrangement is not part of an arrangement constituting an assignment or alienation). Additionally, this Section shall not preclude: (1) arrangements for the distribution of the benefits of a Participant or Beneficiary pursuant to the terms and provisions of a Qualified Domestic Relations Order in accordance with the following provisions of this ARTICLE FOURTEEN; or (2) effective for Plan Years commencing on or after August 5, 1997, the offsetting of benefits of a Participant or Beneficiary as permitted by Code Section 401(a)(13)(C).

14.2. QUALIFIED DOMESTIC RELATIONS ORDERS.

(a) DEFINITIONS. A Qualified Domestic Relations Order is any judgment, decree, or order (including an order approving a property settlement agreement) which relates to the provision of child support, alimony, or marital property rights to a spouse, child, or other dependent of a Participant and which is entered or made pursuant to the domestic relations or community property laws of any State and which creates or recognizes the right of an "alternate payee" to receive all or a portion of the benefits payable with respect to a Participant under this Plan or assigns to an "alternate payee" the right to receive all or a portion of said benefits. For purposes of this ARTICLE FOURTEEN, an "alternate payee" is the spouse, former spouse, child or other dependent of a Participant who is recognized by a Qualified Domestic Relations Order as having the right to receive all or a portion of the benefits payable under the Plan with respect to the Participant.

(b) REQUIREMENTS. In accordance with Section 414(p) of the Code, a judgment, decree or order (hereinafter collectively referred to as an "order") shall not be treated as a Qualified Domestic Relations Order unless it satisfies all of the following conditions:

(1) The order clearly specifies the name and last known mailing address (if any) of the Participant and the name and last known mailing address of each alternate payee covered by the order, the amount or percentage of the Participant's benefits to be paid to each alternate payee or the manner in which such amount or percentage is to be determined, and the number of payments or period to which such order applies.

(2) The order specifically indicates that it applies to this Plan.

(3) The order does not require this Plan to provide any type or form of benefit, or any option, not otherwise provided under the Plan, and it does not require the Plan to provide increased benefits (determined on the basis of actuarial value).

(4) The order does not require the payment of benefits to an alternate payee which are required to be paid to another alternate payee under another order previously determined to qualify as a Qualified Domestic Relations Order.

(c) Effective April 6, 2007, a domestic relations order that otherwise satisfies the requirements for a qualified domestic relations order will not fail to be a QDRO: (i) solely

because the order is issued after, or revises, another domestic relations order or QDRO; or (ii) solely because of the time at which the order is issued, including issuance after the annuity starting date or after the Participant's death. Such a domestic relations order is subject to the same requirements and protections that apply to QDROs.

14.3. EARLY COMMENCEMENT OF PAYMENTS TO ALTERNATE PAYEES.

(a) EARLY PAYMENTS. An order requiring payment to an alternate payee before a Participant has separated from employment may qualify as a Qualified Domestic Relations Order even if it requires payment prior to the Participant's "earliest retirement age." For purposes of this Section, "earliest retirement age" shall mean the earlier of (i) the date on which the Participant attains age fifty (50) or (ii) the earliest date on which the Participant could begin receiving benefits under the Plan if the Participant separated from service. If the Order requires payments to commence prior to a Participant's actual retirement, the amounts of the payments must be determined as if the Participant had retired on the date on which such payments are to begin under such order, but taking into account only the present account balances at that time.

(b) ALTERNATE PAYMENT FORMS. The order may call for the payment of benefits to an alternate payee in any form in which benefits may be paid under the Plan to the Participant, other than in the form of a joint and survivor annuity with respect to the alternate payee and his or her subsequent spouse.

14.4. PROCESSING OF QUALIFIED DOMESTIC RELATIONS ORDERS.

(a) NOTICE. The Benefits Department shall promptly notify the Participant and any alternate payee who may be entitled to benefits pursuant to a previously received Qualified Domestic Relations Order or the receipt of any order which could qualify as a Qualified Domestic Relations Order. At the same time, the Benefits Department shall advise the Participant and any alternate payees (including the alternate payee designated in the order) of the provisions of this Section relating to the determination of the qualified status of such orders.

(b) QUALIFIED NATURE OF ORDER. Within a reasonable period of time after receipt of a copy of the order, the Benefits Department shall determine whether the order is a Qualified Domestic Relations Order and notify the Participant and each alternate payee of its determination. The determination of the status of an order as a Qualified Domestic Relations Order shall be made in accordance with such uniform and nondiscriminatory rules and procedures as may be adopted by the Benefits Department from time to time. If benefits are presently being paid with respect to a Participant named in an order which may qualify as a Qualified Domestic Relations Order or if benefits become payable after receipt of the order,

the Benefits Department shall notify the Trustee to segregate and hold the amounts which would be payable to the alternate payee or payees designated in the order if the order is ultimately determined to be a Qualified Domestic Relations Order. If the Benefits Department determines that the order is a Qualified Domestic Relations Order within eighteen (18) months of receipt of the order, the Benefits Department shall instruct the Trustee to pay the segregated amounts (plus any earnings thereon) to the alternate payee specified in the Qualified Domestic Relations Order. If within the same eighteen (18) month period the Benefits Department determines that the order is not a Qualified Domestic Relations Order or if the status of the order as a Qualified Domestic Relations Order is not resolved, the Benefits Department shall instruct the Trustee to pay the segregated amounts (plus any earnings thereon) to the person or persons who would have been entitled to such amounts if the order had not been entered. If the Benefits Department determines that an order is a Qualified Domestic Relations Order after the close of the eighteen (18) month period mentioned above, the determination shall be applied prospectively only. The determination of the Benefits Department as to the status of an order as a Qualified Domestic Relations Order shall be binding and conclusive on all interested parties, present and future, subject to the claims review provisions of Section 12.3.

14.5. RESPONSIBILITY OF ALTERNATE PAYEES.

Any person claiming to be an alternate payee under a Qualified Domestic Relations Order shall be responsible for supplying the Benefits Department with a certified or otherwise authenticated copy of the order and any other information or evidence that the Benefits Department deems necessary in order to substantiate the individual's claim or the status of the order as a Qualified Domestic Relations Order.

ARTICLE FIFTEEN

GENERAL PROVISIONS

15.1. SOURCE OF PAYMENT.

Benefits under the Plan shall be payable only out of the ESOP Trust Fund and the Corporation and other Employers shall have no legal obligation, responsibility or liability to make any direct payment of benefits under the Plan. Neither the Corporation, any other Employer, the Advisory Committee, the Benefits Department nor the ESOP Trustees guarantee the ESOP Trust Fund against any loss or depreciation or guarantees the payment of any benefits hereunder. No persons shall have any rights under the Plan with respect to the ESOP Trust Fund or against the ESOP Trustees, the Advisory Committee, Benefits Department, the Corporation or any Employer, except as specifically provided for herein.

15.2. BONDING.

The Corporation shall procure bonds for every "bondable fiduciary" in an amount not less than ten percent (10%) of the amount of funds handled and in no event less than One Thousand Dollars (\$1,000.00), except the Corporation shall not be required to procure such bonds if the person is exempted from the bonding requirement by law or regulation or if the Secretary of Labor exempts the ESOP Trust from the bonding requirements. The bonds shall conform to the requirements of the Act and regulations thereunder. For purposes of this Section, the term "bondable fiduciary" shall mean any person who handles funds or other property of the ESOP Trust Fund.

15.3. EXCLUSIVE BENEFIT.

Except as otherwise provided herein or in the ESOP Trust Agreement, it shall be impossible for any part of the ESOP Trust Fund to be used for, or diverted to purposes other than for the exclusive benefit of Participants and their Beneficiaries, except that payment of taxes and administration expenses may be made from the ESOP Trust Fund as provided in the ESOP Trust Agreement.

15.4. UNIFORM ADMINISTRATION EXERCISE OF DISCRETION.

Whenever in the administration of the Plan any action is required by the Advisory Committee, the ESOP Trustees, or the Benefits Department including, but not limited to, action with respect to valuation, such action shall be uniform in nature as applied to all persons similarly situated and no such action shall be taken which will discriminate in favor of Highly Compensated Employees. All actions to be taken by the Advisory Committee, the Benefits Department, or the ESOP Trustees shall be taken in the exercise of their discretion and shall be binding and conclusive on all persons.

15.5. NO RIGHT TO EMPLOYMENT.

Participation in the Plan or as a Beneficiary shall not give any person the right to be retained in the employ of the Corporation or any other Employer nor, upon dismissal, to have any right or interest in the ESOP Trust Fund other than as provided in the Plan.

15.6. HEIRS AND SUCCESSORS.

All of the provisions of this Plan shall be binding upon all persons, who shall be entitled to any benefits hereunder, and their heirs and legal representatives.

15.7. ASSUMPTION OF QUALIFICATION.

Unless and until advised to the contrary, the Advisory Committee, the Benefits Department, and the ESOP Trustees may assume that the Plan is a qualified plan under the provisions of the Code relating to such plans, and that the ESOP Trust Fund is entitled to exemption from income tax under such provisions.

15.8. EFFECT OF AMENDMENT.

This Plan is not a new plan succeeding the Plan as constituted prior to the Effective Date, but is an amendment and restatement of the Plan as so constituted. The amount, right to and form of any benefits under this Plan, if any, of each person who is an Employee after the Effective Date, or the persons who are claiming through such an Employee, shall be determined under this Plan. The amount, right to and form of benefits, if any, of each person who separated from employment with the Employer prior to the Effective Date, or of persons who are claiming benefits through such a former Employee, shall be determined in accordance with the provisions of the Plan in effect on the date of termination of his employment, except as may be otherwise expressly provided under this Plan, unless he shall again become an Employee after the Effective Date.

15.9. COMPLIANCE WITH SECTION 414(U) OF THE CODE. Notwithstanding any provision of the Plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with Section 414(u) of the Code effective December 12, 1994 .

IN WITNESS WHEREOF , AMERCO has caused this Plan to be executed and its corporate seal to be hereunto affixed by its duly authorized officers, this ____ day of January 2016.

AMERCO

By: _____
Its: _____

ATTEST:

By: _____
Its: _____

LOAN AGREEMENT BY AND BETWEEN

U-HAUL INTERNATIONAL, INC.

and

THE TRUSTEES OF THE AMERCO EMPLOYEE STOCK OWNERSHIP PLAN

AGREEMENT

LOAN AGREEMENT (the "Agreement") dated as of February 15, 2016 between U-HAUL INTERNATIONAL , INC. and the TRUSTEES.

WHEREAS , the Trustees have requested that U-Haul International loan to them a principal sum of up to Fifteen Million Dollars (\$15,000,000 . 00), the proceeds of which will be used by the Trustees to fund the purchase for the ESOP of shares of stock in its ERISA Affiliate, A MERCO ; and

WHEREAS, U-Haul International is prepared to make such loan upon the terms hereof.

ACCORDINGLY , the parties hereto agree as follows:

Section 1. Definitions and Accounting Matters .

1. Certain Defined Terms. As used herein , the following terms shall have the following meanings (all t erms defined in this Section 1. 1 or in other provisions of this Agreement in the singular to have the same meanings when used in the plural and vice versa):

" Advisory Committee " means the Advisory Committee, constituted pursuant to the ESOP.

" A MERCO " means a Nevada Corporation with its principal office in Reno, Nevada.

" Average Cost of Funds " shall mean the average interest rate paid by A MERCO under all of its long term debt , including long term promissory notes and other evidences of indebtedness issued by A MERCO and outstanding as of the date the Interest Rate is to be calculated . The Average Cost of Funds shall be determined by U-Haul International, provided however, U-Haul International shall supply the Advisory Committee , upon request, with a schedule verifying its calculation of the Average Cost of Funds.

" Bankruptcy Code " shall mean The Bankruptcy Reform Act of 1978 , as heretofore and hereafter amended, and codified as 11 U . S . C. Section 101 et seq.

" Business Day " shall mean any day which is not a Saturday or Sunday and which in Phoenix, Arizona is not a day o n which banking institutions are generally authorized or obligated by law to close.

" Code " means the Internal Revenue Code of 1986, as amended.

" Default " shall mean an event described in Section 8.

" Dollars " and " \$ " shall mean lawful money of the United States of America.

" Eligible Stock " shall mean common capital stock of AMERCO meeting the requirement of Section 409(1) of the Code.

" ERISA " shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time.

" ERISA Affiliate " of any Person means any trade or business (whether or not incorporated) which is a member of a group of which that Person is a member and which is under common control within the meaning of Section 414(b) and 414(c) of the Code or is treated as a single employer under Section 414(m) or 414(o) of the Code .

" ESOP " shall mean the A MERCOCO Employee Stock Ownership Plan , established by A MERCOCO for the benefit of employees of A MERCOCO and designated subsidiaries, as said Plan shall be modified and supplemented and in effect from time to time.

" Interest Rate " shall mean a variable rate of interest equal to the Average Cost of Funds determined as of the date of this Loan Agreement. The Interest Rate, as so determined, shall remain fixed for the following twelve (12) months and thereafter shall be adjusted annually, on each Payment Date to the Average Cost of Funds determined as of the last day of the month immediately preceding such Payment Date.

" Loan " shall mean the loan provided for by Section 2. 1 hereof.

" Loan Documents " means this Agreement, the Note, the Stock Pledge Agreement and any and all other documents, agreements or instruments executed or furnished by the Trustees pursuant to or in connection with any of the foregoing .

" Maturity Date " shall mean June 30, 2026 , unless otherwise extended by the parties.

" Note " shall mean the promissory note of the Trustees payable to the order of U-Haul International in substantially the form of Exhibit "A" hereto and any renewal or extension thereof or replacement therefor.

" Obligation " means all unpaid principal of and accrued and unpaid interest on the Note , all accrued and unpaid fees and any and all other obligations of the ESOP to U Haul International arising under the Loan Documents.

" Payment Date " shall mean the due date for any payment required under the Note , whether by reason of it being a payment required under Section 3 or otherwise.

" Person " shall mean any natural person, corporation, division of a corporation , partnership , trust, joint venture , association , company, estate , unincorporated organization or government or any agency or political subdivision thereof.

" Plan Year " shall mean the Plan Year as defined in the ESOP .

" Payment Dates " shall mean those dates on which payments are due under the Note, but if such day is not a Business Day , then such Payment Date shall be the next succeeding Business Day.

" Stock Pledge Agreement " shall mean a certain agreement between the Trustees and U-Haul International relating to the Eligible Stock to be purchased with the Loan proceeds, and in substantially the form of Exhibit "B."

" Successor " shall mean, for any corporation or banking association, any successor by merger or consolidation or by acquisition of substantially all the assets of the predecessor.

" Trust Agreement " shall mean the Amended and Restated ESOP Trust Agreement dated as of September 11, 2003, as the same shall be modified and supplemented and in effect from time to time.

" Trustees " shall mean Samuel J. Briggs , George R. Olds, and Robert A. Dolan , not in their individual capacities, but solely as trustees under the Trust Agreement, together with their successors in such capacity.

" U-Haul International " means U-Haul International, Inc . , an Arizona corporation, with its principal office at Phoenix , Arizona.

2. Accounting Terms and Definitions . For the purposes hereof, unless the context otherwise requires, all accounting terms not otherwise defined herein shall have the meanings accorded to them under generally accepted accounting principles consistently applied as of the date hereof (except for accounting changes made in response to F ASB releases or other authoritative pronouncement).

Section 2. Loan Commitment .

1. Loan . U-Haul International agrees, on the terms of this Agreement , to loan to the Trustees an aggregate amount not to exceed Fifteen Million Dollars (\$15,000,000.00).

2. Use of Proceeds . The proceeds of the Loan will be used by the Trustees, acting on behalf of the ESOP , to finance the purchase of shares of Eligible Stock. On the date of the Loan , the proceeds of the Loan hereunder shall be deposited to the Trustee's designated account and shall be remitted from such account only for the purpose of (i) using such proceeds to finance the purchase of Eligible Stock as aforesaid or (ii) repaying any prior loan to the ESOP, or (iii) prepaying the Loan to U-Haul International as provided in the last sentence of this Section 2.2, and for no other purpose . To the extent that the Trustees do not purchase shares of stock of A MERCOCORP or repay any prior loan as contemplated above within a reasonable period of time , the Trustees shall repay the Loan.

3. Note . The Loan made by U-Haul International shall be evidenced by a promissory note of the Trustees in substantially the form of Exhibit "A" hereto (the "Note"),

dated the date of the delivery of such Note to U-Haul International under this Agreement, payable to the order of U-Haul International in a principal amount equal to the aggregate principal amount advanced by U-Haul International pursuant to Section 2.1 and otherwise duly completed.

Section 3. Payments of Principal and Interest.

1. Repayment of Loan. The Trustees will pay U-Haul International the principal and interest of the Loan in accordance with the terms hereof and of the Note.

2. Limitation on Payment Under the Loan. Notwithstanding anything contained herein to the contrary, the total amounts payable by the Trustees on any Payment Date (including principal and interest) shall not exceed the lesser of:

A. The amounts due and payable under this Agreement on the Payment Date; or

B. An amount equal to the sum of all contributions (other than contributions of Eligible Stock) by A MERCO (or any of its ERISA Affiliates) to the Trustees during, or prior to the Plan Year (but not including contributions made prior to the date hereof) in which the Payment Date falls (including the earnings thereon and dividend paid on Eligible Stock held pursuant to this Agreement) reduced by payments made by the Trustees on the Loan (and any other loan to the ESOP Trustees) during all prior Plan Years.

Any Obligations not paid to U-Haul International as a result of the limitation set forth in this Section 3.2, may be accumulated and paid on the next succeeding Payment Date in which the limitations under this paragraph do not apply. Notwithstanding the limitations contained in this Section 3.2, U-Haul International shall be free to pursue any remedy available to it under the Loan Documents as a result of the Trustees' inability to make any payment required under the Loan Documents on a Payment Date, including, but not limited to, its right to accelerate (to the extent such rights exist) the Loan and cause a sale of the Eligible Stock pursuant to the Stock Pledge Agreement.

Section 4. Payments: Pro Rata Treatment: Computations: Etc.

1. Payments.

A. Except to the extent otherwise provided herein, all payments of principal, interest and other amounts to be made by the Trustees under this Agreement and the Note shall be made in Dollars, in immediately available funds, without deduction, set-off or counterclaim, to U-Haul International, not later than 10:00 a.m., Phoenix, Arizona time on the date on which such payment shall become due (each such payment made after such time on such due date to be deemed to have been made on the next succeeding Business Day).

B. If the due date of any payment under this Agreement or the Note would otherwise fall on a day which is not a Business Day such date shall be extended to the next

succeeding Business Day and interest shall be payable for any principal so extended for the period of such extension.

2. Application of Payments. Any payment made by the Trustees shall be applied, first, against fees, expenses and indemnities due under this Agreement; second, against interest due on amounts in default, if any; third, against interest due on amounts not in default; and fourth, against principal.

3. Computations. Interest on the Loan shall be computed on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed (including the first day but excluding the last day) occurring in the period for which payable.

4. Prepayment. The Trustees are authorized to make prepayments hereunder without penalty.

Section 5. Previous Borrowings.

5.01 Application of this Agreement. U-Haul International and the Trustees hereby acknowledge and agree that the Loan Documents apply only to the advance made by U-Haul International to the ESOP in connection with this Agreement.

Section 6. Conditions Precedent.

1. Advance of Loan. The obligation of U-Haul International to make the Loan is subject to its receipt of all the following, each satisfactory to U-Haul International in form and substance:

- A. The Note, duly executed and delivered.
- B. Delivery and execution of the Stock Pledge Agreement.
- C. Such other documents as U-Haul International or its counsel may reasonably request.
- D. The representations of the Trustees contained in Section 7 hereof shall be true on and as of the date of the Loan.

E. If requested by U-Haul International, U-Haul International shall have received the certificate of the Trustees or their duly authorized representative stating that the proceeds of the Loan will be used exclusively to purchase a specified number of shares of Eligible Stock at a specified price per share, which shall be not more than its fair market value, and that the Eligible Stock acquired meets the definition of Section 409(1) of the Code.

F. U-Haul International shall have received such other statements, opinions, certificates, documents and information as it may reasonably request with respect to the matters contemplated by this Agreement.

Section 7. Representations and Warranties of the ESOP and the Trustees . In order to induce U-Haul International to enter into this Agreement and to make the Loan, the ESOP and the Trustees (in their capacity as such, and not individually) represent and warrant to U-Haul International that the following statements are true, correct and complete:

A. The proceeds of the Loan shall be used by the Trustees and ESOP, within a reasonable time after their receipt of such proceeds, only to acquire the Eligible Stock or to repay the Loan or any prior loan to the ESOP, as provided in Section 2.2;

B. The Trustees and ESOP have the power to acquire the Eligible Stock;

C. The Trustees and ESOP are under no legal constraints prohibiting, or in any way restricting, their ability to execute this Agreement and perform all of the obligations pursuant thereto.

D. The ESOP is in full force and effect, has not have been terminated, and the Internal Revenue Service has not withdrawn its determination letter dated September 24, 2013, or otherwise indicated that the ESOP fails to satisfy the requirements applicable to a qualified plan under Section 401(a) of the Code or to constitute an "employee stock ownership plan" as defined in Section 4975(e)(7) of the Code and Section 407(d)(6) of ERISA and the regulations thereunder.

E. The Trustees have determined that incurring this indebtedness is in the best interests of the ESOP and the ESOP's participants and beneficiaries and that the interest rate for the Loan is reasonable and the ESOP complies with the applicable requirements of the Code and ERISA and have determined to enter into this Agreement.

Section 8. Default

1. Default Defined. A Default shall have occurred if the Trustees shall fail to pay for a period of ten (10) days after the date when due any amount of principal or interest on the Loan or any other amount payable under this Agreement or the Note.

2. Preservation of Rights. No delay or omission of U-Haul International to exercise any right under the Loan Documents shall impair such right or be construed to be a waiver of any Default or an acquiescence therein. Any single or partial exercise of any such right shall not preclude other or further exercise thereof or the exercise of any other right, and no waiver, amendment or other variation of the terms, conditions or provisions of the Loan Documents whatsoever shall be valid unless in writing and signed by U-Haul International and then only to the extent in such writing specifically set forth. All remedies contained in the Loan Documents or by law afforded shall be cumulative and all shall be available to U-Haul International until the Obligations have been paid in full.

3. Limitation on Default. Notwithstanding anything contained in this Agreement, the Stock Pledge Agreement or the Note, to the contrary, in the event of a Default, the value of

plan assets in the ESOP transferred in satisfaction of the Loan shall not exceed the amount of the Default.

Section 9. Collateral for Loan.

1. Collateral. To secure complete repayment of the Loan, the ESOP shall pledge the Eligible Stock (acquired at the time the Loan is made), as security, pursuant to the Stock Pledge Agreement. The terms of the pledge and the manner in which the Eligible Stock will be released from such encumbrance, shall be substantially as set forth in the Stock Pledge Agreement.

2. Nonrecourse Nature of Loan. U-Haul International agrees that the Loan made to the Trustees under this Agreement shall be without recourse to the ESOP and the Trustees, and U-Haul International shall look solely to the Eligible Stock (and all earnings thereon), and the contributions made to the ESOP to meet its obligations under the Loan for repayment of the Loan in the case of a Default.

Section 10. Miscellaneous.

1. No Waiver: Remedies Cumulative. No failure by U-Haul International to exercise or delay in exercising any right, power, or remedy under this Agreement or the Note shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power, or remedy preclude any other or further exercise thereof, or the exercise of any other right, power, or remedy. The exercise of any right, power, or remedy shall in no event constitute a cure or waiver of any Default nor prejudice the right of U-Haul International in the exercise of any right hereunder or under the Note, unless in the exercise of such right, all obligations of the Trustees under this Agreement and the Note are paid in full. The rights and remedies provided herein and in the Note are cumulative and not exclusive of any right or remedy provided by law.

2. Governing Law. This Agreement and the Notes shall be governed by and construed in accordance with the laws of the State of Arizona (excluding its conflict of laws rules).

3. Consent to Jurisdiction. The Trustees hereby irrevocably submit to the jurisdiction of any state or federal court sitting in Phoenix, Arizona, in any action or proceeding brought to enforce or otherwise arising out of or relating to this Agreement or the Note and irrevocably waive to the fullest extent permitted by law any objection which they may now or hereafter have for the laying of venue in any such action or proceeding in any such forum, and hereby further irrevocably waive any claim that any such forum is an inconvenient forum. The Trustees agree that a final judgment in any such action or proceeding shall be conclusive and may be enforced in any other jurisdiction by suit on the judgment or in any other manner provided by law. Nothing here in shall impair the right of U-Haul International to bring any action or proceeding against the Trustees or the property of the ESOP in any other jurisdiction.

4. Notices. All notices and other communications provided for in this Agreement shall be in writing or (unless otherwise specified) by telex , telegram, or telephonic facsimile transmission and shall be mailed (with airmail postage prepaid) or sent by air courier (with air freight prepaid) or delivered to each party at the address set forth under its name on the signature page hereof , or at such other address as shall be designated by such party in a written notice to the other party. Except as otherwise specified, all notices and communications if duly given or made shall be effective upon receipt.

5. Successors and Assigns; Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective Successors and assigns , except that the Trustees may not assign or otherwise transfer all or any part of its rights or obligations hereunder without the prior written consent of U-Haul International, and any such assignment or transfer purported to be made without such consent shall be ineffective.

6. Severability. Any provision of this Agreement or the Note which is prohibited or unenforceable in any jurisdiction shall as to such jurisdiction be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction. To the extent permitted by applicable law , the parties waive any provision of law which renders any provision hereof prohibited or unenforceable in any respect.

7. Entire Agreement; Amendment. This Agreement comprises the entire agreement of the parties with respect to the transactions contemplated hereby and may not be amended or modified except by written agreement of U-Haul International and the Trustees. No provision of this Agreement or the Note may be waived except in writing and then only in the specific instance and for the specific purpose for which given.

8. Headings. The headings of the various provisions of this Agreement are for convenience of reference only and do not constitute a part hereof and shall not affect the meaning or construction of any provision hereof.

Remainder of page intentionally left blank. Signature pages to follow.

IN WITNESS WHEREOF , the parties hereto have caused this Agreement to be executed by their respective officers hereunto duly authorized as of the date first above written.

U-HAUL INTERANTIONAL, INC.

By: _____
John C. Taylor
Title: President

Notice Address:

2727 North Central Avenue
Phoenix, Arizona 85004

AMERCO EMPLOYEE STOCK
OWNERSHIP TRUST

By: _____
Samuel J. Briggs
Title: ESOP Trustee

By: _____
George R. Olds
Title: ESOP Trustee

By: _____
Robert A. D olan
Title: ESOP Trustee

Notice Address for all ESOT Trustees:

2727 North Central Avenue
Phoenix, Arizona 85004
Attention: Advisory Committee

Exhibit "A"

NOTE

\$15,000,000.00 February 15, 2016

FOR VALUE RECEIVED, the AMERCO Employee Stock Ownership Plan (the "Borrower"), promises to pay to the order of U-Haul International, Inc., an Arizona corporation ("Lender"), the unpaid amount of all sums that have been advanced to or for the benefit of the Borrower which amount shall not exceed the principal sum of Fifteen Million and 00/100 Dollars (\$15,000,000.00) or, if less, the aggregate unpaid principal amount due hereunder as shown on the records of the Lender which shall be memorialized by Lender on Schedule "1" attached hereto. The Note shall be paid in accordance with the terms of a loan agreement dated on even date herewith (the "Loan Agreement"), together with interest on the outstanding principal balance from the date of this Note in accordance with the terms of this Note. This Note is secured by shares pledged pursuant to a stock pledge agreement (the "Pledge Agreement") (the Loan Agreement, the Note and the Pledge Agreement hereinafter referred to collectively as the "Loan Documents").

Payment Terms

Interest shall be calculated on the basis of 365 or 366 days, as the case may be, computed from the date of this Note as follows:

The rate of interest shall be a variable rate of interest equal to the Average Cost of Funds, as defined in the Loan Agreement, determined as of the date of this Note (the "Interest Rate"). The Interest Rate, as so determined, shall remain fixed for the following twelve (12) months and thereafter shall be adjusted annually, on each Payment Date, as defined below, to the Average Cost of Funds determined as of the last day of the month immediately preceding such Payment Date.

Payments of principal and interest shall be as follows:

The Borrower shall pay all accrued and unpaid interest on the principal balance of this Note at the Interest Rate on the 30th day of June, 2017 (the "First Payment Date"), and on the 30th day of June, every year thereafter (each June 30th being a "Payment Date"), until the Maturity Date as defined in the Loan Agreement, when all accrued and unpaid interest must be paid in full. Principal repayments shall begin on the First Payment Date and shall continue on each Payment Date thereafter until the Maturity Date, when the full balance of the principal remaining unpaid shall be due and payable. Principal payments on each of said Payment Dates shall be a portion of the then outstanding principal balance due on said Payment Date, calculated by multiplying the outstanding principal balance on said Payment Date by a fraction, the numerator of which is one (1) and the denominator of which is the number of years remaining until the Maturity Date of the Note. Specifically, principal payments shall be made as follows:

<u>Payment Date</u>	<u>Years Remaining to Maturity Date</u>	<u>Portion of Outstanding Principal Due</u>
June 30, 2017	10	1/10
June 30, 2018	9	1/9
June 30, 2019	8	1/8
June 30, 2020	7	1/7
June 30, 2021	6	1/6
June 30, 2022	5	1/5
June 30, 2023	4	1/4
June 30, 2024	3	1/3
June 30, 2025	2	1/2
June 30, 2026 (Maturity Date)	1	1/1 (entire balance due)

Borrower may prepay all or part of the principal balance of this Note at any time without premium or penalty. In the event of prepayment by Borrower of all or any portion of the principal balance of this Note, all prepayments shall be applied to the reduction and payment of principal in the inverse order of maturity.

The sums due and payable under this Note are payable to Lender at 2727 North Central Avenue, Phoenix, Arizona 85004 or at such other place as Lender, its successors or assigns, may designate from time to time in writing.

Notwithstanding anything contained in this Note or in the Loan Documents to the contrary, Lender agrees that this Loan is without recourse to the Borrower, and Lender shall look solely to the Eligible Stock (and all earnings thereon) pledged pursuant to the Pledge Agreement, to meet the obligations for repayment of the Note, as may be limited by the Loan Documents.

In the event of any default, the failure of the holder of this Note to exercise promptly any of its rights shall not constitute a waiver of those rights while that default continues, nor a waiver of those rights in connection with any future default on the part of the undersigned.

If any action or proceeding is brought by the Lender under this Note or if the Lender appears in any action or proceeding in any way connected with this Note, or if the Lender retains counsel to protect its rights under this Note, then the Borrower shall pay to the Lender the attorney's fees and disbursements incurred by Lender.

This Note and liability of all parties hereunder shall be governed by the laws of Arizona, where this Note has been delivered for value.

This Note may not be changed or terminated orally.

AMERCO EMPLOYEE STOCK OWNERSHIP PLAN

By: _____
Samuel J. Briggs, Trustee

By: _____
George R. Olds, Trustee

By: _____
Robert A. Dolan, Trustee

Exhibit "B"

STOCK PLEDGE AGREEMENT

AGREEMENT made as of the 15th day of February , 2016 , by and among **U-HAUL INTERNATIONAL, INC.** , an Arizona corporation, and **THE TRUSTEES OF THE AMERCO EMPLOYEE STOCK OWNERSHIP TRUST** .

WITNESSETH :

WHEREAS , U-Haul International , Inc. has agreed to loan to the Trustees an amount not to exceed Fifteen Million Dollars (\$15,000 , 000.00) pursuant to the terms of a certain Loan Agreement dated even date herewith; and

WHEREAS , the proceeds of the Loan made by U-Haul International, Inc. to the Trustees under the Loan Agreement are to be used by the Trustees to purchase common shares of stock in AMERCO , a Nevada corporation ; and

WHEREAS , to secure complete repayment of the Loan by the Trustees, the Trustees have agreed to pledge, as collateral, all of the AMERCO common shares purchased with the proceeds of the Loan.

NOW, THEREFORE , in consideration of ONE DOLLAR (\$1.00) AND OTHER VALUABLE CONSIDERATION each to the other given, and of the mutual covenants and promises contained herein , it is agreed as follows:

1. **DEFINITIONS**. As used in this Agreement , unless a clear contrary intention appears:

- A. " Accounting Date " shall mean the Accounting Date as defined in the Plan.
- B. " Agreement" shall mean this Stock Pledge Agreement.
- C. " AMERCO " shall mean AMERCO, a Nevada corporation with its principal place of business at Reno , Nevada.
- D. "Default" shall mean the Default as defined under Section 8 of the Loan Agreement.
- E. "ESOP Account" shall mean the ESOP Account as defined in the Plan.
- F. " Interest Rate " shall mean the Interest Rate, as that term is defined in the Loan Agreement.
- G. " Loan" shall mean the Loan , as that term is defined in the Loan Agreement.

H. "Loan Agreement" shall mean the Agreement dated February 15, 2016 between U-Haul and the Trustees.

I. "Loan Suspense Account " shall mean the Loan Suspense Account as referred to in the Plan.

J. "Note" shall mean the Note as that term is defined in the Loan Agreement

K. " Participant" shall mean a Participant as defined in the Plan.

L. " Plan" shall mean the AMERCO Employee Stock Ownership Plan .

M. " Plan Year" shall mean the Plan Year as defined in the Plan.

N. " Pledged Shares" shall mean all AMERCO common shares purchased with the proceeds of the Loan, and which are from time to time pledged hereunder.

O. "T rust " sha ll mean the Amended and Restated AMERCO Employee Stock Ownership Trust.

P. "Trustees" shall mean Samuel J. Briggs , George R. Olds, and Robert A. Dolan , a nd / or such persons who are properly serving in the capacity of Trustee (as that term is defined in the Plan).

Q. "U -Haul " shall mean U-Haul International , Inc. , an Arizona corporation with principal offices at Phoenix, Arizona .

2. **PLEDGE OF SHARES**. The Trustees hereby grant a security interest to U- Haul in all of the Pledged Shares.

3. **DIVIDENDS ON PLEDGED SHARES** . As long as a Default has not occurred and is continuing, all dividends due at such time on the Pledged Shares shall be the property of the Plan.

4. **STOCK POW ER** . Simultaneously upon the execution of this Agreement, the Trustees shall execute a stock power for the Pledged Shares, in blank to be used by U-Haul in the event a Default occurs. U-Haul shall return the stock power to the Trustees immediately after all Pledged Shares are released from encumbrance.

5. **VOTING RIGHTS OF PLEDGED SHARES** . During the term of this pledge , and so long as a Default has not occurred, the Trustees shall have the right to vote the Pledged Shares, in accordance with the term s set forth in the Plan and Trust , as amended and may hereafter be amended, from time to time.

6. **ADJUSTMENTS.** In the event that during the term of this pledge, any stock dividend, reclassification, readjustment or other change is declared or made in the capital structure of AMERCO, all new, substituted and additional shares, or other securities issued by reason of any such change shall be held under the terms of this Agreement in the same manner as the Pledged Shares originally pledged hereunder.

7. **WARRANTS AND RIGHTS.** In the event that during the term of this Agreement, subscription warrants or any other rights or options shall be issued in connection with the Pledged Shares, such warrants, rights and options shall be immediately assigned by to the Trustees.

8. **RELEASE OF PLEDGED SHARES AS COLLATERAL.** As payments are made by the Trustees on the Loan, the Pledged Shares shall be released from the encumbrance caused by this Agreement (as well as from the Loan Suspense Account for allocation to the ESOP Accounts of Participants) during each Plan Year based on the following formula:

A. On each Accounting Date while the Loan is outstanding, the number of the Pledged Shares which shall be released from the encumbrance created by this Agreement shall equal the number of Pledged Shares held as of the last day of the calendar month immediately preceding the Payment Date, multiplied by the Applicable Fraction.

B. The "Applicable Fraction" is a fraction the numerator of which is the amount of principal of the Loan paid by the Plan to U-Haul during the Plan Year, and the denominator of which is the sum of the numerator plus the principal to be paid by the Trustees throughout the remainder of the term of the Loan, without taking into account any possible extensions or renewals thereof.

Notwithstanding anything contained herein to the contrary, the Pledged Shares shall be released from the encumbrance created by this Agreement in accordance with Department of Labor Regulation Section 2550.408b-3(h).

9. **SALE OF PLEDGED SHARES.**

A. In the event of a Default, U-Haul shall then have the right to (1) collect, receive and realize upon the Pledged Shares, including any dividends, earnings or distributions thereon, or any part thereof; (2) transfer and register the Pledged Shares into U-Haul (or its assignee's) name or the names of their nominee or nominees; (3) vote the Pledged Shares (whether or not transferred or registered into the name of U-Haul) and give all consents, waivers and ratifications in respect thereof and otherwise act with respect to the Pledged Shares as though the Company (or its assignees) were the outright owner thereof; (4) sell the Pledged Shares at public sale upon not less than ten (10) days prior written notice to the Plan and the Trustees; and (5) exercise any and all remedies available to U-Haul as a secured creditor under the Arizona Uniform Commercial Code as then in effect. Notwithstanding the foregoing, the fair market value of the Pledged Shares or earnings thereon to be so applied in satisfaction of such Note shall not exceed the amount of principal then in default under such

Note (without acceleration), and such Pledged Shares shall be transferred only upon and to the extent of the failure of the ESOP to make timely payments as required under the Note.

B. If the Pledged Shares are sold at a public sale, the Trustees, on behalf of the Plan, shall have the right to purchase, at public sale, the whole of, or any part of, the Pledged Shares.

C. The proceeds from the sale of the Pledged Shares shall be applied as follows:

1. First to the cost and expenses incurred in connection therewith or incidental thereto, including reasonable attorney fees and legal expenses;
2. Second, to the satisfaction of the balance due U-Haul under the Loan;
3. Third, to the payment of any amounts required by applicable law, including without limitation Section 9-504(1)(c) of the Uniform Commercial Code;
4. Fourth, to the Trustees to the extent of any surplus proceeds.

Provided however, notwithstanding anything else herein to the contrary: (1) the value of the Pledged Shares being sold pursuant to this Agreement in satisfaction of the money due as a result of a Default, may not exceed the amount of such Default; (2) the Pledged Shares shall only be sold by U-Haul as a result of a Default and only to the extent of the Plan's failure to meet the scheduled payment obligation under the Loan; and (3) all rights to the Pledged Shares shall be limited as provided in the Loan Agreement.

10. **MISCELLANEOUS.**

A. All notices required or contemplated by this Agreement shall be in writing and shall be deemed to have been duly given on the date of service is served personally on the party to whom notice is to be given, or on the first business day after mailing if mailed to the address set forth below of the party to whom notice is to be given by first class mail, postage prepaid, registered or certified, return receipt requested:

TO: U-Haul
2727 North Central Avenue Phoenix, Arizona 85004

TO : ESOT Trustees
c / o U-Haul International
2727 North Central Avenue
Phoenix, Arizona 85004
Attn: Sam Briggs

B. This Agreement shall be binding on and inure to the benefit of the parties and their respective successors and assigns.

C. As used in this Agreement, the singular number shall include the plural, the plural the singular, and the use of one gender shall be deemed applicable to all genders. This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona.

D. This Agreement may be executed in two or more counterparts, all of which taken together shall constitute one agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

U-HAUL INTERNATIONAL, INC.

_____ By: _____
Jennifer Settles, Secretary Name: John C. Taylor
Title: President

TRUSTEES

Samuel J. Briggs

George R. Olds

Robert A. Dolan

AMERCO (Nevada)
Consolidated Subsidiaries

Patriot Truck Leasing, LLC	NV
P icacho Peak Investments Co.	NV
ARCOA Risk Retention Group, Inc.	NV
Repwest Insurance Company	AZ
Republic Claims Service Company	AZ
Ponderosa Insurance Agency, LLC	AZ
RWIC Investments, Inc.	AZ
Oxford Life Insurance Company	AZ
Oxford Life Insurance Agency, Inc.	AZ
North American Insurance Company	WI
Christian Fidelity Life Insurance Company	TX
Amerco Real Estate Company	NV
Amerco Real Estate Company of Alabama, Inc.	AL
Amerco Real Estate Company of Texas, Inc.	TX
Amerco Real Estate Services, Inc.	NV
AREC 905, LLC	DE
Rainbow-Queen Properties, LLC	AZ
One PAC Company	NV
Two PAC Company	NV
Three PAC Company	NV
Four PAC Company	NV
Five PAC Company	NV
Six PAC Company	NV
Seven PAC Company	NV
Eight PAC Company	NV
Nine PAC Company	NV
Ten PAC Company	NV
Eleven PAC Company	NV
Twelve PAC Company	NV
Sixteen PAC Company	NV
Seventeen PAC Company	NV
Eighteen PAC Company	NV
Nineteen PAC Company	NV
Twenty PAC Company	NV
Twenty-One PAC Company	NV
Nationwide Commercial Co.	AZ
PF&F Holdings Corporation	DE
Fourteen PAC Company	NV
Fifteen PAC Company	NV
AREC Holdings, LLC	DE
AREC 1, LLC	DE

AREC 2, LLC	DE
AREC 3, LLC	DE
AREC 4, LLC	DE
AREC 5, LLC	DE
AREC 6, LLC	DE
AREC 7, LLC	DE
AREC 8, LLC	DE
AREC 9, LLC	DE
AREC 10, LLC	DE
AREC 11, LLC	DE
AREC 12, LLC	DE
AREC 13, LLC	DE
AREC 14, LLC	NV
AREC 15, LLC	NV
AREC 17, LLC	NV
AREC 19, LLC	NV
AREC 20, LLC	NV
AREC 21, LLC	NV
AREC 22, LLC	DE
AREC 2018, LLC	NV
AREC RW, LLC	DE
8 Oregon, LLC	NV
41 Haig, LLC	NV
53 Roanoke, LLC	NV
Ariel, Inc	AZ
74-5583 Pawai, LLC	NV
106 W Avenue D, LLC	NV
125 Beechwood, LLC	NV
344 Erie, LLC	NV
365 Cherry, LLC	NV
370 Orange Street, LLC	NV
380 Union, LLC	NV
407 Park, LLC	NV
500 Cermack, LLC	NV
560 Waterbury, LLC	NV
1000 13th, LLC	NV
1020 Randolph, LLC	NV
1315 3rd, LLC	NV
2160 Erie, LLC	NV
3001 Boxmeer, LLC	NV
3179 Harrison, LLC	NV
3400 MacArthur, LLC	NV
3463 Billie Hext, LLC	NV
3700 Bigelow, LLC	NV
4011 Stockton Hill, LLC	NV
4710 Northpark, LLC	NV
5655 Whipple LLC	NV
8250 Hwy 99, LLC	NV

8525 Oso Blanca, LLC	NV
11700 Capitol , LLC	NV
19525 Water, LLC	NV
McGee Masonry, Inc	MD
Germanown Mini Storage, LLC	MD
Foster 81st, LLC	DE
West 16th, LLC	NV
West 136, LLC	DE

U-Haul International, Inc. NV

United States:

A & M Associates, Inc	AZ
Web Team Associates, Inc.	NV
EMove, Inc.	NV
U-Haul Business Consultants, Inc	AZ
U-Haul Leasing & Sales Co.	NV
RTAC, LLC	NV
U-Haul R Fleet, LLC	NV
2010 BE-BP-2, LLC	NV
2010 U-Haul S Fleet, LLC	NV
2010 TM-1, LLC	NV
2010 TT-1, LLC	NV
2010 DC-1, LLC	NV
2013 U-Haul R Fleet, LLC	NV
2013 BP, LLC	NV
2013 U-Haul R Fleet 2, LLC	NV
2013 BOA-BE, LLC	NV
20 13 U-Haul R Fleet 3 , LLC	NV
2013 NYCB -BE, LLC	NV
U-Box, LLC	NV
U-Haul Moving Partners, Inc.	NV
U-Haul Self-Storage Corporation	NV
U-Haul Self-Storage Management (WPC), Inc.	NV
U-Haul Co. of Alabama, Inc.	AL
U-Haul Co. of Alaska	AK
U-Haul Co. of Arizona	AZ
Boxman Rentals, LLC	NV
U-Haul Titling, LLC	NV
2010 U-Haul Titling 2, LLC	NV
2010 U-Haul Titling 3, LLC	NV
2013 U-Haul Titling 1, LLC	NV
2013 U-Haul Titling 2, LLC	NV
2013 U-Haul Titling 3, LLC	NV
CGAF Holdings, LLC	NV
Casa Grande Alternative Fuel Co., LLC	NV
U-Haul Co. of Arkansas	AR
U-Haul Co. of California	CA
U-Haul Co. of Colorado	CO
U-Haul Co. of Connecticut	CT
U-Haul Co. of District of Columbia, Inc.	DC

U-Haul Co. of Florida	FL
U-Haul Co. of Florida 2, LLC	DE
U-Haul Co. of Florida 3, LLC	DE
U-Haul Co. of Florida 4, LLC	DE
U-Haul Co. of Florida 5, LLC	DE
U-Haul Co. of Florida 8 , LLC	DE
U-Haul Co. of Florida 9 , LLC	DE
U-Haul Co. of Florida 10 , LLC	DE
U-Haul Co. of Florida 905, LLC	DE
U-Haul Co. of Florida 14, LLC	NV
U-Haul Co. of Florida 15, LLC	NV
U-Haul Co. of Florida 19, LLC	NV
U-Haul Co. of Florida 21, LLC	NV
U-Haul Co. of Georgia	GA
U-Haul of Hawaii, Inc.	HI
U-Haul Co. of Idaho, Inc.	ID
U-Haul Co. of Illinois, Inc.	IL
U-Haul Co. of Indiana, Inc.	IN
U-Haul Co. of Iowa, Inc.	IA
U-Haul Co. of Kansas, Inc.	KS
U-Haul Co. of Kentucky	KY
U-Haul Co. of Louisiana	LA
U-Haul Co. of Maine, Inc.	ME
U-Haul Co. of Maryland, Inc.	MD
U-Haul Co. of Massachusetts and Ohio, Inc.	MA
Collegeboxes, LLC	MA
U-Haul Co. of Michigan	MI
U-Haul Co. of Minnesota	MN
U-Haul Co. of Mississippi	MS
U-Haul Company of Missouri	MO
U-Haul Co. of Montana, Inc.	MT
U-Haul Co. of Nebraska	NE
U-Haul Co. of Nevada, Inc.	NV
U-Haul Co. of New Hampshire, Inc.	NH
U-Haul Co. of New Jersey, Inc.	NJ
U-Haul Co. of New Mexico, Inc.	NM
U-Haul Co. of New York and Vermont, Inc.	NY
U-Haul Co. of North Carolina	NC
U-Haul Co. of North Dakota	ND
U-Haul Co. of Oklahoma, Inc.	OK
U-Haul Co. of Oregon	OR
U-Haul Co. of Pennsylvania	PA
U-Haul Co. of Rhode Island	RI
U-Haul Co. of South Carolina, Inc.	SC
U-Haul Co. of South Dakota, Inc.	SD
U-Haul Co. of Tennessee	TN
U-Haul Co. of Texas	TX
U-Haul Co. of Utah, Inc.	UT
U-Haul Co. of Virginia	VA
U-Haul Co. of Washington	WA
U-Haul Co. of West Virginia	WV

U-Haul Co. of Wisconsin, Inc.	WI
U-Haul Co. of Wyoming, Inc.	WY
UHIL Holdings, LLC	DE
UHIL 1, LLC	DE
UHIL 2, LLC	DE
UHIL 3, LLC	DE
UHIL 4, LLC	DE
UHIL 5, LLC	DE
UHIL 6, LLC	DE
UHIL 7, LLC	DE
UHIL 8, LLC	DE
UHIL 9, LLC	DE
UHIL 10, LLC	DE
UHIL 11, LLC	DE
UHIL 12, LLC	DE
UHIL 13, LLC	DE
UHIL 14, LLC	NV
UHIL 15, LLC	NV
UHIL 16, LLC	NV
UHIL 19, LLC	NV
UHIL 20, LLC	NV
UHIL 21, LLC	NV
UHIL 22, LLC	DE
UHIL RW, LLC	DE

Canada:

U-Haul Co. (Canada) Ltd. U-Haul Co. (Canada) Ltee	ON
U-Haul Inspections, Ltd.	BC
239 Station (Canada), Ltd.	ON
900 Water (Canada), Ltd.	ON
2100 Norman (Canada), Ltd.	QC
4605 Kent (Canada), Ltd.	ON
9082 Tecumseh (Canada), Ltd.	ON
1508 Walker (Canada), Ltd.	ON

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

AMERCO
Reno, Nevada

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 33-56571 and 333-193427) of AMERCO and consolidated subsidiaries (the "Company") of our reports dated May 25, 2016, relating to the consolidated financial statements and financial statement schedules, and the effectiveness of the Company's internal control over financial reporting, which appear in this Form 10-K.

/s/ BDO USA, LLP

Phoenix, Arizona
May 25, 2016

Rule 13a-14(a)/15d-14(a) Certification

I, Edward J. Shoen, certify that:

1. I have reviewed this annual report on Form 10-K of AMERCO (the "Registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - A. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - B. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - C. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - D. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

/s/ Edward J. Shoen

Edward J. Shoen
 President and Chairman of the
 Board of AMERCO

Date: May 25, 2016

Rule 13a-14(a)/15d-14(a) Certification

I, Jason A. Berg, certify that:

1. I have reviewed this annual report on Form 10-K of AMERCO (the "Registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

/s/ Jason A. Berg

Jason A. Berg
Principal Financial Officer and
Chief Accounting Officer of AMERCO

Date: May 25, 2016

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Form 10-K for the year ended March 31, 2016 of AMERCO (the "Company"), as filed with the Securities and Exchange Commission on May 25, 2016 (the "Report"), I, Edward J. Shoen, President and Chairman of the Board of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Edward J. Shoen

Edward J. Shoen
President and Chairman of the
Board of AMERCO

Date: May 25, 2016

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Form 10-K for the year ended March 31, 2016 of AMERCO (the "Company"), as filed with the Securities and Exchange Commission on May 25, 2016 (the "Report"), I, Jason A. Berg, Chief Accounting Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- 1)The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and
- 2)The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Jason A. Berg

Jason A. Berg
Principal Financial Officer and
Chief Accounting Officer of AMERCO

Date: May 25, 2016