U-HAUL HOLDING CO /NV/

FORM 10-K
(Annual Report)

Filed 05/30/18 for the Period Ending 03/31/18

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Telephone	7756886300
CIK	0000004457
Symbol	UHAL
SIC Code	7510 - Services-Auto Rental and Leasing (No Drivers)
Industry	Ground Freight & Logistics
Sector	Industrials
Fiscal Year	03/31

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

Form 10-K

(Mark One)
[X]ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the fiscal year ended March 31, 2018

or

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

For the transition period from _____ to _____

Commission File Number	Registrant, State of Incorporation Address and Telephone Number	I.R.S. Employer Identification No.
1-11255	**AMERCO** (A Nevada Corporation) 5555 Kietzke Lane, Ste. 100 Reno, Nevada 89511 Telephone (775) 688-6300	88-0106815

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

Title of each class	Name of each exchange on which registered
Common stock, $0.25 par value	NASDAQ Global Select 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 [X] 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 [X]

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 [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, 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 [X] 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, smaller reporting company or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer [X] Accelerated filer [ ]

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

Emerging growth company [ ]

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. [ ]

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

The aggregate market value of AMERCO common stock held by non-affiliates on September 29, 2017 was $2,624,776,498. 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 because 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 25, 2018.

Documents incorporated by reference: portions of AMERCO’s definitive proxy statement for the 2018 annual meeting of stockholders, to be filed within 120 days after AMERCO’s fiscal year ended March 31, 2018, 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 terms "AMERCO," "Company," "we," "us," or "our" refer 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 1,790 Company operated retail moving stores and approximately 20,000 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 ® websites.

We believe U-Haul ® is the most convenient supplier of products and services addressing the needs of the United States and Canada's "do-it-yourself" moving and storage markets. 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 website, 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, proxy statements related to meetings of our 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 website as a means of disclosing material information and for complying with our disclosure obligations under Regulation FD. All such filings on our website 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, 2018, our rental fleet consisted of approximately 161,000 trucks, 118,000 trailers and 42,000 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 Deck SM , 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 Suspension SM 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 Attic ® .

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, 2018, we operate 1,519 self-storage locations in the United States and Canada, with nearly 632,000 rentable storage rooms comprising 55.2 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 moving and 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 website, 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 in the United States and Canada to assist our customers in packing, loading, unloading, cleaning and performing other services.

Through the U-Haul Storage Affiliates ® program, independent storage businesses can join one of the world's largest self-storage reservation systems. 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 numerous trademarks and service marks that contribute to the identity and recognition of our Company and its products and services. Certain of these marks are integral to the conduct of our business, a loss of any of which could have a material adverse affect on our business. We consider the trademark "U-Haul ® " to be of material importance to our business in addition, but not limited to, the U.S. trademarks and service marks "AMERCO ® ", "eMove ® ", "Gentle Ride Suspension SM ", "In-Town ® ", "Lowest Decks SM ", "Moving made Easier ® ", "Make Moving Easier ® ", "Mom's Attic ® ", "Moving Help ® ", "Moving Helper ® ", "Safemove ® ", "Safemove Plus ® ", "Safestor ® ", "Safestor Mobile ® ", "Safetow ® ", "U-Box ® ", "uhaul.com ® ", "U-Haul Investors Club ® ", "U-Haul Truck Share ® ", "U-Haul Truck Share 24/7 ® " "U-Note ® ", "WebSelfStorage ® ", among others, for use in connection with the moving and storage business. Additionally, applications to register the U-Haul Smart Mobility Center SM trademarks are pending in the U.S. Patent and Trademark Office.

Description of Operating Segments

AMERCO's three reportable segments are:

- Moving and Storage, comprised of AMERCO ® , U-Haul ® , and Amerco Real Estate Company ("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 91.3%, 90.8% and 91.0% of consolidated net revenue in fiscal 2018, 2017 and 2016, respectively.

During fiscal 2018, we placed over 34,000 new trucks in service. These additions and replacements to the fleet were a combination of U-Haul ® manufactured vehicles and purchases. As new trucks are added to the fleet, we typically remove older trucks from the fleet. The total number of rental trucks in the fleet increased during fiscal 2018 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 1,790 Company operated stores and approximately 20,000 independent dealers. Utilizing its proprietary reservations management system, our centers and dealers electronically report their inventory in real-time, which facilitates matching equipment to customer demand. Approximately 55% of all U-Move ® rental revenue originates from our 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, effectively marketing 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. As of April 2017, U-Haul expanded it's offering of U-Haul Truck Share 24/7 ® to our entire network in the United States and Canada. In May 2018, U-Haul received intellectual property protection of such system from the U.S. Trademark Office.

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 nearly 632,000 rentable storage rooms, comprising 55.2 million square feet of rentable 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 309,000 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 the United States and Canada. Our goal is to further utilize our web-based technology platform to increase service to consumers and businesses in the moving and storage market.

Compliance with environmental requirements of federal, state and local governments significantly affects our business. 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. Environmental laws and regulations are complex, change frequently and could become more stringent in the future.

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 the United States and Canada. 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%, 2.0% and 2.0% of consolidated net revenue in fiscal 2018, 2017 and 2016, 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 6.7%, 7.2% and 7.0% of consolidated net revenue in fiscal 2018, 2017 and 2016, respectively.

Employees

As of March 31, 2018, we employed over 29,000 people throughout the United States and Canada 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 websites.

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 include Avis Budget Group, Inc. and Penske Truck Leasing. We have numerous competitors throughout the United States and Canada 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 Life 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 Consolidating Industry Segment, of 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, except as required by law.

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 affect on our results of operations. Numerous potential competitors are working to establish paradigm shifting technologies from self driving vehicles to Uber-like offerings.

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 affect 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, 2018, we had total debt outstanding of $3,538.7 million and total undiscounted operating and ground lease commitments of $165.9 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 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 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 leases, we may be forced to reduce or delay capital expenditures, sell assets, seek additional capital or restructure or refinance our indebtedness and leases. 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 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 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, directly and through controlled entities ("WGHLP"), owns 8,309,584 shares of AMERCO common stock, and together with Edward J. Shoen and Mark V. Shoen, owns 8,361,643 shares (approximately 42.6%) of AMERCO common stock. The general partner of WGHLP controls the voting and disposition decisions with respect to the common stock of AMERCO owned by WGHLP, and is managed by Edward J. Shoen (the Chairman of the Board of Directors and Chief Executive Officer of AMERCO) and his brother, Mark V. Shoen. Accordingly, Edward J. Shoen and Mark V. Shoen 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 (the "Board") 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, 1,143,609 shares (approximately 5.8%) of AMERCO common stock are 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.

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, the 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 comply with 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 individual 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 businesses.

Our operations can be limited by land-use regulations. Zoning choices enacted by individual municipalities in the United States and Canada 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 National Association of Insurance Commissioners ("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 located throughout the United States and Canada. As of March 31, 2018 we had approximately 20,000 independent equipment rental dealers. In fiscal 2018, approximately 45% of our equipment rental revenues were generated through this network.

We manage 482 U-Haul branded locations on behalf of subsidiaries of WGHLP and Mercury Partners, L.P. ("Mercury"). These locations generated $29.6 million of management fees in fiscal 2018. Additionally, these locations served as U-Haul equipment dealers and accounted for approximately 12% of our equipment rental revenues in fiscal 2018.

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, sales of our products and operation of our locations.

The business of renting moving and storage equipment to customers exposes us to liability claims including property damage, personal injury and even death. Likewise, the operation of our moving and storage centers along with the sale of our related moving supplies, towing accessories and installation, and refilling of propane tanks may subject us to liability claims. We seek to limit the occurrence of such events through the design of our equipment, communication of its proper use, exhaustive repair and maintenance schedules, extensive training of our personnel, proactive risk management assessments and by providing our customers with online resources for the proper use of products and services. 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.

Terrorist attacks could negatively impact our operations and profitability and may expose us to liability and reputational damage.

Terrorist attacks may negatively affect our operations and profitability. Such attacks may damage our facilities and it is also possible that our rental equipment could be involved in a terrorist attack. Although we carry excess of loss insurance coverage, it may prove to be insufficient to cover us for acts of terror using our rental equipment. Moreover, we may suffer reputational damage that could arise from a terrorist attack which utilizes our rental equipment. The consequences of any terrorist attacks or hostilities are unpredictable and difficult to quantify. We seek to minimize these risks through our operational processes and procedures; however, we may not be able to foresee events that could have an adverse effect on our operations.

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, terrorist attacks 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 and inflict reputational damage.

In addition, the provision of service to our customers and the operation of our networks and systems involve the storage and transmission of proprietary information and sensitive or confidential data, including personal information of customers, employees and others. Our information technology systems may be susceptible to computer viruses, attacks by computer hackers, malicious insiders, or catastrophic events. Hackers, acting individually or in coordinated groups, may also launch distributed denial of service attacks or ransom or other coordinated attacks that may cause service outages or other interruptions in our business and access to our data. In addition, breaches in security could expose us, our customers, or the individuals affected, to a risk of loss or misuse of proprietary information and sensitive or confidential data. The techniques used to obtain unauthorized access, disable or degrade service or sabotage systems change frequently, may be difficult to detect for a long time and often are not recognized until launched against a target. As a result, we may be unable to anticipate these techniques or to implement adequate preventative measures.

Any of these occurrences could result in disruptions in our operations, the loss of existing or potential customers, damage to our brand and reputation, and litigation and potential liability for the Company. In addition, the cost and operational consequences of implementing further data or system protection measures could be significant and our efforts to deter, identify, mitigate and/or eliminate any security breaches may not be successful.

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

In June 2017, A.M. Best affirmed the financial strength rating for Oxford and Christian Fidelity Life Insurance Company (“CFLIC”) of 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 operations.

At December 31, 2017, Repwest reported $1.1 million of reinsurance recoverables, net of allowances and $94.5 million of reserves and liabilities ceded to reinsurers. Of this, Repwest's largest exposure to a single reinsurer was $57.5 million.

Recent changes to U.S. tax laws may adversely affect our financial condition or results of operations and create the risk that we may need to adjust our accounting for these changes.

The Tax Reform Act makes significant changes to U.S. tax laws and includes numerous provisions that affect businesses, including ours. For instance, as a result of lower corporate tax rates, the Tax Reform Act tends to reduce both the value of deferred tax assets and the amount of deferred tax liabilities. It also limits interest rate deductions and the amount of net operating losses that can be used each year and alters the expensing of capital expenditures. Other provisions have international tax consequences for businesses like ours that operate internationally. The Tax Reform Act is unclear in certain respects and will require interpretations and implementing regulations by the IRS, as well as state tax authorities, and the Tax Reform Act could be subject to amendments and technical corrections, any of which could lessen or increase the adverse (and positive) impacts of the Tax Reform Act. The accounting treatment of these tax law changes is complex, and some of the changes may affect both current and future periods. Others will primarily affect future periods. As discussed elsewhere in this Annual Report on Form 10-K, we believe our analysis and computations of the tax effects of the Tax Reform Act on us is substantially, but not entirely, complete. Consistent with guidance from the Securities and Exchange Commission, our financial statements reflect our estimates of the tax effects of the Tax Reform Act on us.

Item 1B. Unresolved Staff Comments

None.

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 1,790 U-Haul ® retail centers of which 482 U-Haul branded locations are managed for subsidiaries of WGHLP and Mercury, and 11 manufacturing and assembly facilities. We also operate over 130 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

Litigation

On July 1, 2014, a 100-pound propane cylinder allegedly filled at a Philadelphia-area U-Haul Co. of Pennsylvania ("UHPA") center exploded while in use on a food truck. The explosion killed two people and injured eleven. Following the incident, the injured parties and their estates filed a number of lawsuits against U-Haul and its subsidiary, UHPA, both of which denied the allegations. One plaintiff sued AMERCO, which also denied the allegations. All suits were filed in the Philadelphia Court of Common Pleas. The plaintiffs alleged, among other things, that UHPA should not have refilled the propane cylinder at issue because it was out-of-date and improperly fitted with an incorrect valve, which allegedly caused the explosion. The plaintiffs sought compensatory and punitive damages.

After several settlements with the less-injured plaintiffs, in April 2018, the parties reached an agreement, in principle, to settle the remaining cases. We will pay our self-insured retention and attorney's fees. Together, these amounts are currently estimated to be $26.4 million, of which $15.3 million has already been paid. The balance of the settlement amount is accrued on our balance sheet in Policy benefits and losses, claims and loss expenses payable with offsetting insurance recoveries from our insurance carriers in Other assets. The U.S. Department of Justice is investigating the cause of the incident. Following the resolution in principle of the civil claims in April 2018, the U.S. Attorney's Office for the Eastern District of Pennsylvania advised the Company for the first time that UHPA is a target of the investigation, but has not advised UHPA as to what specific violations are being investigated. UHPA will vigorously defend itself against any criminal allegations or charges.

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 Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

As of May 9, 2018, there were approximately 2,800 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,			
	2018		2017	
	High	Low	High	Low
First quarter	$ 394.50	$ 338.30	$ 382.44	$ 333.35
Second quarter	398.94	349.71	399.16	319.20
Third quarter	400.99	348.58	375.26	307.80
Fourth quarter	386.00	326.30	391.22	355.50

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.

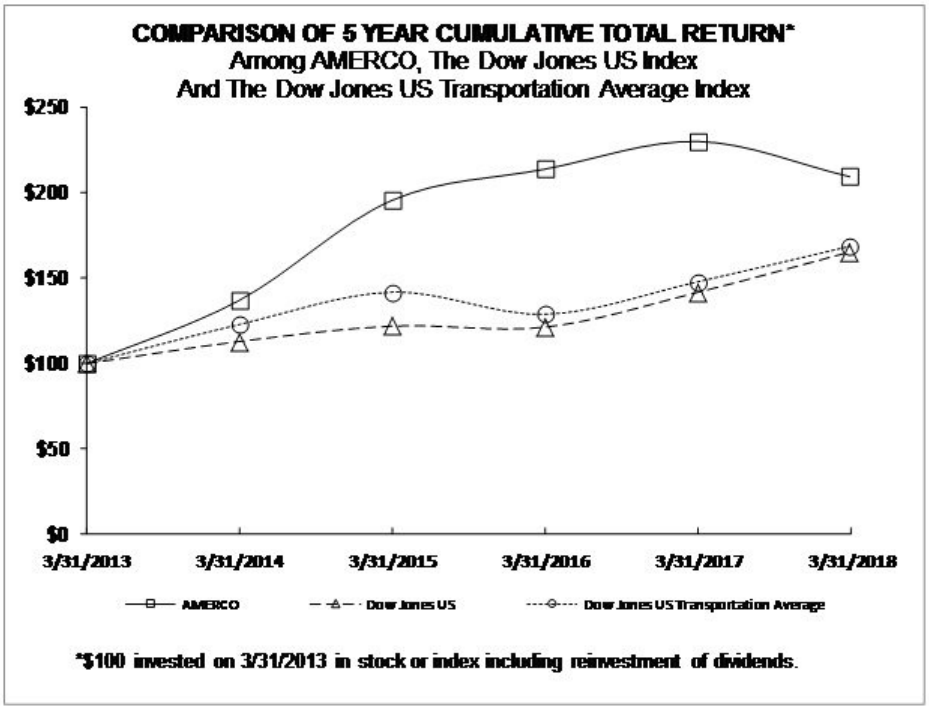
Common Stock Dividends

Declared Date	Per Share Amount	Record Date	Dividend Date
March 8, 2018	$ 0.50	March 23, 2018	April 6, 2018
December 6, 2017	0.50	December 21, 2017	January 5, 2018
July 5, 2017	1.00	July 20, 2017	August 3, 2017
February 8, 2017	1.00	February 23, 2017	March 9, 2017
October 5, 2016	1.00	October 20, 2016	November 3, 2016

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, 2013 through March 31, 2018 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, 2013 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, 2014, 2015, 2016, 2017 and 2018.



Fiscal years ended March 31:	2013	2014	2015	2016	2017	2018
AMERCO	$ 100	$ 137	$ 196	$ 214	$ 230	$ 209
Dow Jones US Total Market	100	113	122	121	142	165
Dow Jones US Transportation Average	100	123	142	129	148	169

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,				
	2018	2017	2016	2015	2014
	(In thousands, except share and per share data)				
Summary of Operations:					
Self-moving equipment rentals	$ 2,479,742	$ 2,362,833	$ 2,297,980	$ 2,146,391	$ 1,955,423
Self-storage revenues	323,903	286,886	247,944	211,136	181,794
Self-moving and self-storage products and service sales	261,557	253,073	251,541	244,177	234,187
Property management fees	29,602	29,075	26,533	25,341	24,493
Life insurance premiums	154,703	163,579	162,662	156,103	157,919
Property and casualty insurance premiums	57,100	52,334	50,020	46,456	41,052
Net investment and interest income	110,473	102,276	86,617	84,728	79,591
Other revenue	184,034	171,711	152,171	160,199	160,793
Total revenues	3,601,114	3,421,767	3,275,468	3,074,531	2,835,252
Operating expenses	1,807,983	1,568,083	1,470,047	1,479,409	1,313,674
Commission expenses	276,705	267,230	262,627	249,642	227,332
Cost of sales	160,489	152,485	144,990	146,072	127,270
Benefits and losses	185,311	182,710	167,436	158,760	156,702
Amortization of deferred policy acquisition costs	24,514	26,218	23,272	19,661	19,982
Lease expense	33,960	37,343	49,780	79,798	100,466
Depreciation, net gains on disposals (a)	543,247	449,025	291,235	279,107	261,306
Net gains on disposal of real estate	(195,414)	(3,590)	(545)	(942)	(1,694)
Total costs and expenses	2,836,795	2,679,504	2,408,842	2,411,507	2,205,038
Earnings from operations	764,319	742,263	866,626	663,024	630,214
Interest expense	(126,706)	(113,406)	(97,715)	(97,525)	(92,692)
Fees and amortization on early extinguishment of debt	–	(499)	–	(4,081)	–
Pretax earnings	637,613	628,358	768,911	561,418	537,522
Income tax benefit (expense)	152,970	(229,934)	(279,910)	(204,677)	(195,131)
Earnings available to common shareholders	$ 790,583	$ 398,424	$ 489,001	$ 356,741	$ 342,391
Basic and diluted earnings per common share	$ 40.36	$ 20.34	$ 24.95	$ 18.21	$ 17.51
Weighted average common shares outstanding: Basic and diluted	19,588,889	19,586,606	19,596,110	19,586,633	19,558,758
Cash dividends declared and accrued Common stock	39,175	39,171	97,960	19,594	19,568
Balance Sheet Data:					
Property, plant and equipment, net	$ 6,816,741	$ 5,957,735	$ 5,017,511	$ 4,107,637	$ 3,409,211
Total assets	10,746,985	9,405,840	8,109,288	6,855,600	5,989,930
Notes, loans and leases payable, net	3,513,076	3,262,880	2,647,396	2,174,294	1,933,311
Stockholders' equity	3,408,708	2,619,744	2,251,406	1,884,359	1,527,368

(a) Net gains were ($11.8) million, ($32.5) million, ($98.2) million, ($73.7) million and ($31.9) million for fiscal 2018, 2017, 2016, 2015 and 2014, 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 2018 compared with fiscal 2017, and for fiscal 2017 compared with fiscal 2016 which are followed by an analysis of liquidity 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 2019.

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 31 st of March for each year that is referenced. Our insurance company subsidiaries have fiscal years that end on the 31 st 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 all material events, if any, occurring during the intervening period. Consequently, all references to our insurance subsidiaries' years 2017, 2016 and 2015 correspond to fiscal 2018, 2017 and 2016 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 the United States and Canada. 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 in the United States and Canada. 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 Accounting Standards Codification ("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(ies) 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 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. 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. As a result of changes in IRS regulations regarding the capitalization of assets, beginning in the first quarter of fiscal 2017, we raised the value threshold before certain assets are capitalized within our depreciation policy. This change in threshold, results in the immediate recognition of reported operating costs with a lagging decrease in depreciation expense over the term that these assets would have been depreciated. This change in threshold is expected to benefit us through the immediate recognition of tax deductible costs.

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.

For our box truck fleet we utilize an accelerated method of depreciation 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% of cost during years one through seven, respectively, and then reduced on a straight line basis to a salvage value of 15% by the end of year fifteen. 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 the United States and Canada, on our website 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 ("IBNR"). 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 IBNR losses, 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 or more frequently, if there are changes in facts or circumstances 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 2018, 2017 and 2016, respectively.

Income Taxes

We file a consolidated tax return with all of our 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, of the Notes to Consolidated Financial Statements included in Item 8: Financial Statements and Supplementary Data, of this Annual Report 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.

Subsequent Events

Please see Note 22, Subsequent Events, of the Notes to Consolidated Financial Statements included in Part II, Item 8 of this Form 10-K.

Recent Accounting Pronouncements

Please see Note 3, Accounting Policies, of the Notes to Consolidated Financial Statements included in Part II, Item 8 of this Form 10-K.

AMERCO and Consolidated Subsidiaries

Fiscal 2018 Compared with Fiscal 2017

Listed below, on a consolidated basis, are revenues for our major product lines for fiscal 2018 and fiscal 2017:

	Year Ended March 31,	
	2018	2017
	(In thousands)	
Self-moving equipment rentals	$ 2,479,742	$ 2,362,833
Self-storage revenues	323,903	286,886
Self-moving and self-storage products and service sales	261,557	253,073
Property management fees	29,602	29,075
Life insurance premiums	154,703	163,579
Property and casualty insurance premiums	57,100	52,334
Net investment and interest income	110,473	102,276
Other revenue	184,034	171,711
Consolidated revenue	$ 3,601,114	$ 3,421,767

Self-moving equipment rental revenues increased $116.9 million during fiscal 2018, compared with fiscal 2017 largely due to growth in both one-way and In-Town ® transactions. Over the course of fiscal 2018 we added new Company owned locations to our retail network and increased the number of trucks, trailers, and towing devices in our rental fleet.

Self-storage revenues increased $37.0 million during fiscal 2018, compared with fiscal 2017. The average monthly amount of occupied square feet increased by 8.9% during fiscal 2018, 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. Over the last twelve months, we added approximately 3.7 million net rentable square feet, or a 13.4% increase, with approximately 1.2 million of that coming on during the fourth quarter of fiscal 2018.

Sales of self-moving and self-storage products and services increased $8.5 million during fiscal 2018, compared with fiscal 2017. Increases were recognized in the sales of moving supplies, propane and towing accessories and related installations.

Life insurance premiums decreased $8.9 million during fiscal 2018, compared with fiscal 2017 primarily due to decreased Medicare supplement premiums.

Property and casualty insurance premiums increased $4.8 million during fiscal 2018, compared with fiscal 2017 due to an increase in Safetow ® and Safestor ® sales, which is a reflection of the increased equipment and storage rental transactions.

Net investment and interest income increased $8.2 million during fiscal 2018, compared with fiscal 2017 due to a larger invested asset base at our insurance companies.

Other revenue increased $12.3 million during fiscal 2018, compared with fiscal 2017, primarily coming from growth in our U-Box ® program.

As a result of the items mentioned above, revenues for AMERCO and its consolidated entities were $3,601.1 million for fiscal 2018 as compared with $3,421.8 million for fiscal 2017.

Listed below are revenues and earnings from operations at each of our operating segments for fiscal 2018 and 2017. The insurance companies' years ended December 31, 2017 and 2016.

	Year Ended March 31,	
	2018	2017
	(In thousands)	
Moving and storage		
Revenues	$ 3,290,667	$ 3,113,000
Earnings from operations before equity in earnings of subsidiaries	711,773	688,913
Property and casualty insurance		
Revenues	74,571	68,986
Earnings from operations	25,878	27,161
Life insurance		
Revenues	243,862	245,599
Earnings from operations	27,959	27,646
Eliminations		
Revenues	(7,986)	(5,818)
Earnings from operations before equity in earnings of subsidiaries	(1,291)	(1,457)
Consolidated Results		
Revenues	3,601,114	3,421,767
Earnings from operations	764,319	742,263

Total costs and expenses increased $157.3 million during fiscal 2018, compared with fiscal 2017. Our insurance segments accounted for $4.8 million of the increase.

Excluding net gains on the disposal of real estate, total costs and expenses increased $349.1 million during fiscal 2018, compared with fiscal 2017. Operating expenses at Moving and Storage increased $238.2 million. In the second quarter of fiscal 2017, we recognized the difference between the accrued amount and actual settlement amount of the PODS Enterprises, Inc. ("PEI") case as a $24.6 million reduction of operating expenses. Excluding this effect in the prior year, operating expenses for Moving and Storage increased $213.6 million. This was primarily due to increased personnel costs, equipment maintenance, payment processing fees, new facility related costs and property tax. Repair costs, primarily associated with the portion of the fleet nearing resale, accounted for $72.9 million of the increase for fiscal 2018. Personnel bonuses associated with tax reform for the entire workforce combined with bonuses for our field management team accounted for $31.1 million of the increase. Lease expense decreased $3.4 million as a result of our shift in financing new equipment on the balance sheet versus through operating leases. Net gains from the disposal of rental equipment decreased $20.7 million. Compared with fiscal 2017, we have sold more used trucks, however on average the trucks sold in fiscal 2018 had a higher average cost than in fiscal 2017 and average sales proceeds per truck were lower in fiscal 2018. Depreciation expense associated with our rental fleet increased $56.5 million due to a larger fleet. Depreciation expense on all other assets, largely from buildings and improvements increased $17.0 million. Net gains on disposal of real estate increased $191.8 million. The increase resulted from the sale of a portion of our Chelsea, NY property which resulted in a pre-tax gain of $190.7 million.

As a result of the above mentioned changes in revenues and expenses, earnings from operations increased to $764.3 million for fiscal 2018, compared with $742.3 million for fiscal 2017.

Interest expense for fiscal 2018 was $126.7 million, compared with $113.4 million for fiscal 2017 due to an increase in borrowings in fiscal 2018 partially offset by lower borrowing costs. In addition, we incurred costs associated with the early extinguishment of debt during the third quarter of fiscal 2017 of $0.5 million for the write-off of unamortized transaction costs related to defeased debt.

Income tax benefit (expense) was $153.0 million for fiscal 2018, compared with ($229.9) million for fiscal 2017 due to the effects of the Tax Reform Act as enacted on December 22, 2017. Our effective tax rate was (24.0%) of net income before taxes for fiscal 2018, compared to 36.6% in the prior-year period. The decrease in our deferred tax liability resulting from the application of the new Federal income tax rate accounted for a $371.5 million decrease, partially offset by a $11.7 million one-time increase resulting from the deemed repatriation of foreign earnings and a $4.0 million one-time increase resulting from Phase Three tax on our Life Insurance subsidiary. Excluding the one-time benefits and charges mentioned above, our effective tax rate for all of fiscal 2018, post Tax Reform Act, was 31.8%, compared with 36.6% for fiscal 2017. We project that our effective tax rate for the fiscal year ending March 31, 2019 will be approximately 24.3%. See Note 13, of the Notes to Consolidated Financial Statements included in Item 8: Financial Statements and Supplementary Data, of this Annual Report for more information on income taxes.

As a result of the above mentioned items, earnings available to common shareholders were $790.6 million for fiscal 2018, compared with $398.4 million for fiscal 2017.

Basic and diluted earnings per common share for fiscal 2018 were $40.36, compared with $20.34 for fiscal 2017.

The weighted average common shares outstanding basic and diluted were 19,588,889 for fiscal 2018, compared with 19,586,606 for fiscal 2017.

AMERCO and Consolidated Subsidiaries

Fiscal 2017 Compared with Fiscal 2016

Listed below, on a consolidated basis, are revenues for our major product lines for fiscal 2017 and fiscal 2016:

	Year Ended March 31,	
	2017	**2016**
	(In thousands)	
Self-moving equipment rentals	$ 2,362,833	$ 2,297,980
Self-storage revenues	286,886	247,944
Self-moving and self-storage products and service sales	253,073	251,541
Property management fees	29,075	26,533
Life insurance premiums	163,579	162,662
Property and casualty insurance premiums	52,334	50,020
Net investment and interest income	102,276	86,617
Other revenue	171,711	152,171
Consolidated revenue	$ 3,421,767	$ 3,275,468

Self-moving equipment rental revenues increased $64.9 million during fiscal 2017, compared with fiscal 2016. During fiscal 2017, we continued to grow our rental system through the expansion of our distribution network and by increasing the number of trucks, trailers and towing devices available to our customers. Both In-Town ® and one-way transactions increased compared with fiscal 2016, which resulted in improved revenue results.

Self-storage revenues increased $38.9 million during fiscal 2017, compared with fiscal 2016. The average monthly amount of occupied square feet increased by 11.8% during fiscal 2017 compared with fiscal 2016. The growth in revenues and square feet rented came from a combination of improved rates per square foot, occupancy gains at existing locations and from the addition of new facilities to our real estate portfolio. During the twelve months ended March 31, 2017, we added approximately 3.4 million net rentable square feet, or a 14.0% increase, with approximately 1.0 million net rental square feet added during the fourth quarter of fiscal 2017.

Sales of self-moving and self-storage products and services increased $1.5 million during fiscal 2017, compared with fiscal 2016, primarily from the sale of moving supplies.

Life insurance premiums increased $0.9 million during fiscal 2017, compared with fiscal 2016 primarily due to increased life and Medicare supplement premiums.

Property and casualty insurance premiums increased $2.3 million during fiscal 2017, compared with fiscal 2016 due to an increase in Safetow ® and Safestor ® sales, which was a reflection of the increased equipment and storage rental transactions.

Net investment and interest income increased $15.7 million during fiscal 2017, compared with fiscal 2016 due to a larger invested asset base at our insurance companies and gains generated from our mortgage loan portfolio.

Other revenue increased $19.5 million during fiscal 2017, compared with fiscal 2016, primarily coming from growth in our U-Box ® program.

As a result of the items mentioned above, revenues for AMERCO and its consolidated entities were $3,421.8 million for fiscal 2017 as compared with $3,275.5 million for fiscal 2016.

Listed below are revenues and earnings from operations at each of our operating segments for fiscal 2017 and 2016. The insurance companies' years ended December 31, 2016 and 2015.

	Year Ended March 31,	
	2017	2016
	(In thousands)	
Moving and storage		
Revenues	$ 3,113,000	$ 2,984,504
Earnings from operations before equity in earnings of subsidiaries	688,913	813,124
Property and casualty insurance		
Revenues	68,986	64,803
Earnings from operations	27,161	24,547
Life insurance		
Revenues	245,599	231,220
Earnings from operations	27,646	29,773
Eliminations		
Revenues	(5,818)	(5,059)
Earnings from operations before equity in earnings of subsidiaries	(1,457)	(818)
Consolidated Results		
Revenues	3,421,767	3,275,468
Earnings from operations	742,263	866,626

Total costs and expenses increased $270.7 million during fiscal 2017, compared with fiscal 2016. Our insurance segments accounted for $18.1 million of the increase primarily due to increased benefit costs.

Moving and Storage total costs and expenses increased $252.7 million. In October 2016, we settled the litigation with PEI. As part of this settlement, we paid $41.4 million to PEI. In fiscal 2015 and fiscal 2016, we recorded $66.0 million as accrued contingencies and interest related to this lawsuit. During the second quarter of fiscal 2017, we recognized the difference between our contingency accrual and the actual settlement as a $24.6 million reduction of operating expenses. Excluding the effect of the reversal of this accrual during fiscal 2017, operating expenses increased $122.9 million for Moving and Storage, primarily due to increased personnel costs, equipment maintenance and property tax, as well as a change in the accounting threshold for the expensing of smaller capital items that led to the additional costs being recognized immediately versus over time through depreciation expense. Net gains from the disposal of rental equipment decreased $65.7 million. Compared with fiscal 2016, we have sold fewer used trucks, however on average the trucks sold had a higher average cost and we experienced a decrease in the average sales proceeds per unit. Depreciation expense associated with our rental fleet increased $66.9 million due to a larger fleet. Depreciation expense on all other assets, largely from buildings and improvements increased $25.2 million. Net gains on disposal of real estate increased $3.0 million. Lease expense decreased $12.4 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 decreased to $742.3 million for fiscal 2017, compared with $866.6 million for fiscal 2016.

Interest expense for fiscal 2017 was $113.4 million, compared with $97.7 million for fiscal 2016 due to an increase in borrowings in fiscal 2017 partially offset by lower borrowing costs. In addition, we incurred costs associated with the early extinguishment of debt during the third quarter of fiscal 2017 of $0.5 million for the write-off of unamortized transaction costs related to defeased debt.

Income tax expense was $229.9 million for fiscal 2017, compared with $279.9 million for fiscal 2016. The decrease was due to lower pretax earnings for fiscal 2017. The effective tax rate was 36.6% and 36.4% for fiscal 2017 and 2016, respectively.

As a result of the above mentioned items, earnings available to common shareholders were $398.4 million for fiscal 2017, compared with $489.0 million for fiscal 2016.

Basic and diluted earnings per common share for fiscal 2017 were $20.34, compared with $24.95 for fiscal 2016.

The weighted average common shares outstanding basic and diluted were 19,586,606 for fiscal 2017, compared with 19,596,110 for fiscal 2016.

Moving and Storage

Fiscal 2018 Compared with Fiscal 2017

Listed below are revenues for the major product lines at Moving and Storage for fiscal 2018 and fiscal 2017:

	Year Ended March 31,	
	2018	**2017**
	(In thousands)	
Self-moving equipment rentals	$ 2,483,956	$ 2,366,526
Self-storage revenues	323,903	286,886
Self-moving and self-storage products and service sales	261,557	253,073
Property management fees	29,602	29,075
Net investment and interest income	12,232	9,688
Other revenue	179,417	167,752
Moving and Storage revenue	$ 3,290,667	$ 3,113,000

Self-moving equipment rental revenues increased $117.4 million during fiscal 2018, compared with fiscal 2017 largely due to growth in both one-way and In-Town ® transactions. Over the course of fiscal 2018 we added new Company owned locations to our retail network and increased the number of trucks, trailers, and towing devices in our rental fleet.

Self-storage revenues increased $37.0 million during fiscal 2018, compared with fiscal 2017. The average monthly amount of occupied square feet increased by 8.9% during fiscal 2018, 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. Over the last twelve months, we added approximately 3.7 million net rentable square feet, or a 13.4% increase, with approximately 1.2 million of that coming on during the fourth quarter of fiscal 2018.

Sales of self-moving and self-storage products and services increased $8.5 million during fiscal 2018, compared with fiscal 2017. Increases were recognized in the sales of moving supplies, propane and towing accessories and related installations.

Net investment and interest income increased $2.5 million during fiscal 2018, compared with fiscal 2017.

Other revenue increased $11.7 million during fiscal 2018, compared with fiscal 2017, primarily coming from growth in our U-Box ® program.

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,	
	2018	2017
	(In thousands, except occupancy rate)	
Room count as of March 31	366	318
Square footage as of March 31	30,974	27,305
Average monthly number of rooms occupied	246	226
Average monthly occupancy rate based on room count	71.6%	75.8%
Average monthly square footage occupied	22,203	20,386

The approximately 3.7 million net rentable square feet that we've added during fiscal 2018 was a mix of existing storage locations we acquired and new development. On average, the occupancy rate of this new capacity on the date it was added was approximately 5%.

Excluding net gains on the disposal of real estate, total costs and expenses increased $346.6 million during fiscal 2018, compared with fiscal 2017. Operating expenses at Moving and Storage increased $238.2 million. In the second quarter of fiscal 2017, we recognized the difference between the accrued amount and actual settlement amount of the PEI case as a $24.6 million reduction of operating expenses. Excluding this effect in the prior year, operating expenses for Moving and Storage increased $213.6 million. This was primarily due to increased personnel costs, equipment maintenance, payment processing fees, new facility related costs and property tax. Repair costs, primarily associated with the portion of the fleet nearing resale, accounted for $72.9 million of the increase for fiscal 2018. Personnel bonuses associated with tax reform for the entire workforce combined with bonuses for our field management team accounted for $31.1 million of the increase. Lease expense decreased $3.3 million as a result of our shift in financing new equipment on the balance sheet versus through operating leases. Net gains from the disposal of rental equipment decreased $20.7 million. Compared with fiscal 2017, we have sold more used trucks, however on average the trucks sold in fiscal 2018 had a higher average cost than in fiscal 2017 and the average sales proceeds per truck were lower in fiscal 2018. Depreciation expense associated with our rental fleet increased $56.5 million due to a larger fleet. Depreciation expense on all other assets, largely from buildings and improvements increased $17.0 million. Net gains on disposal of real estate increased $191.8 million. The increase was caused by the sale of a portion of our Chelsea, NY property which resulted in a pre-tax gain of $190.7 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 $711.8 million for fiscal 2018 as compared with $688.9 million for fiscal 2017.

Equity in the earnings of AMERCO's insurance subsidiaries increased $11.2 million for fiscal 2018, compared with fiscal 2017.

As a result of the above mentioned changes in revenues and expenses, earnings from operations increased to $758.8 million for fiscal 2018, compared with $724.7 million for fiscal 2017.

Moving and Storage

Fiscal 2017 Compared with Fiscal 2016

Listed below are revenues for the major product lines at Moving and Storage for fiscal 2017 and fiscal 2016:

	Year Ended March 31,	
	2017	2016
	(In thousands)	
Self-moving equipment rentals	$ 2,366,526	$ 2,301,586
Self-storage revenues	286,886	247,944
Self-moving and self-storage products and service sales	253,073	251,541
Property management fees	29,075	26,533
Net investment and interest income	9,688	8,801
Other revenue	167,752	148,099
Moving and Storage revenue	$ 3,113,000	$ 2,984,504

Self-moving equipment rental revenues increased $64.9 million during fiscal 2017, compared with fiscal 2016. During fiscal 2017, we continued to grow our rental system through the expansion of our distribution network and by increasing the number of trucks, trailers and towing devices available to our customers. Both In-Town ® and one-way transactions increased compared with fiscal 2016, this resulted in our improved revenue results.

Self-storage revenues increased $38.9 million during fiscal 2017, compared with fiscal 2016. The average monthly amount of occupied square feet increased by 11.8% during fiscal 2017 compared with fiscal 2016. The growth in revenues and square feet rented camesfrom a combination of improved rates per square foot, occupancy gains at existing locations and from the addition of new facilities to the portfolio. During the twelve months ended March 31, 2017, we added approximately 3.4 million net rentable square feet, or a 14.0% increase, with approximately 1.0 million net rental square feet added during the fourth quarter of fiscal 2017.

Sales of self-moving and self-storage products and services increased $1.5 million during fiscal 2017, compared with fiscal 2016. Increases were recognized in the sales of moving supplies.

Net investment and interest income increased $0.9 million during fiscal 2017, compared with fiscal 2016.

Other revenue increased $19.7 million during fiscal 2017, compared with fiscal 2016 primarily coming from growth in our 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,	
	2017	2016
	(In thousands, except occupancy rate)	
Room count as of March 31	318	275
Square footage as of March 31	27,305	23,951
Average monthly number of rooms occupied	226	203
Average monthly occupancy rate based on room count	75.8%	80.1%
Average monthly square footage occupied	20,386	18,231

The approximately 3.4 million net rentable square feet that we've added during fiscal 2017 was a mix of existing storage locations we acquired and new development. On average, the occupancy rate of this new capacity on the date it was added was approximately 11%.

Total costs and expenses increased $252.7 million during fiscal 2017, compared with fiscal 2016. In October 2016, we settled the litigation with PEI. As part of this settlement, we paid $41.4 million to PEI. In fiscal 2015 and fiscal 2016, we recorded $66.0 million as accrued contingencies and interest related to this lawsuit. During the second quarter of fiscal 2017, we recognized the difference between our contingency accrual and the actual settlement as a $24.6 million reduction of operating expenses. Excluding the effect of the reversal of this accrual in fiscal 2017, operating expenses for Moving and Storage increased $122.9 million, primarily due to personnel costs, equipment maintenance and property tax, as well as a change in the accounting threshold for the expensing of smaller capital items that led to the additional costs being recognized immediately versus over time though depreciation expense. Net gains from the disposal of rental equipment decreased $65.7 million. Compared with fiscal 2016, we have sold fewer used trucks, however on average the trucks sold had a higher average cost and we experienced a decrease in the average sales proceeds per unit. Depreciation expense associated with our rental fleet increased $66.9 million due to a larger fleet. Depreciation expense on all other assets, largely from buildings and improvements increased $25.2 million. Net gains on disposal of real estate increased $3.0 million. Lease expense decreased $12.4 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 decreased to $688.9 million for fiscal 2017 as compared with $813.1 million for fiscal 2016.

Equity in the earnings of AMERCO's insurance subsidiaries increased $0.3 million for fiscal 2017, compared with fiscal 2016.

As a result of the above mentioned changes in revenues and expenses, earnings from operations decreased to $724.7 million for fiscal 2017, compared with $848.6 million for fiscal 2016.

Property and Casualty Insurance

2017 Compared with 2016

Net premiums were $58.8 million and $52.3 million for the years ended December 31, 2017 and 2016, 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 $15.8 million and $16.7 million for the years ended December 31, 2017 and 2016, respectively. The change was primarily due to a decrease in realized capital gains of $0.9 million. The December 31, 2016 results were impacted by above average early pay-offs within the mortgage loan portfolio.

Net operating expenses were $32.7 million and $28.4 million for the years ended December 31, 2017 and 2016, respectively. This was due to an increase in commissions and loss adjusting fees.

Benefits and losses incurred were $16.0 million and $13.4 million for the years ended December 31, 2017 and 2016, respectively. The increase was due to an increase in policies sold and related claims activity.

As a result of the above mentioned changes in revenues and expenses, pretax earnings from operations were $25.9 million and $27.2 million for the years ended December 31, 2017 and 2016, respectively.

Property and Casualty Insurance

2016 Compared with 2015

Net premiums were $52.3 million and $50.0 million for the years ended December 31, 2016 and 2015, 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 $16.7 million and $14.8 million for the years ended December 31, 2016 and 2015, respectively. The change was primarily due to an increase in realized capital gains of $1.3 million and a $1.1 million increase in fixed maturity income due to a larger invested asset base.

Net operating expenses were $28.4 million and $28.0 million for the years ended December 31, 2016 and 2015, respectively.

Benefits and losses incurred were $13.4 million and $12.3 million for the years ended December 31, 2016 and 2015, respectively. The increase was due to an increase in policies sold and related claims activity.

As a result of the above mentioned changes in revenues and expenses, pretax earnings from operations were $27.2 million and $24.5 million for the years ended December 31, 2016 and 2015, respectively.

Life Insurance

2017 Compared with 2016

Net premiums were $154.7 million and $163.6 million for the years ended December 31, 2017 and 2016, respectively. Medicare Supplement premiums decreased by $9.3 million due to the reduction in new sales and declined premiums on the existing business offset by rate increases on renewal premiums. The remaining lines of business had a net increase of $0.4 million. Deferred annuity deposits were $296.8 million or $93.7 million above the prior year and are accounted for on the balance sheet as deposits rather than premiums.

Net investment income was $84.2 million and $77.5 million for the years ended December 31, 2017 and 2016, respectively. Investment income and realized gains from fixed maturities increased $10.9 million from a larger invested asset base, partially offset by a $4.3 million decrease in gains from our mortgage loan portfolio.

Net operating expenses were $22.1 million and $22.4 million for the years ended December 31, 2017 and 2016, respectively. The decrease was primarily due to a reduction in commission expense from decreased Medicare Supplement premiums.

Benefits and losses incurred were flat at $169.3 million for both the years ended December 31, 2017 and 2016. A decrease of $9.2 million in Medicare supplement benefits from an improved benefit to premium ratio was offset by an increase in the remaining lines of business. Life insurance benefits increased $1.6 million with increased mortality while interest credited to policyholders increased by $7.3 million from a larger annuity base. Other benefits increased $0.3 million.

Amortization of deferred acquisition costs (“DAC”), sales inducement asset (“SIA”) and the value of business acquired (“VOBA”) was $24.5 million and $26.2 million for the years December 31, 2017 and 2016, respectively. The decrease was primarily due to additional DAC amortization in the prior year generated by added gains on discounted mortgage loan investments partially offset by the increased amortization from a larger DAC asset in the current year.

As a result of the above mentioned changes in revenues and expenses, pretax earnings from operations were $28.0 million and $27.6 million for the years ended December 31, 2017 and 2016, respectively.

Life Insurance

2016 Compared with 2015

Net premiums were $163.6 million and $162.7 million for the years ended December 31, 2016 and 2015, respectively. Life premiums increased $0.4 million primarily from the increase in renewal premiums offset by a reduction in new sales and reinsurance premiums. An additional increase of $0.7 million was from supplemental contract considerations. Medicare supplement and other health premiums decreased $0.2 million. Deferred annuity deposits were $203.1 million or $65.1 million below the prior year and are accounted for on the balance sheet as deposits rather than premiums.

Net investment income was $77.5 million and $64.0 million for the years ended December 31, 2016 and 2015, respectively. An increase of $14.6 million in net investment income was attributable to a larger asset base and the gains from our mortgage loans portfolio, which was partially offset by a $1.1 million decrease in capital gains.

Net operating expenses were $22.4 million and $23.0 million for the years ended December 31, 2016 and 2015, respectively. The decrease was primarily due to a reduction in acquisition expenses from the decrease in annuity sales.

Benefits and losses incurred were $169.3 million and $155.1 million for the years ended December 31, 2016 and 2015, respectively. Medicare Supplement benefits increased by $8.8 million as a result of the increase in total policies in force from prior and new sales and the increased benefit to premium ratio. Life, annuities and other health benefits decreased $0.2 million. Interest credited to policyholders increased $5.6 million as a result of the increased deferred annuity deposit base and lower interest credited on policyholder accounts indexed to an S&P index in the third quarter of 2015.

Amortization of DAC, SIA and VOBA was $26.2 million and $23.3 million for the years ended December 31, 2016 and 2015, respectively. The increase was due to an additional Annuity DAC amortization generated by the investment gains along with increased amortization associated with a larger DAC asset. This was partially offset by a decrease in Medicare supplement amortization.

As a result of the above mentioned changes in revenues and expenses, pretax earnings from operations were $27.6 million and $29.8 million for the years ended December 31, 2016 and 2015, 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, 2018, cash and cash equivalents totaled $759.4 million, compared with $697.8 million at March 31, 2017. 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, 2018 (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	$ 702,036	$ 6,639	$ 50,713
Other financial assets	127,793	458,040	1,991,925
Debt obligations	3,513,076	–	–

(a) As of December 31, 2017

At March 31, 2018, Moving and Storage had available borrowing capacity under existing credit facilities of $180.0 million.

A summary of our consolidated cash flows for fiscal 2018, 2017 and 2016 is shown in the table below:

	Years Ended March 31,		
	2018	2017	2016
		(In thousands)	
Net cash provided by operating activities	$ 936,328	$ 1,058,119	$ 1,045,346
Net cash used by investing activities	(896,948)	(1,182,572)	(1,259,682)
Net cash provided by financing activities	16,604	223,753	388,872
Effects of exchange rate on cash	5,598	(2,140)	(15,740)
Net cash flow	61,582	97,160	158,796
Cash at the beginning of the period	697,806	600,646	441,850
Cash at the end of the period	$ 759,388	$ 697,806	$ 600,646

Net cash provided by operating activities decreased $121.8 million in fiscal 2018, compared with fiscal 2017. Reduced profitability at the Moving and Storage segment combined with a $31.8 million increase in income tax payment accounted for the majority of the decline in fiscal 2018.

Net cash used by investing activities decreased $285.6 million in fiscal 2018, compared with fiscal 2017. Purchases of property, plant and equipment, which are reported net of cash from sales and lease-back transactions, decreased $53.1 million, while cash from the sales of property, plant and equipment increased $212.3 million largely due to the sale of a portion of our Chelsea location in New York. For our insurance subsidiaries, net cash used in investing activities increased $66.4 million compared with the prior year. Net cash deposited in real estate acquisition escrow accounts decreased $31.4 million in fiscal 2018, compared with a net increase of $38.1 million in fiscal 2017.

Net cash provided by financing activities decreased $207.1 million in fiscal 2018, as compared with fiscal 2017 due to a decrease in borrowings of $244.2 million, net increase in repayments of debt and capital leases of $72.4 million, an increase in annuity deposits, net of withdrawals, by Life Insurance of $83.3 million and a decrease in dividends paid of $28.9 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 2019 the Company will reinvest in its truck and trailer rental fleet approximately $450 million, net of equipment sales and excluding any lease buyouts. For fiscal 2018, the Company invested, net of sales, approximately $515 million before any lease buyouts in its truck and trailer fleet. Fleet investments in fiscal 2019 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 2019 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. 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 a combination of internally generated funds along with borrowings against existing properties as they operationally mature. For fiscal 2018, the Company invested $609.7 million in real estate acquisitions, new construction and renovation and repair. For fiscal 2019, 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 $666.6 million, $932.0 million and $969.9 million for fiscal 2018, 2017 and 2016, respectively. The components of our net capital expenditures are provided in the following table:

	Years Ended March 31,		
	2018	2017	2016
	(In thousands)		
Purchases of rental equipment	$ 1,006,503	$ 1,178,908	$ 881,331
Equipment lease buyouts	6,594	63,505	81,718
Purchases of real estate, construction and renovations	606,990	484,487	592,363
Other capital expenditures	140,627	139,448	90,788
Gross capital expenditures	1,760,714	1,866,348	1,646,200
Less: Lease proceeds	(396,969)	(446,843)	(137,046)
Less: Sales of property, plant and equipment	(699,803)	(487,475)	(539,256)
Net capital expenditures	663,942	932,030	969,898

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 marketplace, pay dividends 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 stockholder’s equity was $211.2 million, $180.9 million, and $160.6 million at December 31, 2017, 2016, and 2015, respectively. The increase in 2017 compared with 2016 resulted from net earnings of $22.9 million, an increase in accumulated other comprehensive income of $10.4 million offset by a $2.9 million one-time reclassification to move the effect of the rate reduction from other comprehensive income to retained earnings. 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, 2017 was $219.3 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 stockholder’s equity was $332.9 million, $296.1 million, and $271.7 million at December 31, 2017, 2016 and 2015, respectively. The increase in 2017 compared with 2016 resulted from earnings of $24.1 million and an increase in accumulated other comprehensive income of $19.0 million primarily due to the effect of interest rate changes on the fixed maturity portion of the investment portfolio and a decrease in deferred income tax from a reduced corporate tax rate under the Tax Cut and Jobs Act. This was offset by a $6.3 million one-time reclassification to move the effect of the rate reduction from other comprehensive income to retained earnings. Life Insurance has not historically used debt or equity issues to increase capital and therefore has not had any significant direct exposure to capital market conditions other than through its investment portfolio. However, as of December 31, 2017, Oxford had outstanding deposits of $60.0 million through its membership in the Federal Home Loan Bank (“FHLB”). For a more detailed discussion of this deposit, please see Note 9, Borrowings, of the Notes to Consolidated Financial Statements.

Cash Provided from Operating Activities by Operating Segments

Moving and Storage

Net cash provided by operating activities was $858.6 million, $983.6 million and $994.0 million in fiscal 2018, 2017 and 2016. Reduced profitability at the Moving and Storage segment combined with a $31.8 million increase in income tax payment accounted for the majority of the decline in fiscal 2018.

Property and Casualty Insurance

Net cash provided by operating activities was $20.6 million, $18.2 million, and $19.0 million for the years ended December 31, 2017, 2016, and 2015, respectively. The variation in cash activity was consistent with typical claims activity.

Property and Casualty Insurance's cash and cash equivalents and short-term investment portfolios amounted to $17.0 million, $20.7 million, and $24.3 million at December 31, 2017, 2016, and 2015, 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 $57.2 million, $56.3 million and $32.4 million for the years ended December 31, 2017, 2016 and 2015, respectively. The increase in operating cash flows was due to the increase in investment income and lower benefit payments offset by a decrease in collected premiums.

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, 2017, 2016 and 2015, cash and cash equivalents and short-term investments amounted to $50.7 million, $20.6 million and $25.5 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 focus on fixing our interest rates. 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, 2018, we had available borrowing capacity under existing credit facilities of $180.0 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 included in Item 8: Financial Statements and Supplementary Data, of this Annual Report.

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, 2018, 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, 2018:

		Payment due by Period (as of March 31, 2018)			
Contractual Obligations	**Total**	**04/01/18 - 03/31/19**	**04/01/19 - 03/31/21**	**04/01/21 - 03/31/23**	**Thereafter**
			(In thousands)		
Notes and loans payable - Principal	$ 2,039,482	$ 199,396	274,618	$ 309,365	$ 1,256,103
Notes and loans payable - Interest	642,675	84,006	149,090	127,140	282,439
Revolving credit agreements - Principal	515,000	55,000	203,334	256,666	–
Revolving credit agreements - Interest	39,833	14,006	23,315	2,512	–
Capital leases - Principal	984,217	244,740	412,454	210,880	116,143
Capital leases - Interest	76,094	26,150	31,822	14,287	3,835
Operating leases	126,847	36,494	40,430	29,760	20,163
Ground leases	54,748	991	2,049	2,060	49,648
Property and casualty obligations (a)	139,064	11,700	14,306	9,136	103,922
Life, health and annuity obligations (b)	2,950,456	390,996	503,803	469,945	1,585,712
Self insurance accruals (c)	407,263	115,246	158,154	72,094	61,769
Post retirement benefit liability	16,311	802	2,067	2,848	10,594
Total contractual obligations	$ 7,991,990	$ 1,179,527	$ 1,815,442	$ 1,506,693	$ 3,490,328

(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 above are undiscounted for interest and as a result total outflows for all years shown significantly exceed the corresponding liabilities of $1,808.9 million included in our consolidated balance sheet as of March 31, 2018. 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 $44.2 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 2024. In the event of a shortfall in proceeds from the sales of the underlying rental equipment assets, AMERCO has guaranteed $15.7 million of residual values at March 31, 2018 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 $26.0 million at March 31, 2018.

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 included in Item 8: Financial Statements and Supplementary Data, of this Annual Report. 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. SAC Holdings, Four SAC Self-Storage Corporation ("4 SAC"), Five SAC Self-Storage Corporation ("5 SAC"), Galaxy Investments, L.P. ("Galaxy") and Private Mini are substantially controlled by Blackwater. Blackwater is wholly-owned by WGHLP, 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 currently manage the self-storage properties owned or leased by Blackwater and Mercury 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 $29.5 million, $27.8 million and $27.1 million from the above mentioned entities during fiscal 2018, 2017 and 2016, respectively. This management fee is consistent with the fee received for other properties we previously managed for third parties. Mark V. Shoen controls the general partner of Mercury. The limited partner interests of Mercury are indirectly owned by Mark V. Shoen, James P. Shoen (a significant shareholder), and a trust benefitting the children and grandchildren 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 Blackwater. Total lease payments pursuant to such leases were $2.7 million, $2.7 million and $2.6 million for fiscal years 2018, 2017 and 2016, 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, 2018, subsidiaries of Blackwater 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 $58.6 million, $57.1 million and $54.7 million in commissions pursuant to such dealership contracts during fiscal 2018, 2017 and 2016, respectively.

During fiscal 2018, 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. We do not have an equity ownership interest in SAC Holdings. We recorded interest income of $3.3 million, $4.9 million and $5.0 million and received cash interest payments of $8.7 million, $4.5 million and $4.6 million from SAC Holdings during fiscal 2018, 2017 and 2016, respectively. The largest aggregate amount of notes receivable outstanding during fiscal 2018 was $48.1 million. In December 2017, this note and interest receivable was repaid in full as we received payments of $53.0 million.

These agreements along with a note with subsidiaries of Blackwater, excluding Dealer Agreements, provided revenues of $26.9 million, expenses of $2.7 million and cash flows of $77.6 million during fiscal 2018. Revenues and commission expenses related to the Dealer Agreements were $273.6 million and $58.6 million, respectively during fiscal 2018.

Fiscal 2019 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 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 2019, 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 2019.

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, 2016 and ending March 31, 2018. 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, 2018	December 31, 2017	September 30, 2017	June 30, 2017
	(In thousands, except for share and per share data)			
Total revenues	$ 757,621	$ 842,882	$ 1,042,686	$ 957,925
Earnings from operations	2,770	303,137	229,381	229,031
Earnings available to common shareholders	10,843	528,894	124,639	126,207
Basic and diluted earnings per common share	$ 0.56	$ 27.00	$ 6.36	$ 6.44
Weighted average common shares outstanding: basic and diluted	19,589,871	19,589,218	19,588,571	19,587,891

	Quarter Ended			
	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016
	(In thousands, except for share and per share data)			
Total revenues	$ 709,436	$ 790,455	$ 998,685	$ 923,191
Earnings from operations	43,745	131,981	306,980	259,557
Earnings available to common shareholders	9,548	65,228	176,475	147,173
Basic and diluted earnings per common share	$ 0.49	$ 3.33	$ 9.01	$ 7.51
Weighted average common shares outstanding: basic and diluted	19,587,204	19,586,694	19,586,411	19,586,069

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, 2018:

Notional Amount		Fair Value	Effective Date	Expiration Date	Fixed Rate	Floating Rate
(In thousands)						
$ 61,388		$ (891)	8/18/2006	8/10/2018	5.43%	1 Month LIBOR
7,813	(a)	(6)	6/1/2011	6/1/2018	2.38%	1 Month LIBOR
16,042	(a)	4	8/15/2011	8/15/2018	1.86%	1 Month LIBOR
6,400	(a)	6	9/12/2011	9/10/2018	1.75%	1 Month LIBOR
6,182	(b)	39	3/28/2012	3/28/2019	1.42%	1 Month LIBOR
8,854		70	4/16/2012	4/1/2019	1.28%	1 Month LIBOR
17,100		318	1/15/2013	12/15/2019	1.07%	1 Month LIBOR

(a) forward swap

(b) operating lease

As of March 31, 2018, we had $705.1 million of variable rate debt obligations and $6.2 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 $5.9 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 4.6%, 4.4% and 4.4% of our revenue was generated in Canada in fiscal 2018, 2017 and 2016, 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 Financial Officer (“CFO”), 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 CFO 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 CFO, 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 ensure that information required to be disclosed in our reports filed or submitted 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 ensure that such information is accumulated and communicated to our management, including our CEO and CFO, as appropriate to allow timely decisions regarding required disclosure. Based upon the controls evaluation, our CEO and CFO have concluded that as of the end of the period covered by this Annual Report, our Disclosure Controls were effective at a reasonable assurance level related to the above stated design purposes.

Inherent Limitations on Effectiveness of Controls

The Company's management, including the CEO and CFO, 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, 2018, 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 function and our Finance function.

Based on our assessment, management has concluded that our internal control over financial reporting was effective as of the end of the fiscal year 2018. 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

Shareholders and Board of Directors

AMERCO

Reno, Nevada

Opinion on Internal Control over Financial Reporting

We have audited AMERCO and consolidated subsidiaries' (the "Company") internal control over financial reporting as of March 31, 2018, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (the "COSO criteria") In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of March 31, 2018, based on the COSO criteria .

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated balance sheets of the Company as of March 31, 2018 and 2017, 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, 2018, and the related notes and schedules and our report dated May 30, 2018 expressed an unqualified opinion thereon.

Basis for Opinion

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 are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit of internal control over financial reporting in accordance with the standards of the PCAOB. 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.

Definition and Limitations of Internal Control over Financial Reporting

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.

/s/ BDO USA, LLP

Phoenix, Arizona

May 30, 2018

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 2018 annual meeting of stockholders (the "Proxy Statement"), which will be filed with the SEC within 120 days after the close of the Company's 2018 fiscal year.

The Company has a Code of Ethics that applies to all directors, officers and employees of the Company, including the Company's principal executive officer and principal financial officer. A copy of our Code of Ethics is posted on AMERCO's website 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:

		Page
1	**Financial Statements:**	
	Report of Independent Registered Public Accounting Firm	F-1
	Consolidated Balance Sheets - March 31, 2018 and 2017	F-2
	Consolidated Statements of Operations - Years Ended March 31, 2018, 2017, and 2016	F-3
	Consolidated Statements of Comprehensive Income (Loss) - Years Ended March 31, 2018, 2017, and 2016	F-4
	Consolidated Statements of Changes in Stockholders' Equity - Years Ended March 31, 2018, 2017, and 2016	F-5
	Consolidated Statements of Cash Flows - Years Ended March 31, 2018, 2017, and 2016	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-54
	Schedule II - AMERCO and Consolidated Subsidiaries Valuation and Qualifying Accounts	F-58
	Schedule V - AMERCO and Consolidated Subsidiaries Supplemental Information (For Property-Casualty Insurance Operations)	F-59

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:

Exhibit Number	Description	Page or Method of Filing
3.1	Amended and Re s tated Articles of Incorporation of AMERCO	Incorporated by reference to AMERCO's Current Report on Form 8-K filed on June 9, 2016, file no. 1-11255
3.2	Restated Bylaws of AM E RCO	Incorporated by reference to AMERCO's Current Report on Form 8-K filed on September 5, 2013, file no. 1-11255
4.1	U-Haul Investors Club Base Indenture, dated February 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 February 22, 2011, file no. 1-11255
4.2	Second Supp l emental 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
4.3	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
4.4	Seven t h 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
4.5	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
4.6	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
4.7	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
4.8	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
4.9	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
4.10	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
4.11	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
4.12	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

4.13	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
4.14	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
4.15	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
4.16	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
4.17	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
4.18	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
4.19	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
4.20	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
4.21	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
4.22	Twenty-eighth Supplemental Indenture, dated September 13, 2016 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 13, 2016, file no. 1-11255
4.23	Twenty-ninth Supplemental Indenture, dated January 24, 2017 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 24, 2017, file no. 1-11255
4.24	Thirtieth Supplemental Indenture, dated June 27, 2017 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 27, 2017, file no. 1-11255
4.25	Thirty-first Supplemental Indenture, dated October 24, 2017 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 25, 2017, file no. 1-11255
4.26	Thirty-second Supplem e ntal Indenture, dated March 6, 2018 by a nd between AMERCO and U.S. Bank National Association	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on March 6, 2018, file no. 1-11255
10.1	Management Agreement between Four SAC Self-Storage Corp o ration 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

10.2	Management Agreement between Five SAC Self-Storage Corpo r ation 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
10.3	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
10.4	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
10.5	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
10.6	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/A, filed June 14, 2005, file no. 1-11255
10.7	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/A, filed June 14, 2005, file no. 1-11255
10.8	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/A, filed June 14, 2005, file no. 1-11255
10.9	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/A, filed June 14, 2005, file no. 1-11255
10.10	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

10.11	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
10.12	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
10.13	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
10.14	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
10.15	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
10.16	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
10.17	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
10.18	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
10.19	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
10.20	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
10.21	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
10.22	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

10.23	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
10.24	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
10.25	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
10.26	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
10.27	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
10.28	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
10.29	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
10.30	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
10.31	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
10.32	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
10.33	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
10.34	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
10.35	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

10.36	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 14, 2015, file no. 1-11255
10.37	Property Management Agreement dated December 11, 2014 between Three SAC Self-Storage Corporation and U-Haul Co. (Canada), Ltd	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2016, file no. 1-11255
10.38	Property Management Agreement dated December 16, 2014 among Galaxy Storage Two, L.P. and certain subsidiaries of AMERCO	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2016, file no. 1-11255
10.39	Property Management Agreement dated June 25, 2015 among 2015 SAC Self-Storage, LLC and certain subsidiaries of AMERCO	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2016, file no. 1-11255
10.40	Property Management Agreement dated March 21, 2016 among Five SAC RW, LLC and certain subsidiaries of AMERCO	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2016, file no. 1-11255
10.41	Amended and Restated AMERCO Employee Savings and Profit and Sharing Plan*	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2016, file no. 1-11255
10.42	Amended and Restated AMERCO Employee Stock Ownership Plan*	Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2016, file no. 1-11255
10.43	Property Management Agreement among Six-SAC Self-Storage Corporation and certain subsidiaries of U-Haul International, Inc.	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on June 27, 2016, file no. 1-11255
10.44	Stockholder Agreement dated September 12, 2016, between Edward J. Shoen, Mark V. Shoen, Foster Road LLC, Willow Grove Holdings LP, Blackwater Investments, Inc. and SAC Holdings Corporation	Incorporated by reference to Exhibit 99.1, filed with the Schedule 13-D/A, filed on September 12, 2016, file number 5-39669
10.45	2016 Stock Option Plan (Shelf Stock Option Plan)*	Incorporated by reference to Exhibit C to Definitive Proxy for the Special Meeting of Stockholders filed on April 20, 2016
10.46	Credit Agreement, dated as of September 1, 2017 by and among AMERCO, as the Borrower, Bank of America, N.A., as Agent for all Lenders, and the fina n cial institutions party thereto from to time as, Lenders.	Incorporated by reference to AMERCO's Current Report on Form 8-K, filed on September 7, 2017, file no. 1-11255
10.47	Template Dealership Contract	Filed herewith

10.48	Amended and Restated AMERCO Employee Savings and Profit and Sharing Plan*	Filed herewith
10.49	Amendment to the Amended and Restated AMERCO Employee Savings and Profit and Sharing Plan*	Filed herewith
10.50	Amended and Restated AMERCO Employee Stock Ownership Plan*	Filed herewith
10.51	Amendment to the Amended and Restated AMERCO Employee Stock Ownership Plan	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, Chief Financial 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, Chief Financial 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.

Item 16. Form 10-K Summary

None.

Report of Independent Registered Public Accounting Firm

Shareholders and Board of Directors

AMERCO

Reno, Nevada

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of AMERCO and consolidated subsidiaries (the "Company") as of March 31, 2018 and 2017, 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, 2018, and the related notes and schedules (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company and subsidiaries at March 31, 2018 and 2017, and the results of their operations and their cash flows for each of the three years in the period ended March 31, 2018 **,** in conformity with accounting principles generally accepted in the United States of America.

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, 2018, 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 30, 2018 expressed an unqualified opinion thereon.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/BDO USA, LLP

We have served as the Company's auditor since 2003.

Phoenix, Arizona

May 30, 2018

AMERCO AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	March 31, 2018	March 31, 2017
	(In thousands, except share data)	
ASSETS		
Cash and cash equivalents	$ 759,388	$ 697,806
Reinsurance recoverables and trade receivables, net	193,538	178,081
Inventories and parts, net	89,877	82,439
Prepaid expenses	165,692	124,728
Investments, fixed maturities and marketable equities	1,919,860	1,663,768
Investments, other	399,064	367,830
Deferred policy acquisition costs, net	124,767	130,213
Other assets	244,782	97,525
Related party assets	33,276	86,168
	3,930,244	3,428,558
Property, plant and equipment, at cost:		
Land	827,649	648,757
Buildings and improvements	3,140,713	2,618,265
Furniture and equipment	632,803	510,415
Rental trailers and other rental equipment	545,968	492,280
Rental trucks	4,390,750	4,091,598
	9,537,883	8,361,315
Less: Accumulated depreciation	(2,721,142)	(2,384,033)
Total property, plant and equipment	6,816,741	5,977,282
Total assets	$ 10,746,985	$ 9,405,840
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Accounts payable and accrued expenses	$ 510,678	$ 450,541
Notes, loans and leases payable, net	3,513,076	3,262,880
Policy benefits and losses, claims and loss expenses payable	1,248,033	1,086,322
Liabilities from investment contracts	1,364,066	1,112,498
Other policyholders' funds and liabilities	10,040	10,150
Deferred income	34,276	28,696
Deferred income taxes, net	658,108	835,009
Total liabilities	7,338,277	6,786,096
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, 2018 and 2017	–	–
Series B preferred stock, with no par value, 100,000 shares authorized; none issued and outstanding as of March 31, 2018 and 2017	–	–
Serial common stock, with or without par value, 250,000,000 shares authorized:		
Serial common stock of $0.25 par value, 10,000,000 shares authorized; none issued and outstanding as of March 31, 2018 and 2017	–	–
Common stock, with $0.25 par value, 250,000,000 shares authorized:		
Common stock of $0.25 par value, 250,000,000 shares authorized; 41,985,700 issued and 19,607,788 outstanding as of March 31, 2018 and 2017	10,497	10,497
Additional paid-in capital	452,746	452,172
Accumulated other comprehensive loss	(4,623)	(51,236)
Retained earnings	3,635,561	2,892,893
Cost of common shares in treasury, net (22,377,912 shares as of March 31, 2018 and 2017)	(525,653)	(525,653)
Cost of preferred shares in treasury, net (6,100,000 shares as of March 31, 2018 and 2017)	(151,997)	(151,997)
Unearned employee stock ownership plan shares	(7,823)	(6,932)
Total stockholders' equity	3,408,708	2,619,744
Total liabilities and stockholders' equity	$ 10,746,985	$ 9,405,840

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

AMERCO AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	Years Ended March 31,		
	2018	2017	2016
	(In thousands, except share and per share data)		
Revenues:			
Self-moving equipment rentals	$ 2,479,742	$ 2,362,833	$ 2,297,980
Self-storage revenues	323,903	286,886	247,944
Self-moving and self-storage products and service sales	261,557	253,073	251,541
Property management fees	29,602	29,075	26,533
Life insurance premiums	154,703	163,579	162,662
Property and casualty insurance premiums	57,100	52,334	50,020
Net investment and interest income	110,473	102,276	86,617
Other revenue	184,034	171,711	152,171
Total revenues	3,601,114	3,421,767	3,275,468
Costs and expenses:			
Operating expenses	1,807,983	1,568,083	1,470,047
Commission expenses	276,705	267,230	262,627
Cost of sales	160,489	152,485	144,990
Benefits and losses	185,311	182,710	167,436
Amortization of deferred policy acquisition costs	24,514	26,218	23,272
Lease expense	33,960	37,343	49,780
Depreciation, net gains on disposals of ($11,822, $32,495 and $98,158, respectively)	543,247	449,025	291,235
Net gains on disposal of real estate	(195,414)	(3,590)	(545)
Total costs and expenses	2,836,795	2,679,504	2,408,842
Earnings from operations	764,319	742,263	866,626
Interest expense	(126,706)	(113,406)	(97,715)
Fees and amortization on early extinguishment of debt	–	(499)	–
Pretax earnings	637,613	628,358	768,911
Income tax benefit (expense)	152,970	(229,934)	(279,910)
Earnings available to common stockholders	$ 790,583	$ 398,424	$ 489,001
Basic and diluted earnings per common share	$ 40.36	$ 20.34	$ 24.95
Weighted average common shares outstanding: Basic and diluted	19,588,889	19,586,606	19,596,110

Related party revenues for fiscal 2018, 2017 and 2016, net of eliminations, were $32.9 million, $34.0 million and $32.6 million, respectively.

Related party costs and expenses for fiscal 2018, 2017, and 2016, net of eliminations, were $61.3 million, $59.9 million and $57.4 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, 2018	**Pre-tax**	**Tax**	**Net**
		(In thousands)	
Comprehensive income:			
Net earnings	$ 637,613	$ 152,970	$ 790,583
Other comprehensive income:			
Foreign currency translation	14,652	–	14,652
Unrealized net gain on investments	30,929	(10,825)	20,104
Change in fair value of cash flow hedges	4,445	(1,363)	3,082
Change in postretirement benefit obligations	288	(253)	35
Total comprehensive income	$ 687,927	$ 140,529	$ 828,456

Fiscal Year Ended March 31, 2017	**Pre-tax**	**Tax**	**Net**
		(In thousands)	
Comprehensive income:			
Net earnings	$ 628,358	$ (229,934)	$ 398,424
Other comprehensive income:			
Foreign currency translation	(5,862)	–	(5,862)
Unrealized net gain on investments	13,822	(4,838)	8,984
Change in fair value of cash flow hedges	9,916	(3,767)	6,149
Change in postretirement benefit obligations	28	(10)	18
Total comprehensive income	$ 646,262	$ (238,549)	$ 407,713

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
Change in postretirement benefit obligations	(1,029)	381	(648)
Total comprehensive income	$ 731,491	$ (268,650)	$ 462,841

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, 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)
Change in fair value of cash flow hedges, net of tax	–	–	6,027	–	–	–	–	6,027
Change in postretirement benefit obligations	–	–	(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
Increase in market value of released ESOP shares	–	543	–	–	–	–	–	543
Release of unearned ESOP shares	–	–	–	–	–	–	10,360	10,360
Purchase of ESOP shares	–	–	–	–	–	–	(11,106)	(11,106)
Foreign currency translation	–	–	(5,862)	–	–	–	–	(5,862)
Unrealized net gain on investments, net of tax	–	–	8,984	–	–	–	–	8,984
Change in fair value of cash flow hedges, net of tax	–	–	6,149	–	–	–	–	6,149
Change in postretirement benefit obligations	–	–	18	–	–	–	–	18
Net earnings	–	–	–	398,424	–	–	–	398,424
Common stock dividends: ($2.00 per share for fiscal 2017)	–	–	–	(39,172)	–	–	–	(39,172)
Net activity	–	543	9,289	359,252	–	–	(746)	368,338
Balance as of March 31, 2017	$ 10,497	$ 452,172	$ (51,236)	$ 2,892,893	$ (525,653)	$ (151,997)	$ (6,932)	$ 2,619,744
Adjustment for adoption of ASU 2018 - 02	–	–	8,740	(8,740)	–	–	–	–
Increase in market value of released ESOP shares	–	574	–	–	–	–	–	574
Release of unearned ESOP shares	–	–	–	–	–	–	10,749	10,749
Purchase of ESOP shares	–	–	–	–	–	–	(11,640)	(11,640)
Foreign currency translation	–	–	14,652	–	–	–	–	14,652
Unrealized net gain on investments, net of tax	–	–	20,104	–	–	–	–	20,104
Change in fair value of cash flow hedges, net of tax	–	–	3,082	–	–	–	–	3,082
Change in postretirement benefit obligations	–	–	35	–	–	–	–	35
Net earnings	–	–	–	790,583	–	–	–	790,583
Common stock dividends: ($2.00 per share for fiscal 2018)	–	–	–	(39,175)	–	–	–	(39,175)
Net activity	–	574	46,613	742,668	–	–	(891)	788,964
Balance as of March 31, 2018	$ 10,497	$ 452,746	$ (4,623)	$ 3,635,561	$ (525,653)	$ (151,997)	$ (7,823)	$ 3,408,708

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,		
	2018	2017	2016
	(In thousands)		
Cash flows from operating activities:			
Net earnings	$ 790,583	$ 398,424	$ 489,001
Adjustments to reconcile net earnings to cash provided by operations:			
Depreciation	555,069	481,520	389,393
Amortization of deferred policy acquisition costs	24,514	26,218	23,272
Amortization of debt issuance costs	3,868	4,062	3,419
Interest credited to policyholders	32,302	25,020	20,465
Change in allowance for losses on trade receivables	(120)	(46)	(205)
Change in allowance for inventories and parts reserves	5,065	1,330	(1,343)
Net gains on disposal of personal property	(11,822)	(32,495)	(98,158)
Net gains on disposal of real estate	(195,414)	(3,590)	(545)
Net gains on sales of investments	(6,269)	(5,284)	(4,491)
Deferred income taxes	(193,434)	173,112	138,075
Net change in other operating assets and liabilities:			
Reinsurance recoverables and trade receivables	(15,329)	(2,890)	14,765
Inventories and parts	(12,384)	(4,072)	(9,009)
Prepaid expenses	(40,765)	9,386	(10,338)
Capitalization of deferred policy acquisition costs	(27,350)	(27,111)	(32,590)
Other assets	(165,968)	(2,488)	16,261
Related party assets	53,408	343	56,644
Accounts payable and accrued expenses	(25,546)	(5,056)	37,312
Policy benefits and losses, claims and loss expenses payable	161,121	15,378	9,626
Other policyholders' funds and liabilities	(109)	1,499	(349)
Deferred income	5,524	5,921	4,757
Related party liabilities	(616)	(1,062)	(616)
Net cash provided by operating activities	936,328	1,058,119	1,045,346
Cash flow from investing activities:			
Escrow deposits	31,362	(38,058)	(4,358)
Purchase of:			
Property, plant and equipment	(1,363,745)	(1,419,505)	(1,509,154)
Short term investments	(63,556)	(635,847)	(515,899)
Fixed maturity investments	(390,900)	(355,101)	(398,987)
Equity securities	(662)	(489)	(1,315)
Preferred stock	(1,000)	–	(1,005)
Real estate	(1,939)	(32,807)	(15,459)
Mortgage loans	(83,507)	(154,310)	(87,204)
Proceeds from sales and paydowns of:			
Property, plant and equipment	699,803	487,475	539,256
Short term investments	67,790	655,726	528,180
Fixed maturity investments	164,825	190,578	154,536
Equity securities	–	–	2,044
Preferred stock	4,208	4,181	1,126
Real estate	2,783	8,753	21,589
Mortgage loans	37,590	106,832	26,968
Net cash used by investing activities	(896,948)	(1,182,572)	(1,259,682)
Cash flow from financing activities:			
Borrowings from credit facilities	498,464	742,625	837,972
Principal repayments on credit facilities	(356,451)	(367,844)	(428,403)
Payment of debt issuance costs	(5,111)	(5,055)	(10,184)
Capital lease payments	(296,363)	(212,545)	(168,661)
Employee Stock Ownership Plan Shares	(11,640)	(11,106)	(9,302)
Securitization deposits	(2,180)	446	544
Common stock dividends paid	(29,380)	(58,757)	(78,374)
Investment contract deposits	401,814	285,148	358,237
Investment contract withdrawals	(182,549)	(149,159)	(112,957)
Net cash provided by financing activities	16,604	223,753	388,872
Effects of exchange rate on cash	5,598	(2,140)	(15,740)
Increase in cash and cash equivalents	61,582	97,160	158,796
Cash and cash equivalents at the beginning of period	697,806	600,646	441,850
Cash and cash equivalents at the end of period	$ 759,388	$ 697,806	$ 600,646

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

Note 1. Basis of Presentation

AMERCO, a Nevada Corporation ("AMERCO"), has a fiscal year that ends on the 31 st of March for each year that is referenced. Our insurance company subsidiaries have fiscal years that end on the 31 st 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 2017, 2016 and 2015 correspond to fiscal 2018, 2017 and 2016 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 Accounting Standards Codification ("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(ies) 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 terms "Company," "we," "us" or "our" refer 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.

Property and Casualty Insurance includes Repwest and its wholly-owned subsidiaries and ARCOA Risk Retention Group ("ARCOA"). Property and Casualty Insurance provides loss adjusting and claims handling for U-Haul through regional offices in the United States and Canada. 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 our 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 materially 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, 2018 and March 31, 2017, 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.

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 receiving 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 are 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 and parts, net

Inventories and parts, net were as follows:

	March 31,	
	2018	2017
	(In thousands)	
Truck and trailer parts and accessories (a)	$ 83,335	$ 71,918
Hitches and towing components (b)	18,627	17,799
Moving supplies and propane (b)	9,370	9,112
Subtotal	111,332	98,829
Less: LIFO reserves	(16,126)	(14,340)
Less: excess and obsolete reserves	(5,329)	(2,050)
Total	$ 89,877	$ 82,439

(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. Inventories are stated at the lower cost or net realizable value.

Inventory cost is primarily determined using the last-in first-out method (“LIFO”). Inventories valued using LIFO consisted of approximately 96% and 94% of the total inventories for March 31, 2018 and 2017, respectively. Had we utilized the first-in first-out method (“FIFO”), stated inventory balances would have been $16.1 million and $14.3 million higher at March 31, 2018 and 2017, respectively. In fiscal 2017, the negative effect on income due to liquidation of a portion of the LIFO inventory was $0.1 million.

Property, Plant and Equipment

Our Property, plant and equipment is stated at cost. Interest expense incurred during the initial construction of buildings 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. Routine maintenance costs are charged to operating expense as they are incurred. Gains and losses on dispositions of property, plant and equipment, other than real estate, are netted against depreciation expense when realized. The net amount of gains, netted against depreciation expense, were $11.8 million, $32.5 million and $98.2 million during fiscal 2018, 2017 and 2016, 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. As a result of changes in IRS regulations regarding the capitalization of assets, beginning in the first quarter of fiscal 2017, we raised the value threshold before certain assets are capitalized within our depreciation policy. This change in threshold, results in the immediate recognition of reported operating costs with a lagging decrease in depreciation expense over the term that these assets would have been depreciated. Due to this change, we had additional operating expenses of $23.1 million and $23.9 million in fiscal 2018 and 2017, respectively. This change in threshold is expected to benefit us through the immediate recognition of tax deductible costs.

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.

For our box truck fleet we utilize an accelerated method of depreciation 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 15% by the end of year fifteen. 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 the United States and Canada, on our website 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.

In addition to our property, plant and equipment, we had real estate held for investment of $53.8 million and $66.2 million for fiscal 2018 and 2017, respectively and is included in Investments, other.

Receivables

Trade receivables 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.

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 IBNR losses. 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 or more frequently, if there are changes in facts or circumstances 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.

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 $408.5 million and $399.2 million of liabilities related to these programs as of March 31, 2018 and 2017, 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, 2018 and 2017, the consolidated balance sheets include liabilities of $15.2 million and $13.7 million, respectively, related to medical plan benefits we provide 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 IBNR claims. This liability is reported net of estimated recoveries from excess loss reinsurance policies with unaffiliated insurers of $22 thousand and $0.1 million as of March 31, 2018 and 2017, 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 insurance premiums are recognized as revenue over the policy periods. Traditional life and Medicare supplement insurance premiums are recognized as revenue over the premium-paying periods of the contracts when due from the policyholders. 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 $8.1 million, $8.7 million and $9.6 million in fiscal 2018, 2017 and 2016, 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 (the "Sales Inducement Asset"). Sales inducements are recognized as an asset with a corresponding increase to the policyholder liability and are amortized in a similar manner to Deferred Policy Acquisition Costs. As of December 31, 2017 and 2016, the Sales Inducement Asset included with Deferred Policy Acquisition Costs amounted to $21.2 million and $23.0 million, respectively on the consolidated balance sheet and amortization expense totaled $3.7 million $3.3 million and $3.0 million for the periods ended December 31, 2017, 2016 and 2015, 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 are capitalized if they improve the safety or efficiency of the property or are incurred in preparing the property for sale.

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.

Debt Issuance Costs

We defer costs directly associated with acquiring third-party financing. Debt issuance costs are deferred and amortized. Debt issuance costs related to our long-term debt are reflected as a direct deduction from the carrying amount of the debt in accordance with our adoption of Accounting Standards Update ("ASU") 2015-03, *Simplifying the Presentation of Debt Issuance Costs* . Please see Note 9, Borrowings, of the Notes to Consolidated Financial Statements.

Adoption of New Accounting Pronouncements

In October 2016, the Financial Accounting Standards Board ("FASB") issued ASU 2016-17, *Interests Held through Related Parties That Are Under Common Control* , which modifies existing guidance with respect to how a decision maker that holds an indirect interest in a VIE through a common control party determines whether it is the primary beneficiary of the VIE as part of the analysis of whether the VIE would need to be consolidated. Under ASU 2016-17, a decision maker would need to consider only its proportionate indirect interest in the VIE held through a common control party. Previous guidance had required the decision maker to treat the common control party's interest in the VIE as if the decision maker held the interest itself. As a result of ASU 2016-17, in certain cases, previous consolidation conclusions may change. We adopted this standard in the first quarter of fiscal 2018. The adoption of this standard did not have a material impact on our consolidated financial statements.

In February 2018, the FASB issued ASU 2018-02, *Income Statement-Reporting Comprehensive Income (Topic 220)* ("ASU 2018-02"), this amendment requires a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects associated with the change in the federal corporate income tax rate in the 2017 Tax Reform Act (the "Tax Reform Act") . The amount of the reclassification is equal to the impact of the change in deferred taxes related to amounts recorded in accumulated other comprehensive income resulting from the change in the statutory corporate tax rate from 35% to 21%. ASU 2018-02 is effective for all entities in fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. Early adoption is permitted and retrospective application is required. We chose to adopt the amendment in ASU 2018-02 during the fourth quarter of fiscal 2018 and recorded a decrease of approximately $8.7 million to retained earnings with a corresponding increase to accumulated other comprehensive income to reclassify the stranded tax effects from the Tax Reform Act.

Recent Accounting Pronouncements

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)* , an updated standard on revenue recognition. The standard outlines a five-step model for entities to use in accounting for revenue arising from contracts with customers. The standard applies to all contracts with customers except for leases, insurance contracts, financial instruments, certain nonmonetary exchanges and certain guarantees. The standard also requires expanded disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments. ASU 2014-09 became effective for the Company on April 1, 2018 and will be adopted on a modified retrospective basis, but we do not expect it to have a material effect on our consolidated financial statements. While we are still finalizing the effect that ASU 2014-09 will have on our consolidated financial statements and related disclosures, we have performed an impact assessment by analyzing certain existing material revenue transactions and arrangements that are representative of our business segments and their revenue streams. Additionally, we have assessed any potential impacts on our internal controls and processes related to both the implementation and ongoing compliance of the new guidance. Based on the assessment performed to date, we do not expect material changes to our current policies related to the timing of revenue recognition and the accounting for costs; however, we will be finalizing our assessment in advance of the filing of our first quarter June 30, 2018 Form 10-Q. The standard will impact our disclosures including disclosures presenting further disaggregation of revenue. We are in the process of developing our new footnote disclosures required under the new standard.

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 do not expect adoption of ASU 2016-01 to have a material effect 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 operating leases reporting a single lease expense. This update will also require both qualitative and quantitative disclosures to help financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases. The guidance is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years; however, early adoption is permitted. We have determined that the provisions of ASU 2016-02 may result in an increase in assets to recognize the present value of the lease obligations with a corresponding increase in liabilities. We are still in the process of determining the impact on our consolidated financial statements. For the last ten years, we have reported a discounted estimate of the off-balance sheet lease obligations in our MD&A.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326)* . This update will require that financial assets measured at amortized cost be presented at the net amount expected to be collected. The allowance for credit losses is a valuation account that is deducted from the amortized cost basis. The income statement reflects the measurement of credit losses for newly recognized financial assets, as well as the expected credit losses during the period. The measurement of expected credit losses is based upon historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. Credit losses relating to available-for-sale debt securities will be recorded through an allowance for credit losses rather than as a direct write-down to the security. This update will become effective for the Company for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. Early adoption is permitted for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. We are currently evaluating the impact of this standard on our consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments* . This update addresses eight specific cash flow issues with the objective of reducing the existing diversity in practice. The effective date of ASU 2016-15 is for interim and annual reporting periods beginning after December 15, 2017. Early adoption is permitted. We are currently evaluating the impact of this standard on our consolidated financial statements.

In October 2016, the FASB issued ASU 2016-16, *Income Taxes - Intra-Entity Transfers of Assets Other Than Inventory* , which will require an entity to recognize the income tax consequences of an intra-entity transfer of an asset, other than inventory, when the transfer occurs. This update will become effective for the Company for fiscal years beginning after December 31, 2017, and interim periods within those fiscal years with early adoption permitted. We are currently evaluating the impact of this standard on our consolidated financial statements.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230) Restricted Cash* . The new guidance requires that the reconciliation of the beginning-of-period and end-of-period amounts shown in the statements of cash flows include restricted cash and restricted cash equivalents. If restricted cash is presented separately from cash and cash equivalents on the balance sheet, companies will be required to reconcile the amounts presented on the statement of cash flows to the amounts on the balance sheet. Companies will also need to disclose information about the nature of the restrictions. This update will become effective for the Company for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years, with early adoption permitted. We do not expect adoption of ASU 2016-18 to have a material effect on our consolidated financial statements.

In January 2017, the FASB issued ASU 2017-01, *Business Combinations (Topic 805) Clarifying the Definition of a Business* . This update is to clarify the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The definition of a business affects many areas of accounting including acquisitions, disposals, goodwill, and consolidation. This update will become effective for the Company for fiscal years beginning after December 15, 2017, including interim periods within those years. We do not expect adoption of ASU 2017-01 to have a material effect on our consolidated financial statements.

In March 2017, the FASB issued ASU 2017-07, *Compensation - Retirement Benefits: Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost* , which changes how companies that sponsor defined benefit pension plans present the related net periodic benefit cost in the income statement. The service cost component of the net periodic benefit cost will continue to be presented in the same income statement line items, however other components of the net periodic benefit cost will be presented as a component of other income and excluded from operating profit. ASU 2017-07 will become effective for public companies during interim and annual reporting periods beginning after December 15, 2017 with early adoption permitted. We do not expect adoption of ASU 2017-07 to have a material effect on our consolidated financial statements.

In March 2017, the FASB issued ASU 2017-08, *Receivables – Nonrefundable Fees and Other Cost (Subtopic 310-20), Premium Amortization on Purchased Callable Debt Securities.* These amendments shorten the amortization period for certain callable debt securities held at a premium. Specifically, the amendments require the premium to be amortized to the earliest call date. The amendments do not require an accounting change for securities held at a discount; the discount continues to be amortized to maturity. The guidance is effective for public business entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. Early adoption is permitted including adoption in an interim period. If an entity early adopts in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes the interim period. The amendments should be applied on a modified retrospective basis, with a cumulative-effect adjustment directly to retained earnings as of the beginning of the period of adoption. We are currently evaluating the impact of this standard on our consolidated financial statements.

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 ASUs 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 17,581; 20,226; and 21,883 as of March 31, 2018, 2017, and 2016, respectively.

Note 5. Reinsurance Recoverables and Trade Receivables, Net

Reinsurance recoverables and trade receivables, net were as follows:

	March 31,	
	2018	**2017**
	(In thousands)	
Reinsurance recoverable	$ 100,335	$ 111,433
Trade accounts receivable	65,001	41,062
Paid losses recoverable	1,078	544
Accrued investment income	21,549	20,145
Premiums and agents' balances	1,702	1,294
Independent dealer receivable	85	493
Other receivables	4,284	3,649
	194,034	178,620
Less: Allowance for doubtful accounts	(496)	(539)
	$ 193,538	$ 178,081

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 $32.4 million and $16.8 million at December 31, 2017 and 2016, respectively.

Available-for-Sale Investments

Available-for-sale investments at March 31, 2018 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	$ 123,557	$ 3,595	$ (1,036)	$ (203)	$ 125,913
U.S. government agency mortgage-backed securities	36,416	951	(1)	(93)	37,273
Obligations of states and political subdivisions	178,702	9,938	(217)	(18)	188,405
Corporate securities	1,388,300	50,056	(3,009)	(1,826)	1,433,521
Mortgage-backed securities	94,106	2,072	–	(153)	96,025
Redeemable preferred stocks	10,609	321	(29)	(40)	10,861
Common stocks	15,732	12,329	(10)	(189)	27,862
	$ 1,847,422	$ 79,262	$ (4,302)	$ (2,522)	$ 1,919,860

Available-for-sale investments at March 31, 2017 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	$ 123,474	$ 2,892	$ –	$ (1,675)	$ 124,691
U.S. government agency mortgage-backed securities	27,908	1,070	(6)	(377)	28,595
Obligations of states and political subdivisions	159,417	9,466	(23)	(424)	168,436
Corporate securities	1,263,703	32,901	(5,731)	(13,837)	1,277,036
Mortgage-backed securities	26,577	515	–	(5)	27,087
Redeemable preferred stocks	13,789	168	–	(468)	13,489
Common stocks	15,732	8,728	(10)	(16)	24,434
	$ 1,630,600	$ 55,740	$ (5,770)	$ (16,802)	$ 1,663,768

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 $163.7 million, $190.2 million and $150.7 million in fiscal 2018, 2017 and 2016, respectively. The gross realized gains on these sales totaled $5.4 million, $5.1 million and $4.2 million in fiscal 2018, 2017 and 2016, respectively. We realized gross losses on these sales of $0.3 million, $2.2 million and $0.6 million in fiscal 2018, 2017 and 2016, respectively.

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 2018, 2017 and 2016.

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 2018, 2017 or 2016.

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

	March 31, 2018		March 31, 2017	
	Amortized Cost	Estimated Market Value	Amortized Cost	Estimated Market Value
	(In thousands)			
Due in one year or less	$ 36,446	$ 36,674	$ 35,399	$ 35,795
Due after one year through five years	441,223	450,816	324,286	333,016
Due after five years through ten years	607,895	626,174	598,232	607,184
Due after ten years	641,411	671,448	616,585	622,763
	1,726,975	1,785,112	1,574,502	1,598,758
Mortgage backed securities	94,106	96,025	26,577	27,087
Redeemable preferred stocks	10,609	10,861	13,789	13,489
Equity securities	15,732	27,862	15,732	24,434
	$ 1,847,422	$ 1,919,860	$ 1,630,600	$ 1,663,768

Investments, other

The carrying value of other investments was as follows:

	March 31,	
	2018	2017
	(In thousands)	
Mortgage loans, net	$ 309,952	$ 262,875
Short-term investments	10,350	15,149
Real estate	53,776	66,174
Policy loans	17,677	17,112
Other equity investments	7,309	6,520
	$ 399,064	$ 367,830

Mortgage loans are carried at the unpaid balance, less an allowance for probable losses net of any unamortized premium or discount. The portfolio of mortgage loans is principally collateralized by self-storage facilities and commercial properties. The interest rate range on the mortgage loans is 4.3% to 6.9% with maturities between 2018 and 2036. The allowance for probable losses was $0.5 million and $0.5 million as of March 31, 2018 and 2017, respectively. The estimated fair value of these loans as of March 31, 2018 and 2017 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,	
	2018	2017
	(In thousands)	
Deposits (debt-related)	$ 33,546	$ 32,182
Cash surrender value of life insurance policies	31,904	32,070
Deposits (real estate related)	19,332	27,755
Insurance recoveries	160,000	–
Other	–	5,518
	$ 244,782	$ 97,525

Note 8. Net Investment and Interest Income

Net investment and interest income, were as follows:

	Years Ended March 31,		
	2018	2017	2016
	(In thousands)		
Fixed maturities	$ 84,476	$ 73,041	$ 63,453
Real estate	5,344	5,189	3,775
Insurance policy loans	1,212	1,212	1,188
Mortgage loans	17,783	20,617	14,631
Short-term, amounts held by ceding reinsurers, net and other investments	3,098	1,157	208
Investment income	111,913	101,216	83,255
Less: investment expenses	(4,766)	(3,820)	(2,724)
Investment income - related party, net eliminations	3,326	4,880	6,086
Net investment and interest income	$ 110,473	$ 102,276	$ 86,617

Note 9. Borrowings

Long-Term Debt

Long-term debt was as follows:

			March 31,	
	2018 Rate (a)	Maturities	2018	2017
			(In thousands)	
Real estate loan (amortizing term)	3.24% - 6.93%	2023	$ 135,287	$ 169,289
Senior mortgages	3.72% - 6.62%	2021 - 2038	1,487,645	1,292,160
Working capital loan (revolving credit)	3.15%	2018	55,000	85,000
Fleet loans (amortizing term)	1.95% - 4.76%	2018 - 2025	342,971	324,977
Fleet loan (securitization)	4.90%	–	–	52,112
Fleet loans (revolving credit)	2.80% - 2.81%	2020 - 2021	460,000	417,000
Capital leases (rental equipment)	1.92% - 4.80%	2018 - 2025	984,217	876,828
Other obligations	2.75% - 8.00%	2018 - 2047	73,579	69,867
Notes, loans and leases payable			$ 3,538,699	$ 3,287,233
Less: Debt issuance costs			(25,623)	(24,353)
Total notes, loans and leases payable, net			$ 3,513,076	$ 3,262,880

(a) Interest rate as of March 31, 2018, taking into account 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, 2018, the outstanding balance on the Real Estate Loan was $135.3 million. 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 2023.

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, 2018, the applicable LIBOR was 1.74% and the applicable margin was 1.50%, the sum of which was 3.24%, which was applied to $73.9 million of the Real Estate Loan. The rate of the remaining balance of $61.4 million of 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, 2018 were in the aggregate amount of $1,487.6 million and mature between 2021 and 2038. The senior mortgages require monthly principal and interest payments. 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 3.72% and 6.62%. 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. 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.

Working Capital Loans

Various subsidiaries of Amerco Real Estate Company and U-Haul International, Inc. are borrowers under an asset backed working capital loan. The maximum amount that can be drawn at any one time is $55.0 million. At March 31, 2018, the outstanding balance was $55.0 million. This loan is secured by certain properties owned by the borrowers. This loan agreement provides for term loans, subject to the terms of the loan agreement. The final maturity of the loan is November 2018. This loan requires monthly interest payments with the unpaid loan balance and accrued and unpaid interest due at maturity. The interest rate, per the provision of the loan agreement, is the applicable LIBOR plus the applicable margin. At March 31, 2018, the applicable LIBOR was 1.65% and the margin was 1.50%, the sum of which was 3.15%. AMERCO is the guarantor 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.

AMERCO is a borrower under a working capital loan. The current maximum credit commitment is $150.0 million, which can be increased to $300.0 million by bringing in other lenders. At March 31, 2018, the full $150.0 million was available to be drawn. This loan agreement provides for revolving loans, subject to the terms of the loan agreement. The final maturity of this loan is September 2020. This loan requires monthly interest payments with the unpaid loan balance and accrued and unpaid interest due at maturity. The interest rate is the applicable LIBOR plus a margin between 1.38% and 1.50% depending on the amount outstanding. The default provisions of the loan include non-payment of principal or interest and other standard reporting and change-in-control covenants. There is a 0.30% fee charged for unused capacity.

Fleet Loans

Rental Truck Amortizing Loans

U-Haul International, Inc. and several of its subsidiaries are borrowers under amortizing term loans. The aggregate balance of the loans as of March 31, 2018 was $343.0 million with the final maturities between June 2018 and March 2025.

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 margins. At March 31, 2018, the applicable LIBOR was between 1.66% and 1.78% and applicable margins were between 1.72% and 2.38%. The interest rates are hedged with interest rate swaps fixing the rates between 2.82% and 4.76% based on current margins. Additionally, $288.2 million of these loans are carried at fixed rates ranging between 1.95% and 3.94%.

AMERCO and, in some cases, 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 acted as the trustee for this securitization. The 2010 Box Truck Note had a fixed interest rate of 4.90% and in October 2017 the note was repaid in full.

Rental Truck Revolvers

Various subsidiaries of U-Haul International, Inc. entered into three revolving fleet loans in aggregate for $490.0 million, which can be increased to a maximum of $565.0 million. These loans mature between March 2020 and November 2021. The interest rate, per the provision of the loan agreements, is the applicable LIBOR plus the applicable margin. At March 31, 2018, the applicable LIBOR was between 1.65% and 1.66% and the margin was 1.15%, the sum of which was between 2.80% and 2.81%. Only interest is paid on the loans until the last nine months when principal is due monthly. As of March 31, 2018, the aggregate outstanding balance of the loans was $460.0 million.

Capital Leases

We regularly enter into capital leases for new equipment with the terms of the leases between five and seven years. During fiscal 2018, we entered into $397.0 million of new capital leases. At March 31, 2018 and March 31, 2017, the balance of our capital leases was $984.2 million and $876.8 million, respectively. The net book value of the corresponding capitalized assets was $1,407.6 million and $1,233.3 million at March 31, 2018 and March 31, 2017, respectively.

Other Obligations

In February 2011, AMERCO and U.S. Bank, NA (the "Trustee") entered into the U-Haul Investors Club ® Indenture. AMERCO 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, but not limited to, 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, 2018, the aggregate outstanding principal balance of the U-Notes ® issued was $77.3 million, of which $3.8 million is held by our insurance subsidiaries and eliminated in consolidation. Interest rates range between 2.75% and 8.00% and maturity dates range between 2018 and 2047.

Oxford is a member of the Federal Home Loan Bank ("FHLB") and, as such, the FHLB has made deposits with Oxford. As of December 31, 2017, the deposits had an aggregate balance of $60.0 million, for which Oxford pays fixed interest rates between 1.33% and 1.75% with maturities between March 29, 2018 and March 30, 2020. As of December 31, 2017, available-for-sale investments held with the FHLB totaled $129.2 million, of which $73.1 million were pledged as collateral to secure the outstanding deposits. The balances of these deposits are included within 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, 2018 for the next five years and thereafter are as follows:

	Years Ended March 31,						
	2019	2020	2021	2022	2023	Thereafter	Total
	(In thousands)						
Notes, loans and leases payable, secured	$ 499,136	$ 398,626	$ 491,780	$ 507,929	$ 268,982	$ 1,372,246	$ 3,538,699

Note 10. Interest on Borrowings

Interest Expense

Components of interest expense include the following:

	Years Ended March 31,		
	2018	2017	2016
	(In thousands)		
Interest expense	$ 125,412	$ 106,221	$ 85,404
Capitalized interest	(6,466)	(4,863)	(3,623)
Amortization of transaction costs	3,867	3,445	3,235
Interest expense resulting from derivatives	3,893	8,603	12,699
Total interest expense	126,706	113,406	97,715
Amortization on early extinguishment of debt	–	499	–
Total	$ 126,706	$ 113,905	$ 97,715

Interest paid in cash, including payments related to derivative contracts, amounted to $129.3 million, $113.7 million and $95.1 million for fiscal 2018, 2017 and 2016, respectively.

Interest Rates

Interest rates and our revolving credit borrowings were as follows:

	Revolving Credit Activity Years Ended March 31,		
	2018	2017	2016
	(In thousands, except interest rates)		
Weighted average interest rate during the year	2.48%	1.83%	1.67%
Interest rate at year end	2.84%	2.06%	1.82%
Maximum amount outstanding during the year	$ 538,000	$ 597,000	$ 347,000
Average amount outstanding during the year	$ 517,997	$ 477,888	$ 237,372
Facility fees	$ 410	$ 158	$ 201

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.

Original variable rate debt and lease amount		Agreement Date	Effective Date	Expiration Date	Designated cash flow hedge date
(In millions)					
$ 300.0		8/16/2006	8/18/2006	8/10/2018	8/4/2006
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, 2018, the total notional amount of our variable interest rate swaps on debt and an operating lease was $117.6 million and $6.2 million, respectively.

The net derivative fair values reflected in accounts payable and accrued expenses in the balance sheets were as follows:

	Liability Derivative Fair Value as of	
	March 31, 2018	March 31, 2017
	(In thousands)	
Interest rate contracts designated as hedging instruments	$ 460	$ 4,903

	The Effect of Interest Rate Contracts on the Statements of Operations Years Ended March 31,		
	2018	2017	2016
	(In thousands)		
Loss recognized in income on interest rate contracts	$ 3,893	$ 8,603	$ 12,699
Gain recognized in AOCI on interest rate contracts (effective portion)	$ (4,445)	$ (9,916)	$ (9,721)
Loss reclassified from AOCI into income (effective portion)	$ 3,893	$ 8,628	$ 12,616
(Gain) loss recognized in income on interest rate contracts (ineffective portion and amount excluded from effectiveness testing)	$ –	$ (25)	$ 83

Gains or losses recognized in income on derivatives are recorded as interest expense in the statements of operations. During fiscal 2018, we recognized an increase in the fair value of our cash flows hedges of $2.7 million, net of taxes. Embedded in this change was $3.9 million of losses reclassified from accumulated other comprehensive income (loss) to interest expense during the year. At March 31, 2018, we expect to reclassify $0.7 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 12. Stockholders' Equity

Common Stock Dividends			
Declared Date	**Per Share Amount**	**Record Date**	**Dividend Date**
March 8, 2018	$ 0.50	March 23, 2018	April 6, 2018
December 6, 2017	0.50	December 21, 2017	January 5, 2018
July 5, 2017	1.00	July 20, 2017	August 3, 2017
February 8, 2017	1.00	February 23, 2017	March 9, 2017
October 5, 2016	1.00	October 20, 2016	November 3, 2016

On June 8, 2016, the stockholder's approved the 2016 AMERCO Stock Option Plan (Shelf Stock Option Plan). As of March 31, 2018, no awards had been issued under this plan.

Note 13. Provision for Taxes

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

	Years Ended March 31,		
	2018	**2017**	**2016**
	(In thousands)		
Pretax earnings:			
U.S.	$ 628,901	$ 609,589	$ 745,194
Non-U.S.	8,712	18,769	23,717
Total pretax earnings	$ 637,613	$ 628,358	$ 768,911
Current provision			
Federal	$ 21,780	$ 38,723	$ 118,974
State	6,471	10,818	15,988
Non-U.S.	1,412	3,334	3,303
	29,663	52,875	138,265
Deferred provision (benefit)			
Federal	(199,415)	160,527	125,950
State	15,479	15,210	12,561
Non-U.S.	1,303	1,322	3,134
	(182,633)	177,059	141,645
Provision for income tax expense (benefit)	$ (152,970)	$ 229,934	$ 279,910
Income taxes paid (net of income tax refunds received)	$ 68,671	$ 36,880	$ 141,901

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,		
	2018	2017	2016
Statutory federal income tax rate	31.55%	35.00%	35.00%
Increase (reduction) in rate resulting from:			
Deferred tax liability revaluation	(58.25%)	0.00%	0.00%
State taxes, net of federal benefit	2.33%	2.66%	2.34%
Foreign rate differential	0.00%	(0.31%)	(0.24%)
Federal tax credits	(0.32%)	(0.41%)	(0.19%)
Transition tax	1.83%	0.00%	0.00%
Dividend received deduction	(0.03%)	(0.03%)	(0.02%)
Phase III tax	0.63%	0.00%	0.00%
Other	(1.73%)	(0.32%)	(0.49%)
Actual tax expense (benefit) of operations	(23.99%)	36.59%	36.40%

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

	March 31,	
	2018	2017
	(In thousands)	
Deferred tax assets:		
Net operating loss and credit carry forwards	$ 3,136	$ 1,948
Accrued expenses	104,309	168,331
Policy benefit and losses, claims and loss expenses payable, net	11,148	21,287
Total deferred tax assets	$ 118,593	$ 191,566
Deferred tax liabilities:		
Property, plant and equipment	$ 741,607	$ 986,334
Deferred policy acquisition costs	12,995	20,901
Unrealized gains	18,863	19,140
Other	3,236	200
Total deferred tax liabilities	776,701	1,026,575
Net deferred tax liability	$ 658,108	$ 835,009

The net operating loss and credit carry-forwards in the above table are primarily attributable to $45.3 million of state net operating losses that will begin to expire March 31, 2019 if not utilized.

The Tax Reform Act was enacted on December 22, 2017. The Tax Reform Act reduces the U.S. federal corporate income tax rate from 35% to 21%, requires companies to pay a one-time transition tax on earnings of certain foreign subsidiaries that were previously tax deferred, and repeals the deferral of the phase three tax for life insurance companies. The blended statutory Federal Tax Rate for our full fiscal year ended March 31, 2018 is 31.55%. At March 31, 2018, we have not completed our accounting for the tax effects of enactment of the Tax Reform Act; however, we have made a reasonable estimate of the effects of all items affected by the Tax Reform Act. For these items, we recognized a provisional benefit amount of $355.7 million which is included as a component of tax expense (benefit) from continuing operations.

We re-measured certain deferred tax assets and liabilities based on the rates at which they are expected to reverse in the future, which is generally 21%. However, we are still analyzing certain aspects of the Tax Reform Act and refining our calculations, which could potentially affect the measurement of these balances or potentially give rise to new deferred tax amounts. The provisional amount recorded related to the re-measurement of our deferred tax balance was a benefit of $371.5 million for the fiscal year ended March 31, 2018.

For fiscal 2018, we elected to reclassify the income tax effects of the Tax Reform Act in the amount of $8.7 million from accumulated other comprehensive income to retained earnings under ASU 2018-02. In addition, we have adopted the "investment by investment" approach with regard to releasing disproportionate income tax effects from accumulated other comprehensive income.

We calculated and recorded a provisional one-time transition tax on earnings from foreign subsidiaries based on the post-1986 earnings and profits ("E&P") of our Canadian subsidiaries that were previously deferred from U.S. income taxes. The provisional amount of this one-time transition tax liability for our foreign subsidiaries resulted in an increase in income tax expense of $11.7 million for the fiscal year ended March 31, 2018. We have not yet completed our calculation of the total post-1986 E&P for these foreign subsidiaries. Further, the transition tax is based in part on the amount of those earnings held in cash and other specified assets. This amount may change when we finalize the calculation of post-1986 foreign E&P previously deferred from U.S. federal taxation and finalize the amounts held in cash or other specified assets. No additional income taxes have been provided for any remaining undistributed foreign earnings not subject to the transition tax, or any additional outside basis difference inherent in these entities, as these amounts continue to be indefinitely reinvested in foreign operations. Determining the amount of unrecognized deferred tax liability related to any remaining undistributed foreign earnings not subject to the transition tax and additional outside basis difference in these entities (i.e., basis difference in excess of that subject to the one-time transition tax) is not practicable.

The Tax Reform Act repeals the special rules with regard to distribution to shareholders from pre-1984 policyholders surplus account of our Life Insurance segment. This one-time tax was based on the balance of our pre-1984 policyholder surplus account. We estimated a provisional amount for our one-time tax liability for Phase Three Tax, resulting in an increase in income tax expense of $4.0 million for the fiscal year ended March 31, 2018.

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, 2017 was $26.7 million. The change in after tax benefit as a result of the change in Federal tax rate from 35% to 21% is $5.8 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 $3.2 million. At March 31, 2018, the amount of unrecognized tax benefits and the amount that would favorably affect our effective tax rate was $35.7 million.

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,	
	2018	2017
	(In thousands)	
Unrecognized tax benefits beginning balance	$ 26,720	$ 23,912
Revaluation based on change in after tax benefit	5,755	–
Additions based on tax positions related to the current year	4,139	2,964
Reductions for tax positions of prior years	(96)	(156)
Settlements	(779)	–
Unrecognized tax benefits ending balance	$ 35,739	$ 26,720

We recognize interest related to unrecognized tax benefits as interest expense, and penalties as operating expenses. At March 31, 2017, the amount of interest and penalties accrued on unrecognized tax benefits was $6.7 million, net of tax. The change in after tax benefit as a result of the change in Federal tax rate from 35% to 21% is $1.4 million. During the current year we recorded expense from interest and penalties in the amount of $0.4 million, net of tax. At March 31, 2018, the amount of interest and penalties accrued on unrecognized tax benefits was $8.5 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,

2015.

Note 14. 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 United States 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 Directors (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 2018, 2017 or 2016.

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. We make annual contributions to the ESOP equal to the ESOP's debt service. 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 $11.4 million, $10.7 million and $11.6 million for fiscal 2018, 2017 and 2016, respectively. Listed below is a summary of these financing arrangements as of fiscal year-end:

Financing Date	Outstanding as of March 31, 2018	Interest Payments 2018	2017	2016
		(In thousands)		
June, 1991	$ 16	$ 1	$ 2	$ 10
July, 2009	466	26	36	33
February, 2016	5,122	242	–	–

Leveraged contributions to the Plan Trust during fiscal 2018, 2017 and 2016 were $1.0 million, $0.2 million and $0.4 million, respectively. In fiscal 2018, 2017 and 2016, the Company made non-leveraged contributions of $11.0 million, $11.0 and $4.0 million, respectively to the Plan Trust. In both fiscal 2018 and 2017, $0.1 million of dividends from unallocated shares were applied to debt.

Shares held by the Plan were as follows:

	Years Ended March 31, 2018	2017
	(In thousands)	
Allocated shares	1,112	1,160
Unreleased shares - leveraged	19	21
Fair value of unreleased shares - leveraged	$ 6,448	$ 8,127
Unreleased shares - non-leveraged	13	9
Fair value of unreleased shares - non-leveraged	$ 4,557	$ 3,539

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, 2018 and March 31, 2017, respectively. During fiscal 2018, we released for allocation 3,571 leveraged shares and 26, 659 non-leveraged shares. As of December 31, 2018, there are 3,660 shares committed to be released.

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,		
	2018	2017	2016
	(In thousands)		
Service cost for benefits earned during the period	$ 1,073	$ 1,026	$ 961
Interest cost on accumulated postretirement benefit	869	814	752
Other components	58	88	35
Net periodic postretirement benefit cost	$ 2,000	$ 1,928	$ 1,748

The fiscal 2018 and fiscal 2017 post retirement benefit liability included the following components:

	Years Ended March 31,	
	2018	2017
	(In thousands)	
Beginning of year	$ 22,247	$ 20,791
Service cost for benefits earned during the period	1,073	1,026
Interest cost on accumulated post retirement benefit	869	814
Net benefit payments and expense	(644)	(443)
Actuarial loss	(229)	59
Accumulated postretirement benefit obligation	23,316	22,247
Current liabilities	802	737
Non-current liabilities	22,514	21,510
Total post retirement benefit liability recognized in statement of financial position	23,316	22,247
Components included in accumulated other comprehensive income (loss):		
Unrecognized net loss	(2,530)	(2,817)
Cumulative net periodic benefit cost (in excess of employer contribution)	$ 20,786	$ 19,430

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

	Years Ended March 31,		
	2018	2017	2016
	(In percentages)		
Accumulated postretirement benefit obligation	3.98%	3.94%	3.89%

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 2018 was 6.9% 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 2017 (and used to measure the fiscal 2018 net periodic benefit cost) was 7.1% in the initial year and was projected to decline annually to an ultimate rate of 4.5% in fiscal 2038.

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 $287 thousand and the total of the service cost and interest cost components would increase by $25 thousand. 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 $323 thousand and the total of the service cost and interest cost components would decrease by $29 thousand.

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

Future net benefit payments are expected as follows:

	Future Net Benefit Payments
	(In thousands)
Year-ended:	
2019	$ 802
2020	946
2021	1,121
2022	1,317
2023	1,531
2024 through 2028	10,594
Total	$ 16,311

Note 15. 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.

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, 2018 and 2017, that are subject to ASC 820 and the valuation approach applied to each of these items.

Year Ended March 31, 2018	Total	Level 1	Level 2	Level 3
	(In thousands)			
Assets				
Short-term investments	$ 475,320	$ 475,320	$ –	$ –
Fixed maturities - available for sale	1,881,137	7,567	1,873,293	277
Preferred stock	10,861	10,861	–	–
Common stock	27,862	27,862	–	–
Derivatives	4,388	4,388	–	–
Total	$ 2,399,568	$ 525,998	$ 1,873,293	$ 277
Liabilities				
Derivatives	460	–	460	–
Total	$ 460	$ –	$ 460	$ –

Year Ended March 31, 2017	Total	Level 1	Level 2	Level 3
	(In thousands)			
Assets				
Short-term investments	$ 521,911	$ 521,710	$ 201	$ –
Fixed maturities - available for sale	1,625,845	6,491	1,619,024	330
Preferred stock	13,489	13,489	–	–
Common stock	24,434	24,434	–	–
Derivatives	4,260	4,260	–	–
Total	$ 2,189,939	$ 570,384	$ 1,619,225	$ 330
Liabilities				
Derivatives	4,903	–	4,903	–
Total	$ 4,903	$ –	$ 4,903	$ –

Short term investments in the tables above also include cash equivalents. In light of our definition of an active market, we reclassified $86.3 million of fixed maturities – available for sale from Level 1 to Level 2 due to a review of their trading activity for fiscal 2017.

The following tables represent the fair value measurements for our assets at March 31, 2018 using significant unobservable inputs (Level 3).

	Fixed Maturities - Asset Backed Securities
	(In thousands)
Balance at March 31, 2016	$ 338
Fixed Maturities - Asset Backed Securities - redeemed	(12)
Fixed Maturities - Asset Backed Securities - net gain (unrealized)	4
Balance at March 31, 2017	$ 330
Fixed Maturities - Asset Backed Securities - redeemed	(91)
Fixed Maturities - Asset Backed Securities - net gain (unrealized)	38
Balance at March 31, 2018	$ 277

Note 16. 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 $125,000.

	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, 2017					
Life insurance in force	$ 947,720	$ 248	$ 876,865	$ 1,824,337	48%
Premiums earned:					
Life	$ 51,227	$ 4	$ 9,880	$ 61,103	16%
Accident and health	90,396	295	1,977	92,078	2%
Annuity	728	–	794	1,522	52%
Property and casualty	57,161	69	8	57,100	0%
Total	$ 199,512	$ 368	$ 12,659	$ 211,803	
Year ended December 31, 2016					
Life insurance in force	$ 937,779	$ 249	$ 915,769	$ 1,853,299	49%
Premiums earned:					
Life	$ 50,251	$ –	$ 10,626	$ 60,877	17%
Accident and health	99,450	310	2,263	101,403	2%
Annuity	505	–	794	1,299	61%
Property and casualty	52,329	–	5	52,334	0%
Total	$ 202,535	$ 310	$ 13,688	$ 215,913	
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	$ 198,884	$ 320	$ 14,118	$ 212,682	

(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, Repwest would remain liable for the unpaid losses and loss expenses. Pursuant to certain of these agreements, Repwest holds letters of credit as of December 31, 2017 in the amount of $0.1 million from re-insurers and has issued letters of credit in the amount of $1.9 million in favor of certain ceding companies.

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

	December 31,	
	2017	2016
	(In thousands)	
Unpaid losses and loss adjustment expense	$ 233,554	$ 244,400
Reinsurance losses payable	805	580
Total	$ 234,359	$ 244,980

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

	December 31,		
	2017	2016	2015
	(In thousands)		
Balance at January 1	$ 244,400	$ 251,964	$ 271,609
Less: reinsurance recoverable	103,952	107,311	120,894
Net balance at January 1	140,448	144,653	150,715
Incurred related to:			
Current year	15,749	13,297	11,713
Prior years	233	107	585
Total incurred	15,982	13,404	12,298
Paid related to:			
Current year	8,969	7,777	7,007
Prior years	8,397	9,832	11,353
Total paid	17,366	17,609	18,360
Net balance at December 31	139,064	140,448	144,653
Plus: reinsurance recoverable	94,490	103,952	107,311
Balance at December 31	$ 233,554	$ 244,400	$ 251,964

The liability for incurred losses and loss adjustment expenses (net of reinsurance recoverable of $94.5 million) decreased by $1.4 million as of December 31, 2017.

The information about property and casualty incurred and paid loss and loss adjustment expense development for the years end December 31, 2012 through 2017, and the average annual percentage payout of incurred claims by age as of December 31, 2017, is presented as supplementary information. Claims data for 2012 through 2017 is unaudited.

							As of December 31, 2017	
Accident Year	2012	2013	2014	2015	2016	2017	Total of Incurred-but-Not-Reported Liabilities Plus Expected Development on Reported Claims	Cumulative Number of Reported Claims
	(In thousands, except claim counts)							
2012	$ 8,971	$ 8,903	$ 8,831	$ 8,788	$ 8,753	$ 8,735	$ –	6,889
2013		9,861	9,853	9,914	9,741	9,576	–	7,663
2014			11,691	10,907	10,720	10,759	374	9,648
2015				12,214	12,459	12,460	1,649	10,718
2016					13,297	13,011	1,366	11,134
2017						15,749	4,823	11,424
						Total	8,212	

The following table presents paid claims development as of December 31, 2017, net of reinsurance. Claims data for 2012 through 2017 are unaudited.

Cumulative Paid Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance

(In thousands)

Accident Year	2012	2013	2014	2015	2016	2017
2012	$ 4,415	$ 6,345	$ 8,179	$ 8,410	$ 8,734	$ 8,735
2013		5,227	7,608	8,718	9,462	9,576
2014			6,154	8,087	9,270	9,293
2015				7,509	9,601	9,730
2016					7,777	10,665
2017						8,969
					Total	56,968
				All outstanding liabilities before 2012, net of reinsurance		125,740
				Liabilities for claims and claim adjustment expenses, net of reinsurance		139,064

The reconciliation of the net incurred and paid claims development tables for the liability for claims and claims adjustment expenses is as follows:

	December 31, 2017
	(In thousands)
Liabilities for unpaid Property and Casualty claims and claim adjustment expenses, net of reinsurance	$ 139,064
Total reinsurance recoverable on unpaid Property and Casualty claims	$ 94,490
Total gross liability for unpaid Property and Casualty claims and claim adjustment expense	$ 233,554

The following is supplementary information about average historical claims duration as of December 31, 2017.

Average Annual Percentage Payout of Incurred Claims by Age, net of Reinsurance						
Years	1	2	3	4	5	6
Property and Casualty Insurance	56.6%	20.8%	11.2%	3.5%	2.4%	0.0%

Note 17. 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 2024. As of March 31, 2018, we have guaranteed $15.7 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 have experienced no material losses relating to these types of residual value guarantees.

Lease expenses were as follows:

	Years Ended March 31,		
	2018	2017	2016
	(In thousands)		
Lease expense	$ 33,960	$ 37,343	$ 49,780

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

	Property, Plant and Equipment		Rental Equipment	
	Ground	Operating	Operating	Total
	(In thousands)			
Year-ended March 31:				
2019	$ 991	$ 17,014	$ 9,010	$ 27,015
2020	1,024	17,217	1,300	19,541
2021	1,024	16,699	–	17,723
2022	1,030	15,066	–	16,096
2023	1,030	14,693	–	15,723
Thereafter	49,649	20,163	–	69,812
Total	$ 54,748	$ 100,852	$ 10,310	$ 165,910

Note 18. Contingencies

Litigation

On July 1, 2014, a 100-pound propane cylinder allegedly filled at a Philadelphia-area U-Haul Co. of Pennsylvania (“UHPA”) center exploded while in use on a food truck. The explosion killed two people and injured eleven. Following the incident, the injured parties and their estates filed a number of lawsuits against U-Haul and its subsidiary, UHPA, both of which denied the allegations. One plaintiff sued AMERCO, which also denied the allegations. All suits were filed in the Philadelphia Court of Common Pleas. The plaintiffs alleged, among other things, that UHPA should not have refilled the propane cylinder at issue because it was out-of-date and improperly fitted with an incorrect valve, which allegedly caused the explosion. The plaintiffs sought compensatory and punitive damages.

After several settlements with the less-injured plaintiffs, in April 2018, the parties reached an agreement, in principle, to settle the remaining cases. We will pay our self-insured retention and attorney's fees. Together, these amounts are currently estimated to be $26.4 million, of which $15.3 million has already been paid. The balance of the settlement amount is accrued on our balance sheet in Policy benefits and losses, claims and loss expenses payable with offsetting insurance recoveries from our insurance carriers in Other assets. The U.S. Department of Justice is investigating the cause of the incident. Following the resolution in principle of the civil claims in April 2018, the U.S. Attorney's Office for the Eastern District of Pennsylvania advised the Company for the first time that UHPA is a target of the investigation, but has not advised UHPA as to what specific violations are being investigated. UHPA will vigorously defend itself against any criminal allegations or charges.

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 Company's 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 with 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 arm's-length transactions.

SAC Holding Corporation and SAC Holding II Corporation (collectively "SAC Holdings") were 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. SAC Holdings, Four SAC Self-Storage Corporation ("4 SAC"), Five SAC Self-Storage Corporation ("5 SAC"), Galaxy Investments, L.P. ("Galaxy") and Private Mini Storage Realty, L.P. ("Private Mini") are substantially controlled by Blackwater Investments, Inc. ("Blackwater"). Blackwater is wholly-owned by Willow Grove Holdings LP ("WGHLP"), 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.

Related Party Revenues

	Years Ended March 31,		
	2018	2017	2016
	(In thousands)		
U-Haul interest income revenue from Blackwater	$ 3,326	$ 4,880	$ 6,086
U-Haul management fee revenue from Blackwater	23,577	23,130	21,987
U-Haul management fee revenue from Mercury	6,025	5,945	4,546
	$ 32,928	$ 33,955	$ 32,619

During fiscal 2018, a subsidiary of ours held a junior unsecured note of SAC Holdings. We do not have an equity ownership interest in SAC Holdings. We received cash interest payments of $8.7 million, $4.5 million and $4.6 million, from SAC Holdings during fiscal 2018, 2017 and 2016, respectively. The largest aggregate amount of notes receivable outstanding during fiscal 2018 was $48.1 million. In December 2017, this note and interest receivables were repaid in full as we received payments of $53.0 million.

We currently manage the self-storage properties owned or leased by Blackwater and Mercury Partners, L.P. ("Mercury"), 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 $29.5 million, $27.8 million and $27.1 million from the above mentioned entities during fiscal 2018, 2017 and 2016, respectively. This management fee is consistent with the fee received for other properties we previously managed for third parties. Mark V. Shoen controls the general partner of Mercury. The limited partner interests of Mercury are indirectly owned by Mark V. Shoen, James P. Shoen (a significant shareholder), and a trust benefitting the children and a grandchild of Edward J. Shoen.

Related Party Costs and Expenses

	Years Ended March 31,		
	2018	2017	2016
	(In thousands)		
U-Haul lease expenses to Blackwater	$ 2,684	$ 2,740	$ 2,648
U-Haul commission expenses to Blackwater	58,595	57,113	54,720
	$ 61,279	$ 59,853	$ 57,368

We lease space for marketing company offices, vehicle repair shops and hitch installation centers from subsidiaries of Blackwater. 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, 2018, subsidiaries of Blackwater 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 Blackwater, excluding Dealer Agreements, provided revenues of $26.9 million, expenses of $2.7 million and cash flows of $77.6 million during fiscal 2018. Revenues and commission expenses related to the Dealer Agreements were $273.6 million and $58.6 million, respectively for fiscal 2018.

Pursuant to the variable interest entity ("VIE") model under ASC 810 – *Consolidation* ("ASC 810"), management determined that the management agreements with subsidiaries of Blackwater 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 we do not have a variable interest in the holding entities of Blackwater based upon management agreements which are with the individual operating entities; therefore, we are precluded from consolidating these entities.

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.

We have not provided financial or other support explicitly or implicitly during the fiscal years ended March 31, 2018 and 2017, respectively 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,	
	2018	**2017**
	(In thousands)	
U-Haul note receivable from Blackwater	$ –	$ 48,098
U-Haul interest receivable from Blackwater	–	5,397
U-Haul receivable from Blackwater	24,034	23,202
U-Haul receivable from Mercury	10,357	9,195
Other (a)	(1,115)	276
	$ 33,276	$ 86,168

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

Note 20. 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 and statutory capital and surplus for the years ended are listed below:

	Years Ended December 31,		
	2017	2016	2015
	(In thousands)		
Repwest:			
Audited statutory net income	$ 16,328	$ 19,580	$ 22,308
Audited statutory capital and surplus	197,375	176,009	158,376
ARCOA:			
Audited statutory net income	1,190	1,451	1,391
Audited statutory capital and surplus	7,991	6,798	5,386
Oxford:			
Audited statutory net income	10,350	17,473	12,150
Audited statutory capital and surplus	195,931	189,279	172,282
CFLIC:			
Audited statutory net income	8,062	8,139	9,217
Audited statutory capital and surplus	26,653	28,011	28,892
NAI:			
Audited statutory net income	1,594	1,039	1,161
Audited statutory capital and surplus	12,674	12,691	12,685

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, 2017 that could be distributed as ordinary dividends was $16.3 million. The statutory surplus for Oxford at December 31, 2017 that could be distributed as ordinary dividends was $10.4 million. Oxford did not pay a dividend to AMERCO in fiscal 2018, 2017 or 2016. After receiving approval from the Arizona Department of Insurance, Repwest paid a $19.6 million non-cash dividend to AMERCO in fiscal 2016, but did not pay a dividend in fiscal 2018 or 2017.

Note 21. Financial Information by Geographic Area

	United States	Canada	Consolidated
	(All amounts are in thousands U.S. $'s)		
Fiscal Year Ended March 31, 2018			
Total revenues	$ 3,435,821	$ 165,293	$ 3,601,114
Depreciation and amortization, net of gains on disposal	363,826	8,521	372,347
Interest expense	123,777	2,929	126,706
Pretax earnings	628,901	8,712	637,613
Income tax expense (benefit)	(155,685)	2,715	(152,970)
Identifiable assets	10,424,862	322,123	10,746,985

	United States	Canada	Consolidated
	(All amounts are in thousands U.S. $'s)		
Fiscal Year Ended March 31, 2017			
Total revenues	$ 3,271,563	$ 150,204	$ 3,421,767
Depreciation and amortization, net of gains on disposal	466,378	5,275	471,653
Interest expense	112,834	572	113,406
Pretax earnings	609,589	18,769	628,358
Income tax expense	225,278	4,656	229,934
Identifiable assets	9,030,528	375,312	9,405,840

	United States	Canada	Consolidated
	(All amounts are in thousands U.S. $'s)		
Fiscal Year Ended March 31, 2016			
Total revenues	$ 3,129,909	$ 145,559	$ 3,275,468
Depreciation and amortization, net of gains on disposal	313,099	863	313,962
Interest expense	97,551	164	97,715
Pretax earnings	745,194	23,717	768,911
Income tax expense	273,473	6,437	279,910
Identifiable assets	7,859,928	249,360	8,109,288

Note 21A. 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.

Note 21A. Financial Information by Consolidating Industry Segment:

Consolidating balance sheets by industry segment as of March 31, 2018 are as follows:

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Eliminations	AMERCO Consolidated
			(In thousands)		
Assets:					
Cash and cash equivalents	$ 702,036	$ 6,639	$ 50,713	$ –	$ 759,388
Reinsurance recoverables and trade receivables, net	64,798	99,682	29,058	–	193,538
Inventories and parts, net	89,877	–	–	–	89,877
Prepaid expenses	165,692	–	–	–	165,692
Investments, fixed maturities and marketable equities	–	285,846	1,634,014	–	1,919,860
Investments, other	22,992	65,553	310,519	–	399,064
Deferred policy acquisition costs, net	–	–	124,767	–	124,767
Other assets	241,493	685	2,604	–	244,782
Related party assets	40,003	6,959	18,334	(32,020) (c)	33,276
	1,326,891	465,364	2,170,009	(32,020)	3,930,244
Investment in subsidiaries	544,151	–	–	(544,151) (b)	–
Property, plant and equipment, at cost:					
Land	827,649	–	–	–	827,649
Buildings and improvements	3,140,713	–	–	–	3,140,713
Furniture and equipment	632,803	–	–	–	632,803
Rental trailers and other rental equipment	545,968	–	–	–	545,968
Rental trucks	4,390,750	–	–	–	4,390,750
	9,537,883	–	–	–	9,537,883
Less: Accumulated depreciation	(2,721,142)	–	–	–	(2,721,142)
Total property, plant and equipment	6,816,741	–	–	–	6,816,741
Total assets	$ 8,687,783	$ 465,364	$ 2,170,009	$ (576,171)	$ 10,746,985

(a) Balances as of December 31, 2017

(b) Eliminate investment in subsidiaries

(c) Eliminate intercompany receivables and payables

Consolidating balance sheets by industry segment as of March 31, 2018 are as follows:

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Eliminations	AMERCO Consolidated
			(In thousands)		
Liabilities:					
Accounts payable and accrued expenses	$ 505,721	$ 2,582	$ 2,375	$ –	$ 510,678
Notes, loans and leases payable, net	3,513,076	–	–	–	3,513,076
Policy benefits and losses, claims and loss expenses payable	568,456	234,359	445,218	–	1,248,033
Liabilities from investment contracts	–	–	1,364,066	–	1,364,066
Other policyholders' funds and liabilities	–	5,377	4,663	–	10,040
Deferred income	34,276	–	–	–	34,276
Deferred income taxes	629,389	8,927	19,792	–	658,108
Related party liabilities	28,157	2,870	993	(32,020) (c)	–
Total liabilities	5,279,075	254,115	1,837,107	(32,020)	7,338,277
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	452,956	91,120	26,271	(117,601) (b)	452,746
Accumulated other comprehensive income (loss)	(4,623)	16,526	35,982	(52,508) (b)	(4,623)
Retained earnings	3,635,351	100,302	268,149	(368,241) (b)	3,635,561
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	(7,823)	–	–	–	(7,823)
Total stockholders' equity	3,408,708	211,249	332,902	(544,151)	3,408,708
Total liabilities and stockholders' equity	$ 8,687,783	$ 465,364	$ 2,170,009	$ (576,171)	$ 10,746,985

(a) Balances as of December 31, 2017

(b) Eliminate investment in subsidiaries

(c) Eliminate intercompany receivables and payables

Consolidating balance sheets by industry segment as of March 31, 2017 are as follows:

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Eliminations		AMERCO Consolidated
			(In thousands)			
Assets:						
Cash and cash equivalents	$ 671,665	$ 12,725	$ 13,416	$ –		$ 697,806
Reinsurance recoverables and trade receivables, net	41,234	107,757	29,090	–		178,081
Inventories and parts, net	82,439	–	–	–		82,439
Prepaid expenses	124,728	–	–	–		124,728
Investments, fixed maturities and marketable equities	–	248,816	1,414,952	–		1,663,768
Investments, other	35,342	63,086	269,402	–		367,830
Deferred policy acquisition costs, net	–	–	130,213	–		130,213
Other assets	93,197	1,922	2,406	–		97,525
Related party assets	88,829	11,496	18,465	(32,622)	(c)	86,168
	1,137,434	445,802	1,877,944	(32,622)		3,428,558
Investment in subsidiaries	477,058	–	–	(477,058)	(b)	–
Property, plant and equipment, at cost:						
Land	648,757	–	–	–		648,757
Buildings and improvements	2,618,265	–	–	–		2,618,265
Furniture and equipment	510,415	–	–	–		510,415
Rental trailers and other rental equipment	492,280	–	–	–		492,280
Rental trucks	4,091,598	–	–	–		4,091,598
	8,361,315	–	–	–		8,361,315
Less: Accumulated depreciation	(2,384,033)	–	–	–		(2,384,033)
Total property, plant and equipment	5,977,282	–	–	–		5,977,282
Total assets	$ 7,591,774	$ 445,802	$ 1,877,944	$ (509,680)		$ 9,405,840

(a) Balances as of December 31, 2016

(b) Eliminate investment in subsidiaries

(c) Eliminate intercompany receivables and payables

Consolidating balance sheets by industry segment as of March 31, 2017 are as follows:

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Eliminations		AMERCO Consolidated
			(In thousands)			
Liabilities:						
Accounts payable and accrued expenses	$ 441,667	$ 1,926	$ 6,948	$ –		$ 450,541
Notes, loans and leases payable, net	3,262,880	–	–	–		3,262,880
Policy benefits and losses, claims and loss expenses payable	399,181	244,980	442,161	–		1,086,322
Liabilities from investment contracts	–	–	1,112,498	–		1,112,498
Other policyholders' funds and liabilities	–	4,184	5,966	–		10,150
Deferred income	28,696	–	–	–		28,696
Deferred income taxes	809,566	11,243	14,200	–		835,009
Related party liabilities	30,040	2,539	43	(32,622)	(c)	–
Total liabilities	4,972,030	264,872	1,581,816	(32,622)		6,786,096
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	452,382	91,120	26,271	(117,601)	(b)	452,172
Accumulated other comprehensive income (loss)	(51,236)	6,166	16,933	(23,099)	(b)	(51,236)
Retained earnings	2,892,683	80,343	250,424	(330,557)	(b)	2,892,893
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	(6,932)	–	–	–		(6,932)
Total stockholders' equity	$ 2,619,744	180,930	296,128	(477,058)		2,619,744
Total liabilities and stockholders' equity	7,591,774	$ 445,802	$ 1,877,944	$ (509,680)		$ 9,405,840

(a) Balances as of December 31, 2016

(b) Eliminate investment in subsidiaries

(c) Eliminate intercompany receivables and payables

Consolidating statements of operations by industry segment for period ending March 31, 2018 are as follows:

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Eliminations	AMERCO Consolidated
			(In thousands)		
Revenues:					
Self-moving equipment rentals	$ 2,483,956	$ –	$ –	$ (4,214) (c)	$ 2,479,742
Self-storage revenues	323,903	–	–	–	323,903
Self-moving & self-storage products & service sales	261,557	–	–	–	261,557
Property management fees	29,602	–	–	–	29,602
Life insurance premiums	–	–	154,703	–	154,703
Property and casualty insurance premiums	–	58,800	–	(1,700) (c)	57,100
Net investment and interest income	12,232	15,771	84,158	(1,688) (b)	110,473
Other revenue	179,417	–	5,001	(384) (b)	184,034
Total revenues	3,290,667	74,571	243,862	(7,986)	3,601,114
Costs and expenses:					
Operating expenses	1,759,624	32,710	22,061	(6,412) (b,c)	1,807,983
Commission expenses	276,705	–	–	–	276,705
Cost of sales	160,489	–	–	–	160,489
Benefits and losses	–	15,983	169,328	–	185,311
Amortization of deferred policy acquisition costs	–	–	24,514	–	24,514
Lease expense	34,243	–	–	(283) (b)	33,960
Depreciation, net gains on disposals	543,247	–	–	–	543,247
Net gains on disposal of real estate	(195,414)	–	–	–	(195,414)
Total costs and expenses	2,578,894	48,693	215,903	(6,695)	2,836,795
Earnings from operations before equity in earnings of subsidiaries	711,773	25,878	27,959	(1,291)	764,319
Equity in earnings of subsidiaries	46,990	–	–	(46,990) (d)	–
Earnings from operations	758,763	25,878	27,959	(48,281)	764,319
Interest expense	(127,997)	–	–	1,291 (b)	(126,706)
Pretax earnings	630,766	25,878	27,959	(46,990)	637,613
Income tax benefit (expense)	159,817	(2,989)	(3,858)	–	152,970
Earnings available to common shareholders	$ 790,583	$ 22,889	$ 24,101	$ (46,990)	$ 790,583

(a) Balances for the year ended December 31, 2017

(b) Eliminate intercompany lease / interest income

(c) Eliminate intercompany premiums

(d) Eliminate equity in earnings of subsidiaries

Consolidating statements of operations by industry segment for period ending March 31, 2017 are as follows:

	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Eliminations		AMERCO Consolidated
			(In thousands)			
Revenues:						
Self-moving equipment rentals	$ 2,366,526	$ –	$ –	$ (3,693)	(c)	$ 2,362,833
Self-storage revenues	286,886	–	–	–		286,886
Self-moving & self-storage products & service sales	253,073	–	–	–		253,073
Property management fees	29,075	–	–	–		29,075
Life insurance premiums	–	–	163,579	–		163,579
Property and casualty insurance premiums	–	52,334	–	–		52,334
Net investment and interest income	9,688	16,652	77,540	(1,604)	(b)	102,276
Other revenue	167,752	–	4,480	(521)	(b)	171,711
Total revenues	3,113,000	68,986	245,599	(5,818)		3,421,767
Costs and expenses:						
Operating expenses	1,521,408	28,421	22,429	(4,175)	(b,c)	1,568,083
Commission expenses	267,230	–	–	–		267,230
Cost of sales	152,485	–	–	–		152,485
Benefits and losses	–	13,404	169,306	–		182,710
Amortization of deferred policy acquisition costs	–	–	26,218	–		26,218
Lease expense	37,529	–	–	(186)	(b)	37,343
Depreciation, net gains on disposals	449,025	–	–	–		449,025
Net gains on disposal of real estate	(3,590)	–	–	–		(3,590)
Total costs and expenses	2,424,087	41,825	217,953	(4,361)		2,679,504
Earnings from operations before equity in earnings of subsidiaries	688,913	27,161	27,646	(1,457)		742,263
Equity in earnings of subsidiaries	35,797	–	–	(35,797)	(d)	–
Earnings from operations	724,710	27,161	27,646	(37,254)		742,263
Interest expense	(114,863)	–	–	1,457	(b)	(113,406)
Amortization on early extinguished of debt	(499)	–	–	–		(499)
Pretax earnings	609,348	27,161	27,646	(35,797)		628,358
Income tax expense	(210,924)	(9,346)	(9,664)	–		(229,934)
Earnings available to common shareholders	$ 398,424	$ 17,815	$ 17,982	$ (35,797)		$ 398,424

(a) Balances for the year ended December 31, 2016
(b) Eliminate intercompany lease/interest income
(c) Eliminate intercompany premiums
(d) Eliminate equity in earnings of subsidiaries

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	(966) (b)	86,617
Other revenue	148,099	–	4,559	(487) (b)	152,171
Total revenues	2,984,504	64,803	231,220	(5,059)	3,275,468
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 gains on disposals	291,235	–	–	–	291,235
Net (gains) losses on disposal of real estate	(545)	–	–	–	(545)
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	(818)	866,626
Equity in earnings of subsidiaries	35,522	–	–	(35,522) (d)	–
Earnings from operations	848,646	24,547	29,773	(36,340)	866,626
Interest expense	(98,533)	–	–	818 (b)	(97,715)
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

Consolidating cash flow statements by industry segment for the year ended March 31, 2018, 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	$ 790,583	$ 22,889	$ 24,101	$ (46,990)	$ 790,583
Earnings from consolidated subsidiaries	(46,990)	–	–	46,990	–
Adjustments to reconcile net earnings to the cash provided by operations:					
Depreciation	555,069	–	–	–	555,069
Amortization of deferred policy acquisition costs	–	–	24,514	–	24,514
Amortization of debt issuance costs	3,868	–	–	–	3,868
Interest credited to policyholders	–	–	32,302	–	32,302
Change in allowance for losses on trade receivables	(31)	–	(89)	–	(120)
Change in allowance for inventories and parts reserve	5,065	–	–	–	5,065
Net gains on disposal of personal property	(11,822)	–	–	–	(11,822)
Net gains on disposal of real estate	(195,414)	–	–	–	(195,414)
Net gains on sales of investments	–	(1,703)	(4,566)	–	(6,269)
Deferred income taxes	(182,358)	(6,596)	(4,480)	–	(193,434)
Net change in other operating assets and liabilities:					
Reinsurance recoverables and trade receivables	(23,444)	8,075	40	–	(15,329)
Inventories and parts	(12,384)	–	–	–	(12,384)
Prepaid expenses	(40,765)	–	–	–	(40,765)
Capitalization of deferred policy acquisition costs	–	–	(27,350)	–	(27,350)
Other assets	(167,579)	1,810	(199)	–	(165,968)
Related party assets	48,855	4,553	–	–	53,408
Accounts payable and accrued expenses	(36,384)	648	10,190	–	(25,546)
Policy benefits and losses, claims and loss expenses payable	168,687	(10,623)	3,057	–	161,121
Other policyholders' funds and liabilities	–	1,194	(1,303)	–	(109)
Deferred income	5,524	–	–	–	5,524
Related party liabilities	(1,884)	318	950	–	(616)
Net cash provided by operating activities	858,596	20,565	57,167	–	936,328
Cash flows from investing activities:					
Escrow deposits	31,362	–	–	–	31,362
Purchases of:					
Property, plant and equipment	(1,363,745)	–	–	–	(1,363,745)
Short term investments	–	(63,556)	–	–	(63,556)
Fixed maturities investments	–	(51,273)	(339,627)	–	(390,900)
Equity securities	–	–	(662)	–	(662)
Preferred stock	–	(1,000)	–	–	(1,000)
Real estate	(1,365)	(440)	(134)	–	(1,939)
Mortgage loans	–	(14,409)	(69,098)	–	(83,507)
Proceeds from sales and paydowns of:					
Property, plant and equipment	699,803	–	–	–	699,803
Short term investments	–	61,133	6,657	–	67,790
Fixed maturities investments	–	23,026	141,799	–	164,825
Preferred stock	–	4,208	–	–	4,208
Real estate	2,783	–	–	–	2,783
Mortgage loans	–	15,660	21,930	–	37,590
Net cash used by investing activities	(631,162)	(26,651)	(239,135)	–	(896,948)

(page 1 of 2)

(a) Balance for the period ended December 31, 2017

Continuation of consolidating cash flow statements by industry segment for the year ended March 31, 2018, 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	498,464	–	–	–	498,464
Principal repayments on credit facilities	(356,451)	–	–	–	(356,451)
Payment of debt issuance costs	(5,111)	–	–	–	(5,111)
Capital lease payments	(296,363)	–	–	–	(296,363)
Employee Stock Ownership Plan Shares	(11,640)	–	–	–	(11,640)
Securitization deposits	(2,180)	–	–	–	(2,180)
Common stock dividends paid	(29,380)	–	–	–	(29,380)
Investment contract deposits	–	–	401,814	–	401,814
Investment contract withdrawals	–	–	(182,549)	–	(182,549)
Net cash provided (used) by financing activities	(202,661)	–	219,265	–	16,604
Effects of exchange rate on cash	5,598	–	–	–	5,598
Increase (decrease) in cash and cash equivalents	30,371	(6,086)	37,297	–	61,582
Cash and cash equivalents at beginning of period	671,665	12,725	13,416	–	697,806
Cash and cash equivalents at end of period	$ 702,036	$ 6,639	$ 50,713	$ –	$ 759,388

(page 2 of 2)

(a) Balance for the period ended December 31, 2017

Consolidating cash flow statements by industry segment for the year ended March 31, 2017, 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	$ 398,424	$ 17,815	$ 17,982	$ (35,797)	$ 398,424
Earnings from consolidated subsidiaries	(35,797)	–	–	35,797	–
Adjustments to reconcile net earnings to the cash provided by operations:					
Depreciation	481,520	–	–	–	481,520
Amortization of deferred policy acquisition costs	–	–	26,218	–	26,218
Amortization of debt issuance costs	4,062	–	–	–	4,062
Interest credited to policyholders	–	–	25,020	–	25,020
Change in allowance for losses on trade receivables	31	–	(77)	–	(46)
Change in allowance for inventories and parts reserve	1,330	–	–	–	1,330
Net gains on disposal of personal property	(32,495)	–	–	–	(32,495)
Net gains on disposal of real estate	(3,590)	–	–	–	(3,590)
Net gains on sales of investments	–	(2,636)	(2,648)	–	(5,284)
Deferred income taxes	173,059	2,340	(2,287)	–	173,112
Net change in other operating assets and liabilities:					
Reinsurance recoverables and trade receivables	(6,806)	4,221	(305)	–	(2,890)
Inventories and parts	(4,072)	–	–	–	(4,072)
Prepaid expenses	9,386	–	–	–	9,386
Capitalization of deferred policy acquisition costs	–	–	(27,111)	–	(27,111)
Other assets	(3,827)	1,341	(2)	–	(2,488)
Related party assets	(872)	1,215	–	–	343
Accounts payable and accrued expenses	(14,793)	392	9,345	–	(5,056)
Policy benefits and losses, claims and loss expenses payable	13,283	(7,838)	9,933	–	15,378
Other policyholders' funds and liabilities	–	1,167	332	–	1,499
Deferred income	5,921	–	–	–	5,921
Related party liabilities	(1,170)	226	(118)	–	(1,062)
Net cash provided by operating activities	983,594	18,243	56,282	–	1,058,119
Cash flows from investing activities:					
Escrow deposits	(38,058)	–	–	–	(38,058)
Purchases of:					
Property, plant and equipment	(1,419,505)	–	–	–	(1,419,505)
Short term investments	–	(77,693)	(558,154)	–	(635,847)
Fixed maturities investments	–	(42,628)	(312,473)	–	(355,101)
Equity securities	–	–	(489)	–	(489)
Real estate	(19,406)	(4,648)	(8,753)	–	(32,807)
Mortgage loans	–	(21,021)	(133,289)	–	(154,310)
Proceeds from sales and paydowns of:					
Property, plant and equipment	487,475	–	–	–	487,475
Short term investments	–	80,225	575,501	–	655,726
Fixed maturities investments	–	32,127	158,451	–	190,578
Preferred stock	–	4,181	–	–	4,181
Real estate	6,275	–	2,478	–	8,753
Mortgage loans	–	9,890	96,942	–	106,832
Net cash used by investing activities	(983,219)	(19,567)	(179,786)	–	(1,182,572)

(page 1 of 2)

(a) Balance for the period ended December 31, 2016
(b) Eliminate intercompany investments

Continuation of consolidating cash flow statements by industry segment for the year ended March 31, 2017, 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	715,625	–	27,000	–	742,625
Principal repayments on credit facilities	(340,844)	–	(27,000)	–	(367,844)
Payment of debt issuance costs	(5,055)	–	–	–	(5,055)
Capital lease payments	(212,545)	–	–	–	(212,545)
Employee Stock Ownership Plan Shares	(11,106)	–	–	–	(11,106)
Securitization deposits	446	–	–	–	446
Common stock dividends paid	(58,757)	–	–	–	(58,757)
Investment contract deposits	–	–	285,148	–	285,148
Investment contract withdrawals	–	–	(149,159)	–	(149,159)
Net cash provided by financing activities	87,764	–	135,989	–	223,753
Effects of exchange rate on cash	(2,140)	–	–	–	(2,140)
Increase (decrease) in cash and cash equivalents	85,999	(1,324)	12,485	–	97,160
Cash and cash equivalents at beginning of period	585,666	14,049	931	–	600,646
Cash and cash equivalents at end of period	$ 671,665	$ 12,725	$ 13,416	$ –	$ 697,806

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(a) Balance for the period ended December 31, 2016

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
Amortization of debt issuance costs	3,419	–	–	–		3,419
Interest credited to policyholders	–	–	20,465	–		20,465
Change in allowance for losses on trade receivables	7	–	(212)	–		(205)
Change in allowance for inventories and parts reserve	(1,343)	–	–	–		(1,343)
Net gains on disposal of personal property	(98,158)	–	–	–		(98,158)
Net gains on disposal of real estate	(545)	–	–	–		(545)
Net gains on sales 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 and parts	(9,009)	–	–	–		(9,009)
Prepaid expenses	(10,338)	–	–	–		(10,338)
Capitalization of deferred policy acquisition costs	–	–	(32,590)	–		(32,590)
Other assets	17,170	(1,050)	141	–		16,261
Related party assets	55,962	682	(18,075)	18,075	(b)	56,644
Accounts payable and accrued expenses	26,018	1,533	9,761	–		37,312
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	17,296	115	48	(18,075)	(b)	(616)
Net cash provided by operating activities	993,992	18,989	32,365	–		1,045,346
Cash flows from investing activities:						
Escrow deposits	(4,358)	–	–	–		(4,358)
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)	(353,939)	–		(398,987)
Equity securities	–	–	(1,315)	–		(1,315)
Preferred stock	–	(1,005)	–	–		(1,005)
Real estate	(15,384)	(36)	(39)	–		(15,459)
Mortgage loans	–	(1,800)	(85,404)	–		(87,204)
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	21,589	–	–	–		21,589
Mortgage loans	–	5,878	21,090	–		26,968
Net cash used by investing activities	(968,051)	(13,435)	(278,196)	–		(1,259,682)

(a) Balance for the period ended December 31, 2015
(b) Eliminate intercompany investments

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	790,972	–	47,000	–	837,972
Principal repayments on credit facilities	(381,403)	–	(47,000)	–	(428,403)
Payment of debt issuance costs	(10,184)	–	–	–	(10,184)
Capital lease payments	(168,661)	–	–	–	(168,661)
Employee Stock Ownership Plan Shares	(9,302)	–	–	–	(9,302)
Securitization deposits	544	–	–	–	544
Common stock dividends paid	(78,374)	–	–	–	(78,374)
Investment contract deposits	–	–	358,237	–	358,237
Investment contract withdrawals	–	–	(112,957)	–	(112,957)
Net cash provided by financing activities	143,592	–	245,280	–	388,872
Effects of exchange rate on cash	(15,740)	–	–	–	(15,740)
Increase (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	$ 585,666	$ 14,049	$ 931	$ –	$ 600,646

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

Note 22. Subsequent Events

Our management has evaluated subsequent events occurring after March 31, 2018. We do not believe any other subsequent events have occurred that would require further disclosure or adjustment to our financial statements other than as stated below.

On March 8, 2018, we declared a cash dividend on our Common Stock of $0.50 per share to holders of record on March 23, 2018. The dividend was paid on April 6, 2018.

SCHEDULE I
CONDENSED FINANCIAL INFORMATION OF AMERCO
BALANCE SHEETS

	March 31, 2018	March 31, 2017
	(In thousands)	
ASSETS		
Cash and cash equivalents	$ 469,209	$ 361,231
Investment in subsidiaries	2,244,867	1,522,083
Related party assets	1,227,491	1,474,948
Other assets	114,568	78,119
Total assets	$ 4,056,135	$ 3,436,381
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Other liabilities	$ 639,604	$ 809,705
	639,604	809,705
Stockholders' equity:		
Preferred stock	–	–
Common stock	10,497	10,497
Additional paid-in capital	452,956	452,382
Accumulated other comprehensive loss	(4,623)	(51,236)
Retained earnings:		
Beginning of period	2,883,943	2,533,431
Net earnings	790,583	398,424
Dividends	(39,175)	(39,172)
End of period	3,635,351	2,892,683
Cost of common shares in treasury	(525,653)	(525,653)
Cost of preferred shares in treasury	(151,997)	(151,997)
Total stockholders' equity	3,416,531	2,626,676
Total liabilities and stockholders' equity	$ 4,056,135	$ 3,436,381

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

CONDENSED FINANCIAL INFORMATION OF AMERCO

STATEMENTS OF OPERATIONS

	Years Ended March 31,		
	2018	2017	2016
	(In thousands, except share and per share data)		
Revenues:			
Net interest income and other revenues	$ 4,606	$ 1,912	$ 2,420
Expenses:			
Operating expenses	7,003	7,115	7,525
Other expenses	91	109	111
Total expenses	7,094	7,224	7,636
Equity in earnings of subsidiaries	681,786	327,773	417,087
Interest income	120,549	103,211	93,873
Pretax earnings	799,847	425,672	505,744
Income tax expense	(9,264)	(27,248)	(16,743)
Earnings available to common shareholders	$ 790,583	$ 398,424	$ 489,001
Basic and diluted earnings per common share	$ 40.36	$ 20.34	$ 24.95
Weighted average common shares outstanding: Basic and diluted	19,588,889	19,586,606	19,596,110

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

CONDENSED FINANCIAL INFORMATION OF AMERCO

STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended March 31,		
	2018	2017	2016
	(In thousands)		
Net earnings	$ 790,583	$ 398,424	$ 489,001
Other comprehensive income (loss)	37,873	9,289	(26,160)
Total comprehensive income	$ 828,456	$ 407,713	$ 462,841

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

CONDENSED FINANCIAL INFORMATION OF AMERCO

STATEMENTS OF CASH FLOW

	Years Ended March 31,		
	2018	2017	2016
	(In thousands)		
Cash flows from operating activities:			
Net earnings	$ 790,583	$ 398,424	$ 489,001
Change in investments in subsidiaries	(681,786)	(327,773)	(417,087)
Adjustments to reconcile net earnings to cash provided by operations:			
Depreciation	3	10	6
Net loss on sale of real and personal property	–	13	–
Deferred income taxes	(182,358)	173,059	124,838
Net change in other operating assets and liabilities:			
Reinsurance recoverables and trade receivables	–	–	–
Prepaid expenses	(36,516)	16,021	(8,723)
Other assets	65	(20)	6
Related party assets	–	1	56,849
Accounts payable and accrued expenses	278	(297)	(14)
Net cash provided (used) by operating activities	(109,731)	259,438	244,876
Cash flows from investing activities:			
Purchases of property, plant and equipment	(1)	(55)	(8)
Proceeds of property, plant and equipment	–	39	–
Net cash used by investing activities	(1)	(16)	(8)
Cash flows from financing activities:			
Proceeds from (repayments) of intercompany loans	250,214	(221,124)	(76,354)
Common stock dividends paid	(29,380)	(58,757)	(78,374)
Net cash provided (used) by financing activities	220,834	(279,881)	(154,728)
Effects of exchange rate on cash	(3,124)	–	–
Increase (decrease) in cash and cash equivalents	107,978	(20,459)	90,140
Cash and cash equivalents at beginning of period	361,231	381,690	291,550
Cash and cash equivalents at end of period	$ 469,209	$ 361,231	$ 381,690

Income taxes paid, net of income taxes refunds received, amounted to $68.7 million, $36.9 million and $141.9 million for fiscal 2018, 2017 and 2016, respectively.

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

CONDENSED FINANCIAL INFORMATION OF AMERCO

NOTES TO CONDENSED FINANCIAL INFORMATION

MARCH 31, 2018, 2017, AND 2016

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, Repwest 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 AMERCO. 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

	Balance at Beginning of Year	Additions Charged to Costs and Expenses	Additions Charged to Other Accounts	Deductions	Balance at Year End
Year ended March 31, 2018			(In thousands)		
Allowance for doubtful accounts (deducted from trade receivable)	$ 539	$ 886	$ –	$ (929)	$ 496
Allowance for obsolescence (deducted from inventory)	$ 2,050	$ 3,279	$ –	$ –	$ 5,329
Allowance for LIFO (deducted from inventory)	$ 14,340	$ 1,786	$ –	$ –	$ 16,126
Allowance for probable losses (deducted from mortgage loans)	$ 493	$ 125	$ –	$ –	$ 618
Year ended March 31, 2017					
Allowance for doubtful accounts (deducted from trade receivable)	$ 585	$ 913	$ –	$ (959)	$ 539
Allowance for obsolescence (deducted from inventory)	$ 1,597	$ 1,218	$ –	$ (765)	$ 2,050
Allowance for LIFO (deducted from inventory)	$ 13,463	$ 877	$ –	$ –	$ 14,340
Allowance for probable losses (deducted from mortgage loans)	$ 368	$ 125	$ –	$ –	$ 493
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

SCHEDULE V

AMERCO AND CONSOLIDATED SUBSIDIARIES
SUPPLEMENTAL INFORMATION (FOR PROPERTY-CASUALTY INSURANCE OPERATIONS)

YEARS ENDED DECEMBER 31, 2017, 2016, AND 2015

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)						
2018	Consolidated property casualty entity	$ –	$ 233,554	$ N/A	$ 70	$ 57,100	$ 14,079	$ 15,749	$ 233	$ –	$ 17,366	$ 57,123
2017	Consolidated property casualty entity	–	244,400	N/A	49	52,334	14,015	13,297	107	–	17,609	52,324
2016	Consolidated property casualty entity	–	251,964	N/A	59	50,020	13,491	11,713	585	–	18,360	50,034

(1) The earned and written premiums are reported net of intersegment transactions. There were $2.3 million in written premiums and $1.7 million in earned premiums eliminated for the year ended December 31, 2017 and no written or earned premiums eliminated for the years ended December 31, 2016 and 2015, respectively.

(2) Net Investment Income excludes net realized (gains) losses on investments of ($1.7) million, ($2.6) million and ($1.3) million for the years ended December 31, 2017, 2016 and 2015, 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 30, 2018

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

Date: May 30, 2018

/s/ Jason A. Berg
Jason A. Berg
Chief Financial Officer
(Principal Financial Officer)

Date: May 30, 2018

/s/ Mary K. Thompson
Mary K. Thompson
Chief Accounting 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.

Signature	Title	Date
/s/ Jason A. Berg Jason A. Berg	Chief Financial Officer	May 30, 2018
/s/ James E. Acridge James E. Acridge	Director	May 30, 2018
/s/ John P. Brogan John P. Brogan	Director	May 30, 2018
/s/ John M. Dodds John M. Dodds	Director	May 30, 2018
/s/ James J. Grogan James J. Grogan	Director	May 30, 2018
/s/ Richard J. Herrera Richard J. Herrera	Director	May 30, 2018
/s/ Karl A. Schmidt Karl A. Schmidt	Director	May 30, 2018
/s/ Samuel J. Shoen Samuel J. Shoen	Director	May 30, 2018

DEALERSHIP CONTRACT

MCO	RT

MONTH	DAY	YEAR

www.uhaul.com
www.uhauldealer.com

THIS AGREEMENT is by and between the U-HAUL® CO. OF_____("U-Haul")

located at the business mailing address set forth hereafter and_____
(Print Dealer's Name)

_____("Dealer") located at the business mailing address set forth hereafter ("Agreement").
(Dealer Code)

RECITALS

U-Haul is in the do-it-yourself moving business of renting trucks, trailers and support rental equipment (the "Equipment"). U-Haul offers the Equipment, in part, through a network of independent dealers that generally operate their own primary, pre-existing and independent businesses. Such dealers act as agents of U-Haul for purposes of renting the Equipment. Dealer operates an independent business at the site identified hereafter (the "Dealer Location"). Dealer desires to become a U-Haul dealer and further desires to benefit from the programs generally offered by U-Haul to dealers, on the terms and conditions set forth herein.

AGREEMENT

1. Dealership.

U-Haul hereby appoints Dealer as an agent for the Equipment for and on behalf of U-Haul, in regard to the properties identified on Exhibit B hereto. Dealer acknowledges that the Equipment is consigned and title to the Equipment shall remain in U-Haul and/ or its affiliates at all times. Dealer agrees to conduct the U-Haul dealership only at the Dealer Location.

U-Haul and Dealer agree that the first ninety (90) days of this Agreement is probationary. Additional commissions incentives listed below will be 1 percent less than the commissions the dealer qualifies for during the probationary period.

2. Commissions; Equipment Commission Percentages/Additional Commissions Incentive; Fast Pay Program; Additional Commissions Incentive Requirements Continued.

a. Commissions. U-Haul shall pay to Dealer commissions (the "Commissions") on the gross revenue from the rental of the Equipment (the "Commissionable Fees"). Commissionable Fees do not include revenue from the collection of sales tax, deposits, distribution fees, Canadian duty fees, "SAFEMOVE®" fees, "SAFETOW®" fees, collection or credit fees. Commissions are subject to adjustment for applicable deductions, chargebacks and other adjustments.

The Commissions shall be based on the following schedule:

i. Trailers and standard rental equipment (except auto transports,tow dollies and motor vehicles) 30% (20% for ONE-WAY RENTALS)
ii. Motor Vehicles 15%
iii. Auto transports and tow dollies 20%

b. Equipment/Commissions Percentages/Additional Commissions Incentive. All gross revenue from the rental of the Equipment shall be remitted at least weekly by Dealer to U-Haul as directed by U-Haul. U-Haul shall pay to Dealer an additional commissions incentive (in the amount set forth in the table below) on all Commissionable Fees for every month in which Dealer has strictly complied with the requirements of the applicable Dealer Class and with all requirements set forth in paragraph 2e. and when required, the requirements of 2d.

Dealer Class	ADDITIONAL COMMISSIONS INCENTIVE	Percent
"AAA"	Attaining "A" performance level, rental of trailers, being open 7 days a week, and on Web B.E.S.T.® Fast Pay and Secured Online Affiliate Rental (S.O.A.R.) Programs	5%
"AA"	Attaining "A" performance level, and either (i) rental of trailers or (ii) being open 7 days a week on Web B.E.S.T.® Fast Pay and Secured Online Affiliate Rental (S.O.A.R.) Programs	4%
"A"	Rental of all motor vehicles, auto transport, tow dollies and other support rental items on Web B.E.S.T.® Fast Pay and Secured Online Affiliate Rental (S.O.A.R.) Programs	3%

SELECT DEALER CLASS: "AAA"____ "AA"____ "A"____

Dealer's Initials_____

Note: *Dealer class may change automatically if Dealer qualifies for or fails to meet or maintain a particular classification as described above.*

c. U-Haul Fast Pay Program (Electronic Funds Transfer Program) and Dealer Authorizations. Pursuant to Dealer's participation in the Fast Pay Program, U-Haul will electronically deposit into Dealer's account identified below, the Commissions earned by Dealer for the rental of the Equipment (as adjusted for applicable deductions, chargebacks and other adjustments). Furthermore, U-Haul will electronically withdraw from Dealer's account identified below, all net gross revenue due U-Haul as shown on the Dealer's final closing of the "Monday Report" (the Monday Report is an accurate report of the Dealer's rental transactions for the seven days preceding that Monday and a current inventory of the Equipment for that Monday) for the rental of the Equipment. Dealer shall maintain in its account for withdrawals that amount of funds sufficient to cover the net gross revenue shown on the Dealer's final closing of the Monday Report.

All withdrawals from Dealer's account hereunder may be conducted weekly by U-Haul. All deposits into Dealer's account may be conducted (please check one; if nothing is checked, deposits will be conducted weekly):

Weekly: ____.

Monthly: ____.

Dealer, for purposes of its participation in the U-Haul Fast Pay Program, hereby expressly and irrevocably authorizes U-Haul and the parent company of U-Haul and the bank indicated below, to DEPOSIT the Commissions earned for the rental of the Equipment in its bank account and in the bank identified below. Furthermore, Dealer hereby expressly and irrevocably authorizes U-Haul and the parent company of U-Haul to WITHDRAW from its bank account and the bank identified below all the net gross revenue from the Dealer's final closing of the Monday Report for the rental of the Equipment from Dealer's account identified below. Dealer shall indemnify and defend U-Haul and the parent company of U-Haul (their Directors, Officers and employees) and hold U-Haul and the parent company of U-Haul (their Directors, Officers and employees) harmless, from any claims, damages, losses, liabilities, demands, suits, causes of actions or disputes arising or resulting from Dealer's authorizations herein. Notwithstanding for foregoing, all Commissions shall flow through the Blocked Account of Dealer.

DEPOSIT

CHECKING ACCOUNT INFORMATION:		SAVINGS ACCOUNT INFORMATION:	
BANK NAME		BANK NAME	
TRANSIT ROUTING NO.	ACCOUNT NO.	TRANSIT ROUTING NO.	ACCOUNT NO.
STREET ADDRESS		STREET ADDRESS	
CITY, STATE (PROVINCE), ZIP (POSTAL CODE)		CITY, STATE (PROVINCE), ZIP (POSTAL CODE)	

WITHDRAW

CHECKING ACCOUNT INFORMATION:		SAVINGS ACCOUNT INFORMATION:	
BANK NAME		BANK NAME	
TRANSIT ROUTING NO.	ACCOUNT NO.	TRANSIT ROUTING NO.	ACCOUNT NO.
STREET ADDRESS		STREET ADDRESS	
CITY, STATE (PROVINCE), ZIP (POSTAL CODE)		CITY, STATE (PROVINCE), ZIP (POSTAL CODE)	

d. Fast Pay Program Operation/Access. If the Fast Pay Program is not in operation or Dealer is unable to access the Fast Pay Program for whatever reason, Dealer shall mail postmarked Monday of every week the Monday Report to U-Haul (or as otherwise directed by U-Haul in its sole discretion), even if no equipment rental transactions have occurred. U-Haul shall cause to be mailed to Dealer a check in the amount of the Commissions (as adjusted for applicable deductions, chargebacks and other adjustments) earned by Dealer for the rental of the Equipment reported during the preceding month. Dealer shall include with the Monday Report a certified check or money order (and, for customer credit card transactions, the credit card transaction documentation) for all gross revenue from all equipment rental transactions and pre-paid reservation deposits for the prior seven days. Such

Dealer's Initials_____

payment of gross revenue shall not be in the form of cash, customer checks nor Dealer's personal or business credit cards (except as permitted above for customer credit card transactions). Dealer shall remit future funds by certified check for not less than the next eight weeks upon the occurrence of one or more of any of the following events: Dealer fails to include a certified check or money order, or; if certified check or money order is dishonored by Dealer's bank, or; if Dealer on Fast Pay Program fails to deposit funds sufficient to cover the amount shown on the final closing of the Monday report, or; if the payment is significantly inaccurate, or; when required, if Dealer fails to properly endorse the certified check or money order.

e. Additional Commissions Incentive Requirements Continued. Dealer must also comply with the reservation management policies, procedures and rates (including but not limited to immediately reporting in Web B.E.S.T. all dispatches, receives and paid reservations), must honor all referral and remote rental requests, must share Equipment and comply with the EZ-FUEL℠ policy program receiving and dispatching procedures and Meaningful Assurance procedures.

3. U-Haul Obligations to Dealer:

a. Web B.E.S.T. Web Site and Software. U-Haul grants to Dealer a limited, non-exclusive, non-transferable and non-assignable license to access the Web B.E.S.T. Web Site and to use the Web B.E.S.T Software including any of its related documentation, bulletins, information, manuals and updates all of which are collectively and hereinafter referred to as "Web B.E.S.T.".

Dealer acknowledges and agrees that Web B.E.S.T., is provided by U-Haul for the purpose of allowing Dealer to automate its U-Haul related activities. Furthermore, Dealer acknowledges and agrees that Web B.E.S.T., among other important benefits, will allow Dealer to utilize an Electronic Scheduling Log for the efficient scheduling of customers and utilization of Equipment, it will allow for Dealer's participation in the Secured Online Affiliate Rental (S.O.A.R) Program, it will allow access to real time online rental rates, and it will allow access to Equipment identification history.

Dealer shall pay a monthly fee of $__0__ for its access to and use of Web B.E.S.T. Dealer acknowledges and agrees that this fee is subject to change by U-Haul in its sole discretion upon written notice which notice shall be an effective amendment to this agreement.

Upon request, U-Haul shall provide Dealer with reasonably necessary training for use of Web B.E.S.T. Dealer agrees that it has no ownership rights in Web B.E.S.T. Dealer agrees that it only has a right to access and use Web B.E.S.T. only for as long as this Agreement remains in full force and effect. Dealer acknowledges and agrees that Web B.E.S.T. contains certain proprietary information. Dealer hereby agrees to maintain at all times the proprietary nature of Web B.E.S.T. Dealer agrees to reasonably communicate the terms and conditions of this Agreement to all Dealer employees who come into contact with Web B.E.S.T., and to use best efforts to ensure their compliance with such terms and conditions. Web B.E.S.T. contains material, including source code, that is protected by United States Copyright Law and trade secret law, and by international treaty provisions. This Web Site contains trademarks, service marks, other copyrighted material, inventions, know how, potential patentable business method material, design logos, phrases, names, logos or HTML Code which are protected. Dealer does not have ownership rights under the copyright and trademark laws with regard to the "look," "feel," "appearance" and "graphic function" of Web B.E.S.T. including but not limited to its color combinations, sounds, layouts and designs. Except as specifically provided by this Agreement, Dealer agrees and acknowledges that its access to and use of Web B.E.S.T. does not confer upon it any other license or permission of access or use to other U-Haul systems or services. Dealer shall not publish, display, disclose, rent, lease, modify, loan, distribute, or create derivative works based on Web B.E.S.T. or any part thereof. Dealer may not reverse engineer, decompile, translate, adapt, or disassemble the Software, nor shall Dealer attempt to create the source code from the object code for Web B.E.S.T. Any and all derivative works, improvements and enhancements of the Web B.E.S.T. shall not inure to Dealer. All rights not granted to Dealer herein are expressly reserved.

U-Haul disclaims any and all responsibility and liability for any interaction, interoperability, access or connection problems, Internet service provider failures or failures and problems with applications, or equipment and services which are, directly or indirectly, related to the Dealer's hardware and software. Furthermore, U-Haul disclaims any and all responsibility and liability for any

Dealer's Initials_____

interruptions, problems or failures occurring on Dealer hardware and software which are caused, directly or indirectly, by Web-related downloads for Web B.E.S.T. or by any access or use of Web B.E.S.T. U-Haul disclaims any and all responsibility and liability for any downtime associated with maintenance of Web B.E.S.T. or for any act or event not within it's control, specifically including but not limited to Acts of God, power failures, strikes, riots, and governmental and regulatory authority. SUBJECT TO APPLICABLE LAW, THE TOTAL LIABILITY OF U-HAUL RELATED TO THE DEALER'S USE OF WEB B.E.S.T. WILL BE LIMITED TO DIRECT ACTUAL DAMAGES AND SHALL NOT INCLUDE ANY LIABILITY FOR PUNITIVE, CONSEQUENTIAL, SPECIAL, EXEMPLARY OR INDIRECT DAMAGES, SPECIFICALLY INCLUDING LOSS OF PROFITS, LOSS OF DATA OR OTHER BUSINESS INTERRUPTION DAMAGES. U-HAUL DOES NOT PROVIDE, AND SPECIFICALLY DISCLAIMS, ANY WARRANTIES OR REPRESENTATIONS, EXPLICITLY OR IMPLICITLY, FOR WEB B.E.S.T. AND ANY WEB-RELATED DOWNLOADS FOR WEB B.E.S.T., AND SPECIFICALLY DISCLAIMS WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, AND ANY WARRANTY ARISING BY COURSE OF DEALING OR COURSE OF PERFORMANCE. FURTHERMORE, U-HAUL SPECIFICALLY DISCLAIMS ANY WARRANTY OR REPRESENTATION THAT WEB B.E.S.T. IS "HACK-FREE" OR OTHERWISE NOT SUBJECT TO SECURITY BREACHES, THAT THE ACCESS OR USE OF WEB B.E.S.T. WILL BE PROVIDED WITHOUT ANY DOWNTIME, ERROR-FREE, WITHOUT INTERRUPTION, AND/OR THAT WEB B.E.S.T. WILL MEET DEALER REQUIREMENTS. WEB B.E.S.T. IS PROVIDED ON AN "AS IS" BASIS WITHOUT EXCEPTION. U-Haul shall not provide any hardware or software to Dealer, any installation services, any printer or paper supplies, any hardware or software support for the Dealer, and/or perform any Internet service provider functions. Some jurisdictions do not allow for the disclaimer of certain warranties or limitations of liability so they may not apply to Dealer

b. Equipment, Supplies, Training, Telephone and Yellow Pages. U-Haul shall make available Equipment, supplies, basic signage, instructions, promotional and sales material, and necessary training and instructions for operating a U-Haul dealership. U-Haul shall determine, in its sole discretion, the amount and kind of Equipment, supplies, training and instructions for the Dealer Location. U-Haul shall use best efforts, subject to Dealer's obligations hereunder, to install a U-Haul dedicated telephone line at Dealer's location and to place Dealer's location address under a U-Haul advertisement in a yellow pages directory or directories selected by U-Haul in its sole discretion. U-Haul in its sole discretion shall refer to Dealer, from time to time, customer reservations that result from the U-Haul 1-800 telephone number or uhaul.com.

c. Hold Harmless. U-Haul shall hold Dealer harmless from any and all liability incurred by Dealer solely in its capacity as a U-Haul dealer for property damage or personal injury to third parties involving the Equipment and to indemnify, hold harmless and defend Dealer against any claims, actions or suits arising against Dealer solely in its capacity as a U-Haul dealer. If U-Haul defends Dealer hereunder, U-Haul will hire and appoint the attorney and Dealer agrees to fully cooperate with that attorney. This indemnification shall be effective only if the Equipment is being rented or used under a valid U-Haul Rental Contract, if Dealer has complied with U-Haul hookup procedures and other instructions, if Dealer has collected the applicable rental and other fees prior to dispatching the Equipment, if Dealer has performed the U-Haul receiving and dispatching procedures, and if Dealer has issued the appropriate User's Guide, U-Haul Rental Contract and applicable addenda. This indemnification shall not apply to the negligence or misconduct or intentional acts of Dealer, its employees, agents, affiliates, subsidiaries or representatives. Furthermore, this indemnification shall not apply if Dealer rents the Equipment to itself or to any of its employees, agents, related entities or representatives of any kind.

d. Risk of Loss. U-Haul shall assume all responsibility for loss due to theft, vandalism or damage of the Equipment while in the custody of Dealer; provided, however, that Dealer and its agents shall not intentionally damage the Equipment and shall use reasonable efforts to protect and preserve the Equipment and all other U-Haul property in its custody.

e. Limited License. U-Haul grants to Dealer a non-exclusive, non-assignable and limited license to use the trademark "U-Haul" and other U-Haul trademarks, service marks, brandnames and trade dress (herein the "U-Haul Marks") as well as certain copyright materials in connection with the dealership, the terms of this Agreement and in accordance with U-Haul policies. The Dealer shall

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not use the U-Haul Marks or any U-Haul logo or copyright materials in any promotion, telephone listing or Yellow Pages Directory advertisement, domain name, internet or other computer site, or otherwise without the prior and specific written consent of the U-Haul President. Except as specifically provided by the terms of this Agreement, no right, property, license, permission or interest of any kind in or to the U-Haul Marks or U-Haul copyright materials is or is intended to be given or transferred to or acquired by Dealer. Dealer shall in no way contest or deny the validity of, or the use, right or title of U-Haul, in or to the U-Haul Marks and U-Haul copyright materials, and shall not encourage or assist others directly or indirectly to do so. Dealer shall not utilize the U-Haul Marks or U-Haul copyright materials in any manner that would diminish their value or harm the reputation of U-Haul. This limited license shall terminate immediately upon termination of this Agreement, and Dealer agrees to pay to U-Haul all benefits Dealer may receive from the U-Haul Marks and copyright materials thereafter. Upon termination of this Dealership Contract, Dealer immediately shall discontinue all use of the U-Haul Marks and U-Haul copyright material and surrender to U-Haul all U-Haul equipment, signs, documents as well as any other materials bearing the U-Haul Marks, and make no further use of any signs, graphics and materials.

f. Quick Claim Settlement Commissions. U-Haul shall pay Dealer (monthly with Commissions) an amount equal to 35% of the total amount collected by Dealer from customers pursuant to the quick claim settlement (QCS) procedures.

4. Dealer Obligations to U-Haul:

a. Equipment Promotion and Instruction Compliance. Dealer shall effectively promote all Equipment rentals at the Dealer Location including, but not limited to, properly cleaning and displaying the Equipment. Dealer shall (i) read and comply with all U-Haul maintenance and hookup procedures, U-Haul manuals, decals, bulletins, User's Guides and programs, and cause all personnel employed at the Dealer Location to be properly trained and to comply with all U-Haul instructions and procedures; (ii) cause the appropriate U-Haul rental contract and addenda to be properly completed, signed by the customer, and delivered to the customer; (iii) collect all rental fees prior to dispatching the Equipment and issue the appropriate User's Guide; (iv) instruct each customer in the proper use and operation of the Equipment as outlined by the User's Guide; (v) attach or hook up the Equipment on or to the customer's vehicle in a safe and workmanlike manner, and in accordance with U-Haul written procedures; (vi) cooperate with, interact and communicate with U-Haul customers and personnel in a professional manner and (vii) comply with all terms, procedures and programs set forth in the U-Haul Dealer Operations Manual, including but not limited to prominently displaying the Equipment, distributing the Equipment, notifying reservation management, sharing equipment, following Meaningful Assurance procedures, dispatching and receiving the Equipment, honoring customer referrals issued by U-Haul, scheduling the Equipment using the scheduling log, performing authorized safety certifications, completing equipment damage reports (EDR), using QCS procedures, and inspecting for the use of and charging the customer for used, damaged and lost dollies and pads: (viii) allow U-Haul to use any Dealer provided e-mail address, but only for those purposes related to the performance of this Agreement. Dealer shall perform receiving and dispatching procedures as explained by U-Haul on each and every item of the Equipment upon receipt and dispatch of the Equipment, including but not limited to completing all relevant inspections, inquiries and paperwork, checking and correcting the tire pressure, fluid levels, non-functioning lights, cleanliness, and visible damage. Dealer shall perform repair work designated as "Minor Maintenance" (as set forth in the Dealer Operations Manual) on the Equipment. All parts needed for such repair shall be furnished by or paid for by U-Haul. Dealer shall report to U-Haul within 24 hours, all damaged Equipment, Equipment requiring maintenance or repair, and missing Equipment.

b. Telephone and Yellow Pages. Dealer shall pay, via a deduction from Commissions, the monthly cost of a telephone line to be installed and maintained at the Dealer Location at the sole discretion of U-Haul. The telephone line shall be in the name of U-Haul and Dealer shall acquire no interest therein. If U-Haul elects to install a telephone line, U-Haul shall pay the initial installation costs as well as monthly charges of the telephone line until a telephone directory listing and/or Yellow Pages Directory advertisement in which the telephone line number appears is published. U-Haul will pay the costs for any U-Haul Yellow Pages Directory advertisement that includes Dealer's location address. Dealer acknowledges and agrees that its inclusion in, and removal from, Yellow Pages Directory advertising is subject to U-Haul and Yellow Pages publisher's policies

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(over which U-Haul has no control). Dealer also shall pay, via a deduction from Commissions, the amount of $5 for each one-way rental that is the result of a reservation made through the U-Haul 1-800 telephone number or uhaul.com.

c. Record Keeping. Dealer shall account for all odometer mileage accumulated on the Equipment, if relevant, while in Dealer's possession and allow U-Haul to deduct from Dealer's commission $1 per mile for any mileage not properly accounted for on a valid rental contract. Dealer shall also allow U-Haul to deduct $100 for any missing rental contract or reservation deposit receipt and to deduct the face value of any unreported contract. Dealer also agrees to account for all rental contract books and reservation deposit receipt books issued to Dealer.

d. Equipment Possession And Return. Dealer shall permit U-Haul representatives to enter Dealer's premises at any reasonable time to inspect or remove U-Haul Equipment accounting records, other equipment and supplies, electronic reporting and computer equipment, and other U-Haul property. Dealer shall properly maintain all U-Haul accounting records, contracts, equipment, supplies and other property in Dealer's custody. Rental contracts and nightly closings are to be kept for three (3) years. Dealer shall immediately return all such U-Haul property to U-Haul upon demand. Dealer shall not charge U-Haul any fee associated with its possession (including storage) of U-Haul Equipment and property.

e. Equipment Revenue and Taxes. Dealer agrees to collect all gross revenues from the rental of the Equipment in Dealer's capacity as agent and fiduciary for U-Haul and that title and ownership of such funds are vested at all times in U-Haul. Dealer shall collect from the customer any sales or use tax applicable to the rental of the Equipment, and report and remit such taxes to U-Haul as appropriate, unless otherwise required by law. Dealer shall indemnify U-Haul for any liability incurred as a result of a breach of this provision.

f. Location and Transferability. Dealer agrees that any change in the Dealer Location shall require prior written notice to and prior written approval by U-Haul. Dealer further agrees that it will give thirty (30) days written notice of any intended sale or transfer of ownership of the business located at the Dealer Location. The dealership and this Agreement are not transferable without the prior written consent of U-Haul.

g. Goodwill. Dealer acknowledges that any goodwill which may accrue as a result of this Agreement shall be for the benefit of U-Haul. Dealer further agrees that any goodwill or other value that may arise from Dealer's use of the U-Haul marks, U-Haul intellectual property, or U-Haul confidential information will belong exclusively to U-Haul.

h. Proprietary and Confidential Information. For the specific purposes of this Agreement, U-Haul will disclose to Dealer certain U-Haul proprietary information that may include, but not be limited to, the Dealer Operations Manual, pricing information, scheduling logs, sales practices, financial information, marketing strategies, day-to-day business operations, capabilities, systems and technologies. Dealer acknowledges and agrees that all such information shall be confidential and shall, at all times, remain confidential. Furthermore, Dealer agrees that it shall not, at any time, during or after the termination of this Agreement, directly or indirectly, reveal, disseminate or disclose, in any manner, any such information to any person, firm, corporation or other entity of any kind, unless such disclosure is to a U-Haul related entity or such disclosure is expressly authorized in writing by the U-Haul Co. President. Dealer further acknowledges and agrees that any breach of this provision shall cause U-Haul irreparable harm and as a result, U-Haul is without any adequate remedy at law.

i. Noncompetition Covenant. Dealer represents, warrants and covenants that, during the term of this Agreement, Dealer, for itself, its heirs, assigns, successors, shareholders, officers, directors, employees, principals, partners, agents, managers and members, shall not engage in any equipment rental business at the Dealer Location or at any other place which offers the rental of equipment that is similar to that offered by U-Haul (including but not limited to Budget, Penske or Enterprise rental equipment). Upon termination of this Agreement for any reason, Dealer warrants, covenants and agrees that, at the Dealer Location and within a three (3) mile radius of the Dealer Location, Dealer, its heirs, assigns, successors, shareholders, officers, directors, employees, principals, partners, agents, managers and members shall not engage in or represent or render any service

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(including but not limited to the lease of, or other provision of, lot or office space at Dealer Location) either on its own behalf or in any capacity for any other person or entity engaged in any equipment rental business similar to that operated by U-Haul (including but not limited to Budget, Penske or Enterprise rental equipment business) for the duration of any then-existing or contracted-for U-Haul telephone directory listing(s) and/or U-Haul Yellow Pages Directory advertisement that includes the Dealer Location address.

Dealer acknowledges and agrees that for a minimal charge it receives a considerable benefit from its access to and use of Web B.E.S.T. And where applicable, Dealer further acknowledges and agrees that it receives a considerable benefit from its inclusion in any U-Haul Yellow Pages Directory advertisement at U-Haul's cost. Therefore, Dealer hereby further agrees to extend the noncompetition obligation of Dealer as set forth above to cover the rental of do-it-yourself moving equipment for a period of one (1) year after termination of all other accumulated Dealer noncompetition obligations as set forth above.

Dealer acknowledges and agrees that any breach of this noncompetition covenant shall cause U-Haul irreparable harm and as a result, U-Haul shall have no adequate remedy at law. Furthermore, Dealer acknowledges and agrees that U-Haul has the right to seek and obtain injunctive relief against any breach of the noncompetition covenant of the Agreement. In the event any part of this provision is determined to be unenforceable by a court of competent jurisdiction, the remainder of this provision shall be enforceable to the fullest extent permitted by such court.

j. Compliance with Laws. Dealer shall operate the U-Haul dealership in compliance with all applicable laws.

k. Agency Relationship. Dealer represents, warrants and agrees that the dealership created under this Agreement is an agency relationship and shall not under any circumstances constitute a franchise under any law. Dealer hereby disclaims and waives any rights that may arise under such franchise laws and agrees not to assert any rights based on franchise law.

5. Effective Date/Term/Termination.

This Agreement is made effective on the date indicated on the first page and if no date is indicated there, then that date of execution by the last party to this Agreement is the effective date. This Agreement may be terminated by either party without cause on thirty (30) days prior written notice or immediately by either party without notice upon breach of this Agreement by the other party. In addition, the Agreement upon U-Haul's sole discretion, may be terminated immediately without any notice, upon the transfer of the Dealer Location or the Dealer's business, or the dissolution, termination, death, insolvency or bankruptcy of Dealer. In any event, this Agreement shall terminate at the later of three (3) years from the effective date hereof or upon the expiration of the telephone directory listing and/or Yellow Pages Directory advertising then in effect on such three (3) year anniversary date. Within ninety (90) days after the termination of this Agreement, U-Haul shall render a final account of the dealership and each party shall promptly remit any sums due to the other party.

6. Miscellaneous.

In the event suit or action is instituted by U-Haul under this Agreement, the Dealer agrees to pay in addition to the costs and expenses permitted by statute or judment, U-Haul's reasonable attorneys' fees. This Agreement may be assigned by U-Haul to any affiliated U-Haul company upon notice to Dealer. This Agreement may not be assigned by Dealer. No alteration (handwritten or otherwise) to this Agreement shall be valid, even if initialed by the parties with the exception of a change in the monthly fee for the access and use of Web B.E.S.T. as set forth in section 3 (a). No amendment of this Agreement, or waiver of any of its provisions, shall be binding upon either party hereto unless the same be agreed to in a writing by the U-Haul President. All written notices to be provided hereunder shall be sent by mail to the business office addresses of the parties identified at the end of this Agreement. Each provision of this Agreement is severable. If any provision herein is unenforceable for any reason whatsoever, and such unenforceability does not affect the remaining parts of this Agreement, then all such remaining parts shall be valid and enforceable. The headings contained in this Agreement are inserted for convenience only and shall not affect the meaning or interpretation of this Agreement or any provision hereof.

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This Agreement supersedes any and all prior discussions and agreements between the parties (including any previously executed Dealership Contract) and this Agreement to the extent set forth herein contains the sole, final and complete expression and understanding among the parties hereto with respect to the transactions and obligations contemplated hereby. No person other than the parties hereto shall have any rights or claims under this Agreement. The parties agree that adequate consideration has been given for this Agreement. Dealer further acknowledges that U-Haul is engaged in additional programs related to the do-it-yourself moving business in which Dealer may be invited to participate, from time to time, and that Dealer may be required to provide additional consideration for the opportunity to participate in such programs.

DEALER:

(DEALERSHIP BUSINESS NAME)

(DEALERSHIP STREET ADDRESS)

(DEALERSHIP CITY, STATE, ZIP CODE)

(DEALERSHIP LOCATION ADDRESS, IF DIFFERENT)

(ADDITIONAL ADDRESS AT WHICH EQUIPMENT IS STORED, IF APPLICABLE)

DEALERSHIP CODE NUMBER ASSIGNED

STATE SALES TAX REGISTRATION NUMBER

By: _____

Printed name:

Title: _____

Date: _____

U-HAUL:

U-HAUL CO OF _____

(U-HAUL STREET ADDRESS)

(U-HAUL CITY, STATE, ZIP CODE)

By: _____
U-HAUL CO PRESIDENT SIGNATURE

Printed Name: _____

Title: _____

Date: _____

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 restate ment 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 Effec tive 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 Corpora tion 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.

(1)“ 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 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.

(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 includible 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 seeks 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 Employers 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 Employers 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)(l) 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 compensa tion 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)-lT 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 Employers 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 ago 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 40l(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 he 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.

W ith respect to Plan Years beginning after December 31, 2007 , the Pl an 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-l(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-l(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-l(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) INTENIONALLY 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) INTENIONALLY 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 mo re 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 July1, 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 this 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 e 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 Continuous Service	Vested 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 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 connect 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 Plan 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 clamant 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 suchdecision 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 appoint 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) 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:_____

AMENDMENT TO THE AMENDED AND RESTATED
AMERCO EMPLOYEE SAVINGS AND PROFIT SHARING PLAN

This Amendment to the Amended and Restated AMERCO Employee Savings and Profit Sharing Plan (this "Amendment") is dated as of March __, 2017, and is executed by AMERCO, as Sponsor of such Plan, pursuant the Plan.

RECITALS

WHEREAS, on March 16, 1973, AMERCO, a Nevada Corporation (the "Corporation") established the AMERCO Profit Sharing Retirement Trust (the "Profit Sharing Plan"), which was subsequently amended from time to time. Effective April 1, 1984, the Corporation established the AMERCO Employee Savings and Protection Plan, which was amended from time to time, and effective January 1, 1988, was merged with the Profit Sharing Plan to form a single plan called the AMERCO Retirement Savings and Profit Sharing Plan.

WHEREAS, effective July 24, 1988, the AMERCO Retirement Savings and Profit Sharing Plan was amended and restated as an employee stock ownership plan known as the AMERCO Employee Savings, Profit Sharing and Employee Stock Ownership 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.

WHEREAS, the AMERCO Employee Savings, Profit Sharing and Employee Stock Ownership Plan has been subsequently amended and restated from time to time to, among other things, comply with SBJPA, USERRA, TRA 97, GUST and EGTRRA and to make certain administrative changes.

WHEREAS, effective January 1, 2007, the AMERCO Employee Savings and Profit Sharing 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 Stock Ownership Plan was also restated and amended in its entirety as a separate plan document to incorporate certain amendments, and make certain administrative as well as other miscellaneous changes (the "ESOP").

WHEREAS, effective January 1, 2010, the AMERCO Employee Savings and Profit Sharing Plan was again amended and restated in its entirety.

WHEREAS, effective January 1, 2016, the AMERCO Employee Savings and Profit Sharing Plan was again amended and restated in its entirety (the "Plan").

WHEREAS, the Corporation now desires to further amend the Plan as provided herein.

NOW THEREFORE, effective as of March __, 2017, by this instrument, the Corporation hereby amends the Plan as set forth below:

1. **Section 2.1(s).** Section 2.1(s) of the Plan defining "Compensation" is hereby amended by deleting the reference to "Treasury Regulations 1.413(c)-2(b) and (c)" contained in the 3 rd paragraph thereof and

substituting “Treasury Regulations 1.415(c)-2(b) and (c)” therefor.

2. **Section 4.3(c).** Section 4.3(c) of the Plan is amended by deleting the reference to “Treasury Regulation Section 1.401(k) – I(b)(5)” contained in subsection (2) thereof and substituting “Treasury Regulations 1.401(k) – 2(a)(6)” therefor.

3. **Section 11.6(e).** Section 11.6(e) of the Plan is amended by adding the following at the end of the first paragraph thereof:

> “Notwithstanding the foregoing, i f 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), then no distribution may be made prior to the Participant's Normal Retirement Date unless the Participant requests said distribution in writing.”

4. **Section 11.10.** Section 11.10 of the Plan is hereby amended to substitute “correct” for “connect” in the first sentence thereof.

IN WITNESS WHEREOF , the Corporation has caused this Amendment to be executed by its duly authorized representative this ____day of _____, 2017.

AMERCO

By: _____
Its President

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 restate ment 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 Effec tive 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 Corpora tion 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 includible 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 service 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 Employers 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 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 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)(l) 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 compensa tion 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)-lT 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 Employers 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 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

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 . Effecitve 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 60 th 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 forms 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 be 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 maybe 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 requited 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 or Super 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 31 8(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 divi dends payable on Employer Securities allocated to the ESOP Accounts of Partici pants may be paid cur rently (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 nondiscrimina tory basis, or the Corporation may pay such divi dends directly to the Partic ipants (or Benefici aries).

(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 Par ticipants who are active Employees, may be limited to dividends on shares of Employer Securities which are then vested, or may be appli cable 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
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 more100%

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 Continuous Service	Vested 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 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. 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 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 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 Partici pant's or Beneficiary's right to elect a distribution of Employer Securities with respect to amounts cred ited 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 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 connect 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 Plan 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 . 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 clamant 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 suchdecision 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 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 appoint 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 in 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:_____

AMENDMENT TO THEAMENDED AND RESTATED
AMERCO EMPLOYEE STOCK OWNERSHIP PLAN

This Amendment to the Amended and Restated AMERCO Employee Stock Ownership Plan (this "Amendment") is dated as of June 1, 2017, and is executed by AMERCO, as Sponsor of such Plan, pursuant to the Plan.

RECITALS

WHEREAS, on March 16, 1973, AMERCO, a Nevada Corporation (the "Corporation") established the AMERCO Profit Sharing Retirement Trust (the "Profit Sharing Plan"), which was subsequently amended from time to time. Effective April 1, 1984, the Corporation established the AMERCO Employee Savings and Protection Plan, which was amended from time to time, and effective January 1, 1988, was merged with the Profit Sharing Plan to form a single plan called the AMERCO Retirement Savings and Profit Sharing Plan.

WHEREAS, effective July 24, 1988, the AMERCO Retirement Savings and Profit Sharing Plan was amended and restated as an employee stock ownership plan known as the AMERCO Employee Savings, Profit Sharing and Employee Stock Ownership 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.

WHEREAS, the AMERCO Employee Savings, Profit Sharing and Employee Stock Ownership Plan has been subsequently amended and restated from time to time to, among other things, comply with SBJPA, USERRA, TRA 97, GUST and EGTRRA and to make certain administrative changes.

WHEREAS, effective January 1, 2007, the AMERCO Employee Stock Ownership Plan was amended and restated in its entirety in a separate plan document to incorporate certain amendments (the "ESOP"), 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").

WHEREAS, effective January 1, 2010, the ESOP was again amended and restated in its entirety.

WHEREAS, the ESOP, as so amended and restated on January 1, 2010, was amended effective as of November 1, 2012 and January 1, 2015, to incorporate certain updates to the law and certain other amendments.

WHEREAS, the ESOP, as so amended and restated on January 1, 2015, was amended and restated in its entirety on January 1, 2016 to incorporate certain updates to the law and certain other amendments (as so amended, the "Plan").

WHEREAS, the Corporation now desires to further amend the Plan as provided herein.

NOW THEREFORE, effective as of June 1, 2017, by this instrument, the Corporation hereby amends the Plan as set forth below:

1. **Section 7.5(c).** Section 7.5(c) of the Plan is amended by deleting the parenthetical phrase "(as such term is defined in Section 401(a)(28)(C) of the Code)" and inserting in lieu thereof "(an appraiser meeting requirements similar to the requirements of the regulations prescribed under Section 170 (a)(1) of the Code)".

2. **Section 7.5(f).** The second sentence of Section 7.5(f) of the Plan is amended to read as follows:

"Upon the close of the Plan Year during which the security is distributed, an independent appraiser (meeting requirements similar to the requirements of the regulations prescribed under Section 170 (a)(1) 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. "

3. **Section 7.6 (c).** Section 7.6 (c) of the Plan is amended in its entirety as follows:

" 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 an independent appraiser (meeting requirements similar to the requirements of the regulations prescribed under Section 170 (a) (1) of the Code) , is higher, in which case such higher price shall be paid.

4. **Section 8.6.** Section 8.6 of the Plan is amended in its entirety as follows:

"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 requirements similar to the requirements of the regulations prescribed under Section 170 (a)(1) of the Code ."

5. **Section 15.9.** Section 15.9 of the Plan is amended by adding the following thereto:

"In the case of a Participant who dies while performing qualified military service (as defined in Section 414(u) of the Code), the survivors of the Participant are

entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service but including vesting service credit for such period and any ancillary life insurance or other survivor benefits) that would have been provided under the Plan had the Participant resumed on the day preceding the Participant's death and then terminated employment on account of death."

IN WITNESS WHEREOF , the Corporation has caused this Amendment to be executed by its duly authorized representative this 1st day of June, 2017.

AMERCO, a Nevada corporation

By: _____
Edward J. Shoen, President

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
Eight PAC Company	NV
Ten PAC Company	NV
Eighteen PAC Company	NV
Twenty PAC Company	NV
Twenty-One PAC Company	NV
Nationwide Commercial Co.	AZ
AREC RW, LLC	DE
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 19, LLC	NV
AREC 20, LLC	NV
AREC 21, LLC	NV
AREC 22, LLC	DE
AREC 23, LLC	DE
AREC 24, LLC	DE
AREC 25, LLC	DE
AREC 26, LLC	DE
AREC 27, LLC	DE
AREC 2018, LLC	NV
41 Haig, LLC	NV
53 Roanoke, LLC	NV
Ariel, Inc	AZ
74-5583 Pawai, LLC	NV
125 Beechwood, LLC	NV
333 Sunrise, 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
1450 Walbridge, LLC	NV
1506 Woodlawn, LLC	DE
CRP Holdings Michael, LLC	DE
1508 Woodlawn, LLC	DE
CRP Holdings Dunleavey, LLC	DE
2160 Erie, LLC	NV
3001 Boxmeer, LLC	NV
3400 MacArthur, LLC	NV
3410 Galena, LLC	DE
3463 Billie Hext, LLC	NV
3700 Bigelow, LLC	NV
4029 Golden, LLC	DE
4251 Hiawatha, LLC	NV
5655 Whipple LLC	NV
8250 Hwy 99, LLC	NV
11700 Capitol, LLC	NV

19525 Water, LLC	NV
Foster 81st, LLC	DE
Rosehill Street, LLC	NV
West 16th, LLC	NV
West 136th, LLC	DE
AREC 1031 Holdings, LLC	DE
8 Erie EAT, LLC	NV
53 Technology EAT, LLC	NV
60 Burrell Plaza EAT, LLC	NV
88 Birnie EAT, LLC	NV
176 Ragland EAT, LLC	NV
191 Bradley EAT, LLC	NV
200-22- North Point EAT, LLC	NV
207 Simpson EAT, LLC	NV
339-341 Lehigh EAT, LLC	NV
463 Lakewood EAT, LLC	NV
500 Grandville EAT, LLC	NV
529 & Westgreen EAT, LLC	NV
665 Perrry EAT, LLC	NV
800 28 EAT, LLC	NV
817 Appleyard EAT, LLC	NV
825 Pearl EAT, LLC	NV
900 Roswell EAT, LLC	NV
950 25th EAT, LLC	NV
1058 Sagamore EAT, LLC	NV
1200 Main EAT, LLC	NV
1320 Grandview EAT, LLC	NV
1327-1331 Texas EAT, LLC	NV
1411 Texas EAT, LLC	NV
1416 Route 66 EAT, LLC	NV
1450 South West EAT, LLC	NV
1501 McGalliard EAT, LLC	NV
1510 Orchard Park EAT, LLC	NV
1903 Rosemont EAT, LLC	NV
1910 5th EAT, LLC	NV
2811 Vista EAT, LLC	NV
3015 Tower EAT, LLC	NV
4225 Hiawatha EAT, LLC	NV
5204 Links EAT, LLC	NV
6805 Corporate EAT, LLC	NV
6910 Richmond EAT, LLC	NV
8135-8171 Houghton Lake EAT, LLC	NV
10412 Sprague EAT, LLC	NV
10681 Loop 1604 EAT, LLC	NV
15500 Shawn EAT, LLC	NV
21930 Miles EAT, LLC	NV
Dimond EAT, LLC	NV
Marginal EAT, LLC	NV

U-Haul International, Inc.	NV
United States:	
A & M Associates, Inc	AZ
Web Team Associates, Inc.	NV
EMove, Inc.	NV
Orange Line Technologies, LLC	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
2013 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 Florida 22, LLC	DE
U-Haul Co. of Florida 23, LLC	DE
U-Haul Co. of Florida 24, LLC	DE
U-Haul Co. of Florida 25, LLC	DE
U-Haul Co. of Florida 26, LLC	DE
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 Propane of Texas, LLC	NV
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 23, LLC	DE
UHIL 24, LLC	DE
UHIL 25, LLC	DE
UHIL 26, LLC	DE
UHIL 27, 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

EXHIBIT 23.1

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 333-215546) of AMERCO and consolidated subsidiaries (the "Company") of our reports dated May 30, 2018, 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 30, 2018

EXHIBIT 31.1

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;
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

Date: May 30, 2018

EXHIBIT 31.2

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;

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
Chief Financial Officer

Date: May 30, 2018

EXHIBIT 32.1

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, 2018 of AMERCO (the "Company"), as filed with the Securities and Exchange Commission on May 30, 2018 (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

Date: May 30, 2018

EXHIBIT 32.2

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, 2018 of AMERCO (the "Company"), as filed with the Securities and Exchange Commission on May 30, 2018 (the "Report"), I, Jason A. Berg, Chief Financial 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
Chief Financial Officer

Date: May 30, 2018