U-HAUL HOLDING CO /NV/

FORM 10-K
(Annual Report)

Filed 08/25/03 for the Period Ending 03/31/03

Address	5555 KIETZKE LANE STE 100
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Industry	Ground Freight & Logistics
Sector	Industrials
Fiscal Year	03/31

AMERCO /NV/

FORM 10-K
(Annual Report)

Filed 8/25/2003 For Period Ending 3/31/2003

Address	1325 AIRMOTIVE WAY STE 100
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CIK	0000004457
Industry	Rental & Leasing
Sector	Services
Fiscal Year	03/31

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K for Annual and Transition Reports Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

(Mark One)

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended March 31, 2003

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) 1325 Airmotive Way, Suite 100 Reno, Nevada 89502-3239 Telephone (775) 688-6300	88-0106815
2-38498	U-Haul International, Inc. (A Nevada Corporation) 2727 N. Central Avenue Phoenix, Arizona 85004 Telephone (602) 263-6645	86-0663060

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

Registrant	Title of Class	Name of Each Exchange on Which Registered
AMERCO	Series A 8 1/2% Preferred Stock	New York Stock Exchange
U-Haul International, Inc.	None	

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

Registrant	Title of Class	Name of Each Exchange on Which Registered
AMERCO	Common	NASDAQ
U-Haul International, Inc.	None	

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K 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 an accelerated filer (as defined in Exchange Act Rule 12b-2 of the Act). Yes ☐

No ☑

20,621,499 shares of AMERCO common stock, $0.25 par value, were outstanding at August 15, 2003. The aggregate market value of AMERCO common stock held by non-affiliates (i.e., stock held by persons other than officers, directors and 5% shareholders of AMERCO) on September 30, 2002 was $66,678,706. The aggregate market value was computed using the closing price for the common stock trading on NASDAQ on such date.

5,385 shares of U-Haul International, Inc. common stock, $0.01 par value, were outstanding at August 15, 2003. None of these shares were held by non-affiliates.

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PART I

Item 1. ***Business:***

A. AMERCO and Consolidated Subsidiaries, SAC Holding Corporation and Consolidated Subsidiaries and SAC Holding Corporation II and Consolidated Subsidiaries

AMERCO, a Nevada corporation ("AMERCO"), is the holding company for U-Haul International, Inc. ("U-Haul"), Amerco Real Estate Company ("Real Estate"), Republic Western Insurance Company ("RepWest") and Oxford Life Insurance Company ("Oxford"). Throughout this Form 10-K, unless the context otherwise requires, the term "Company" refers to AMERCO and all of its legal subsidiaries. AMERCO's executive offices are located at 1325 Airmotive Way, Suite 100, Reno, Nevada 89502-3239, and the telephone number is (775) 688-6300. As used in this Form 10-K, all references to a fiscal year refer to AMERCO's fiscal year ended March 31 of that year. RepWest and Oxford are consolidated on the basis of calendar years ended December 31. Accordingly, all references to the years 2002, 2001 and 2000 for RepWest and Oxford correspond to AMERCO's fiscal years 2003, 2002 and 2001, respectively. The Company has four industry segments represented by Moving and Storage Operations (U-Haul), Real Estate, Property and Casualty Insurance (RepWest) and Life Insurance (Oxford). See Note 22 of Notes to Consolidated Financial Statements in Item 8 for financial information regarding the industry segments and geographic areas.

SAC Holding Corporation and SAC Holding Corporation II, Nevada corporations (collectively, "SAC Holdings"), are the holding companies for several individual corporations that own self-storage properties managed by AMERCO subsidiaries in the ordinary course of business. The Company has made significant loans to SAC Holdings and is entitled to participate in SAC Holdings' excess cash flow (after senior debt service). Mark V. Shoen, a significant shareholder of AMERCO and executive officer of U-Haul, owns substantially all of the equity interest of SAC Holdings. The Company does not have an equity ownership interest in SAC Holdings, except for minority investments made by RepWest and Oxford in a SAC Holdings-controlled limited partnership, which holds Canadian self-storage properties. SAC Holdings is not a legal subsidiary of AMERCO. The Company is not liable for the debts of SAC Holdings and there are no default provisions in the Company's indebtedness that cross-default to SAC Holdings' obligations nor are there provisions in SAC Holdings indebtedness that cross-default to the Company's obligations. U-Haul currently manages the properties owned by SAC Holdings under management agreements and receives a management fee. SAC Holdings operates in one business segment — moving and storage operations. For financial reporting purposes, SAC Holdings is treated as a special purpose entity, with no independent equity at risk, and therefore the Company includes the amounts of SAC Holdings in the consolidated financial statements.

Available Information

Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13 (a) or 15 (d) of the Securities Exchange Act are available free of charge on our website at www.uhaul.com as soon as reasonably practicable after electronically filing such reports with the SEC. Information contained on our website is not part of this report.

Recent Developments

Chapter 11 Filing

On June 20, 2003 (the "Petition Date"), AMERCO filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code") in the United States Bankruptcy Court, District of Nevada (the "Bankruptcy Court") (Case No. 0352103). Amerco Real Estate Company filed a voluntary petition for relief under Chapter 11 on August 13, 2003. AMERCO's other subsidiaries were not included in either of the filings. AMERCO and Real Estate will continue to manage their properties and operate their businesses as "debtor-in-possession" under the jurisdiction of the Bankruptcy Court and in accordance with the applicable provisions of the Bankruptcy Code. The Bankruptcy Court approved the joint

administration of the Chapter 11 proceedings. Hereafter, references to AMERCO's Chapter 11 also include Amerco Real Estate Company as applicable. In general, as debtor-in-possession, AMERCO is authorized under Chapter 11 to continue to operate as an ongoing business, but may not engage in transactions outside the ordinary course of business without the prior approval of the Bankruptcy Court. Specific information pertaining to the bankruptcy filing may be obtained from our website *www.amerco.com* . The information on this website is not considered part of this report.

The Chapter 11 filing was undertaken to facilitate a restructuring of AMERCO's debt in response to liquidity issues, which developed during the second half of 2002. In February, 2002, the Company's prior independent auditor advised the Company that its financial statements would have to be consolidated for reporting purposes with those of SAC Holdings. This consolidation, and the resulting lack of clarity regarding AMERCO's operating results and financial condition, contributed substantially and directly to a series of significant developments adversely impacting the Company's access to capital. The consolidation of SAC Holdings resulted in a material decrease in the Company's reported net earnings and net worth and a corresponding increase in its consolidated leverage ratios. Consolidating SAC Holdings also required a costly and time-consuming restatement of prior period results that led to the untimely filing of quarterly and annual reports with the Securities and Exchange Commission.

As the situation was occurring, AMERCO was attempting to negotiate the replacement of its $400 million credit facility with JP Morgan Chase. On June 28, 2002, AMERCO entered into a new credit facility with JP Morgan Chase, which reduced AMERCO's line of credit to $205 million. The terms of the new JP Morgan Chase facility required that AMERCO raise $150 million through a capital markets transaction prior to October 15, 2002. Additionally, AMERCO had payments for principal and related SWAP arrangements under AMERCO's Series 1997-C Bond Backed Asset Trust ("BBAT") maturing October 15, 2002. In response to these requirements, AMERCO undertook a $275 million bond offering. The bond offering was ultimately unsuccessful, exemplifying AMERCO's significantly reduced access to the capital markets to meet its financial needs due to, among other things, the confusion and adverse perception resulting from the SAC Holdings consolidation. On October 15, 2002, AMERCO defaulted on the repayment of the BBATs, which led to cross-defaults and an acceleration of substantially all of the other outstanding instruments in the Company's debt structure.

Since that time, AMERCO has continuously negotiated with its creditor groups to attempt to reach a consensual restructuring arrangement that would provide for the repayment of all creditors and the maintenance of AMERCO's existing equity. However, while substantial progress has been made in negotiations with certain key creditor constituencies, the complexity of AMERCO's capital structure and the diversity of interests of the creditor groups has made an equitable and consensual restructuring, outside of formal reorganization proceedings, exceedingly difficult. Accordingly, AMERCO filed its Chapter 11 proceeding to provide the structure and framework to finalize and implement a restructuring of all of its debt.

We have secured from Wells Fargo Foothill a $300 million debtor-in-possession financing facility (the "DIP Facility"), and a commitment for a $650 million bankruptcy emergence facility. These financing arrangements provide the basic foundation upon which AMERCO plans to build its reorganization plan. On August 13, 2003, Real Estate was filed into Chapter 11 proceedings in order to facilitate granting security to the lending group in the real estate assets. Real Estate administers all of the Company's real property and owns approximately 90% of the Company's real estate assets.

The exit or emergence financing facility will be used to fund cash payments to AMERCO's creditors, with the balance of the creditor claims being paid through the issuance of new, restructured debt securities at market interest rates. Notwithstanding AMERCO's default on the BBATs in October 2002, and the resulting cross-defaults under AMERCO's other debt facilities, until the Petition Date AMERCO has remained current in interest payments on all of its debt obligations, in many cases at default interest rates.

In order to exit Chapter 11 successfully, AMERCO will need to propose, and obtain confirmation by the Bankruptcy Court of, a plan of reorganization that satisfies the requirements of the Bankruptcy Code. A plan of reorganization would resolve, among other things, AMERCO's pre-petition obligations and set forth the revised capital structure. The timing of filing a plan of reorganization by AMERCO will depend on the timing

and outcome of numerous other ongoing matters in the Chapter 11 case. Although AMERCO expects to file a "full-value" plan of reorganization that provides creditors with a combination of cash and new debt securities equal to the full amount of their allowed claims as well as AMERCO's emergence from bankruptcy as a going concern, there can be no assurance at this time that a plan of reorganization will be confirmed by the Bankruptcy Court or that any such plan will be implemented successfully.

Under Section 362 of the Bankruptcy Code, the filing of a bankruptcy petition automatically stays most actions against a debtor, including most actions to collect pre-petition indebtedness or to exercise control over the property of the debtor's estate. Absent an order of the Bankruptcy Court, substantially all pre-petition liabilities are subject to settlement under the plan of reorganization.

Under Section 365 of the Bankruptcy Code, AMERCO may assume, assume and assign, or reject certain executory contracts and unexpired leases, subject to the approval of the Bankruptcy Court and certain other conditions. In general, rejection of an unexpired lease or executory contract is treated as a pre-petition breach of the lease or contract in question. Subject to certain exceptions, this rejection relieves AMERCO of performing its future obligations under that lease or contract but entitles the lessor or contract counterparty to a pre-petition general unsecured claim for damages caused by the deemed breach.

Counterparties to these rejected contracts or leases may file proofs of claim against AMERCO's estate for such damages. Generally, the assumption of an executory contract or unexpired lease requires a debtor to cure most existing defaults under such executory contract or unexpired lease.

The United States Trustee for the District of Nevada (the "U.S. Trustee") has appointed an official committee of unsecured creditors (the "Creditors' Committee") and an Equity Committee. The Creditors' Committee and Equity Committee and their respective legal representatives have a right to be heard on certain matters that come before the Bankruptcy Court. There can be no assurance that the Creditors' Committee and Equity Committee will support AMERCO's positions or AMERCO's ultimate plan of reorganization, once proposed, and disagreements between AMERCO and the Creditors' Committee and Equity Committee could protract the Chapter 11 case, could negatively impact AMERCO's ability to operate during the Chapter 11 case, and could prevent AMERCO's emergence from Chapter 11.

At this time, it is not possible to predict accurately the effect of the Chapter 11 reorganization process on the Company's business or when AMERCO may emerge from Chapter 11. The Company's future results depend on the timely and successful confirmation and implementation of a plan of reorganization. The rights and claims of various creditors and security holders will be determined by the plan as well. Although AMERCO expects to file and consummate a "full value" plan of reorganization that provides creditors with a combination of cash and new debt securities equal to the full amount of their allowed claims and also preserves the value of AMERCO's common and preferred stock, no assurance can be given as to what values, if any, will be ascribed in the bankruptcy proceedings to each of these constituencies. Accordingly, the Company urges that appropriate caution be exercised with respect to existing and future investments in any of such securities and claims. The Company's financial settlements included in this Form 10-K do not reflect the effects of the bankruptcy filing. Also, the auditor's opinion contains a going concern opinion that raises substantial doubt about our ability to continue as a going concern. See Note 1 of Notes to Consolidated Financial Statements in Item 8.

Financial Statement Re-audit and Resulting Restatement of 2002 and 2001 Financial Statements

BDO Seidman, LLP ("BDO") has completed the re-audit of the financial statements of AMERCO and its subsidiaries and SAC Holdings and its subsidiaries for the fiscal years ended March 31, 2002 and 2001. In connection with this re-audit, it was determined that there was a need for the Company to record adjustments relating to insurance reserves for prior periods at AMERCO and its subsidiary, RepWest; to adjust for recognizing losses of Private Mini pursuant to the equity method; as well as other significant adjustments. These adjustments have resulted in the restatement of the Company's financial statements for the fiscal years ended March 31, 2002 and 2001.

	2002		2001	
	As Previously Reported	Restated	As Previously Reported	Restated
	(In thousands)			
Revenues	2,058,506	2,193,579	1,882,447	2,029,480
Net earnings (loss)	2,721	(47,440)	1,012	(42,110)

This report contains restated consolidated financial statements for the years ended March 31, 2002 and 2001, and for the quarters ended in the periods ended March 31, 2002 and December 31, 2002.

The major components for the restatement were related to 1) insurance and 2) the equity loss recognition of Private Mini by AMERCO. For 2002 the insurance related after tax adjustment was $45 million and for 2001 it was $38 million. The Private Mini related adjustment for 2002 was $7 million and for 2001 it was $5.7 million.

As a result of the restatement, total assets as of March 31, 2002 decreased from $3,773,455 to $3,732,317 and total stockholders' equity as of March 31, 2002 decreased from $499,106 to $381,524.

For more information about the reinstatements, see Note 2 to the Consolidated Financial Statements.

SEC Investigation

The Securities and Exchange Commission ("SEC") has issued a formal order of investigation to determine whether the Company has violated the Federal securities laws. On January 7, 2003, the Company received the first of four subpoenas issued by the SEC. SAC Holdings, the Company's current and former auditors, and others have also received one or more subpoenas relating to this matter. The Company is cooperating fully with the SEC and is facilitating the expeditious review of its financial statements and any other issues that may arise. The Company has produced a large volume of documents and other materials in response to the subpoenas, and the Company is continuing to assemble and produce additional documents and materials for the SEC. Although the Company has fully cooperated with the SEC in this matter and intends to continue to fully cooperate, the SEC may determine that the Company has violated Federal securities laws. We cannot predict when this investigation will be completed or its outcome. If the SEC makes a determination that we have violated Federal securities laws, we may face sanctions, including, but not limited to, significant monetary penalties and injunctive relief.

Department of Labor Investigation

The United States Department of Labor ("DOL") is presently investigating whether there were violations of the Employee Retirement Income Security Act of 1974 ("ERISA") involving the AMERCO Employee Savings, Profit Sharing, and Employee Stock Ownership Plan (the "Plan"). The DOL has interviewed a number of Company representatives as well as the Plan fiduciaries and has issued a subpoena to the Company and a subpoena to SAC Holdings. At the present time, the Company is unable to determine whether the DOL will assert any claims against the Company, SAC Holdings, or the Plan fiduciaries. The DOL has asked AMERCO and its current directors as well as the Plan Trustees to sign an agreement tolling the statute of limitations until December 31, 2003 with respect to any claims arising out of certain transactions between AMERCO or any affiliate of AMERCO and SAC Holdings or any of its affiliates and such persons have done so. The DOL recently asked such parties to extend the tolling agreement. The DOL has not advised the Company that it believes that any violations of ERISA have in fact occurred. Instead, the DOL is simply investigating potential violations. The Company intends to take any corrective action that may be needed in light of the DOL's ultimate findings. Although the Company has fully cooperated with the DOL in this matter and intends to continue to fully cooperate, the DOL may determine that the Company has violated ERISA. In that event, the Company may face sanctions, including, but not limited to, significant monetary penalties and injunctive relief.

Nasdaq Listing Status

On June 24, 2003, the Company received a letter from Nasdaq indicating that, in light of AMERCO's recent Chapter 11 filing, a Nasdaq Listing Qualifications Panel (the "Panel") would consider such filing and associated concerns in rendering a determination regarding AMERCO's continued listing status. Nasdaq has requested, and AMERCO has provided, information regarding AMERCO's Chapter 11 filing and the anticipated effect of the reorganization process on the shareholders of AMERCO. On August 13, 2003, AMERCO received a letter from Nasdaq indicating that the Panel has determined to continue the listing of AMERCO's common stock on Nasdaq provided that: (1) on or before August 22, 2003, AMERCO files this report and its Form 10-Q for the quarter ended June 30, 2003 with the SEC and Nasdaq (Nasdaq has been advised that this deadline was not met and further discussions with Nasdaq are anticipated); (2) on or before deadlines determined by the Panel, AMERCO submits to Nasdaq a copy of the Company's plan of reorganization as filed with the bankruptcy court, a copy of any amendments to the plan of reorganization as submitted to the bankruptcy court; documentation evidencing that AMERCO has commenced the solicitation of votes regarding the plan of reorganization, as well as documentation evidencing that the plan of reorganization has been confirmed by the bankruptcy court; and (3) on or before January 9, 2004, AMERCO submits documentation to Nasdaq evidencing its emergence from bankruptcy. In addition to the foregoing, AMERCO must comply with all other requirements for continued listing on Nasdaq. Although AMERCO intends to seek a modification of the deadlines to file its Form 10-K and Form 10-Q as discussed above and to take all actions available to maintain its Nasdaq listing, there can be no assurance that AMERCO will be able to do so. In addition, as a result of the Chapter 11 filing and the late filing of this report, AMERCO's trading symbol was changed by Nasdaq to "UHAEQ".

New York Stock Exchange Listing Status

The New York Stock Exchange (the "NYSE") has completed a review of the continued listing of the Series A 8 1/2% preferred stock of AMERCO following the Company's filing for protection under Chapter 11. According to NYSE, this assessment has shown that the Company is currently in compliance with all of the NYSE's quantitative continued listing standards. The NYSE will continue to closely monitor events at the Company in connection with assessing the appropriateness of continued listing of the Company's preferred stock. The NYSE has indicated that it will give consideration to immediate suspension of the Company's preferred stock if authoritative advice is received that the Company's securities, including the common stock, are without value, or if the Company subsequently falls below any of the NYSE's quantitative continued listing standards. In addition, the NYSE noted that it may, at any time, suspend a security if it believes that continued dealings in the security on the NYSE are not advisable.

AMERCO Chief Financial Officer

On April 14, 2003, Gary B. Horton, Treasurer of AMERCO, announced his retirement from the Company and its subsidiaries effective August 1, 2003. On April 21, 2003, Andrew A. Stevens joined AMERCO as its Chief Financial Officer. Mr. Stevens left on August 7, 2003 to pursue other opportunities. The search for a new Chief Financial Officer is in progress. Mr. Horton has agreed to postpone his retirement to facilitate the transition to the new Chief Financial Officer.

Arizona Department of Insurance Supervision of Republic Western

On May 20, 2003, RepWest consented to an Order for Supervision issued by the Arizona Department of Insurance ("DOI"). The DOI determined that RepWest's level of risk based capital ("RBC") allowed for regulatory control. Pursuant to this order and Arizona law, during the period of supervision, RepWest may not engage in any of the following activities without the prior approval of the DOI:

a. dispose of, convey or encumber any of its assets or its business in force;

b. withdraw any of its bank accounts;

c. lend any of its funds;

d. invest any of its funds;

e. transfer any of its property;

f. incur any debt, obligation or liability including the issuance of all new and renewal business;

g. merge or consolidate with another company;

h. enter into any new reinsurance contract or treaty; or

i. enter into any affiliate transactions

In order to abate the DOI's order, RepWest must establish that it possesses surplus in compliance with Arizona law and as the Arizona Director of Insurance may require based on type, volume or nature of its business pursuant to Arizona law and establish that it has eliminated the specific credit risk associated with the exposures to AMERCO and its affiliates.

If RepWest fails to satisfy the requirements to abate DOI's concerns, the DOI may take further action, including, but not limited to, commencing a conservatorship.

In April 2003, RepWest announced that in connection with the Company's overall restructuring efforts, it is redirecting its operating focus. In particular, RepWest is exiting non-U-Haul related lines of business. This exit may result in near term losses as these lines are eliminated.

Moving and Storage Operations

Moving and self-storage operations consist of the rental of equipment such as trucks and trailers, the sale of moving and storage supplies such as boxes and the rental of self-storage spaces to both moving and storage customers. Operations are conducted using the registered tradename U-Haul® throughout the United States and Canada.

Real Estate Operations

Real Estate owns approximately 90% of the Company's real estate assets, including U-Haul Center and Storage locations. Various U-Haul and Insurance companies own the remainder of the real estate assets. Real Estate is responsible for overseeing property acquisitions, dispositions and managing environmental risks of the properties.

Property and Casualty Insurance

RepWest originates and reinsures property and casualty-type insurance products for various market participants, including independent third parties, U-Haul's customers, independent dealers and the Company. In April 2003, RepWest announced that in connection with AMERCO's overall restructuring efforts, in order to reduce costs and to build upon its core strengths, RepWest is exiting non-U-Haul related lines of business. This exit may result in near term losses as these lines are eliminated.

Life Insurance

Oxford originates and reinsures annuities, credit life and disability, single premium whole life, group life and disability coverage, and Medicare supplement insurance. Oxford also administers the self-insured employee health and dental plans for AMERCO.

On November 13, 2000, Oxford acquired all of the issued and outstanding shares of Christian Fidelity Life Insurance Company ("CFLIC") in an exchange of cash for stock. CFLIC is a Texas-based insurance company specializing in providing supplemental health insurance and is licensed in 31 states. The acquisition was accounted for using the purchase method of accounting and, accordingly, CFLIC's results of operations have been included in the consolidated financial statements since the date of acquisition. Oxford funded the acquisition from available cash and short-term funds.

B. History

U-Haul was founded in 1945 under the name “U-Haul Trailer Rental Company”. From 1945 to 1974, U-Haul rented trailers and, starting in 1959, trucks on a one-way and In-Town® basis exclusively through independent dealers. Since 1974, U-Haul has developed a network of Company managed rental centers (U-Haul Centers) through which U-Haul also rents its trucks and trailers and provides related products and services (e.g., the sale and installation of hitches, as well as the sale of boxes and other moving and storage supplies). At March 31, 2003, U-Haul’s distribution network included 1,350 Company operated centers and 14,274 independent dealers.

C. Moving and Storage Operations

Business Strategies

The U-Haul business strategy remains focused on do-it-yourself moving and self-storage customers. U-Haul believes that customer access, in terms of truck or trailer availability and proximity of rental locations, is critical to its success. Under the U-Haul name, our strategy is to offer, in an integrated manner over an extensive and geographically diverse network of 15,624 Company operated Centers and independent dealers, a wide range of products and services to do-it-yourself moving and self-storage customers.

Moving Operations

U-Haul has a variety of product offerings. Rental trucks are designed with do-it-yourself customers in mind. U-Haul trailers are suited to the low profile of many newly manufactured automobiles. As of March 31, 2003, the U-Haul rental equipment fleet consisted of approximately 92,000 trucks, 73,000 trailers and 19,000 tow dollies. Additionally, U-Haul provides support items such as furniture pads, utility dollies and handtrucks.

Approximately 90% of U-Haul’s gross rental revenue is generated from do-it-yourself residential movers. Moving rentals include:

(i) In-Town® rentals, where the equipment is returned to the originating U-Haul location and

(ii) One-way rentals, where the equipment is returned to a U-Haul location in another city.

U-Haul’s truck and trailer rental business tends to be seasonal, with proportionally more transactions and revenues generated in the spring and summer months than during the balance of the year.

U-Haul sells a wide selection of moving supplies that include boxes, tape and packaging materials. U-Haul Centers also sell and install hitches and towing systems, and sell propane.

U-Haul offers protection packages such as:

(i) Safemove® — which currently provides moving customers with a damage waiver, cargo protection and medical and life coverage;

(ii) Safestor® — which currently provides self-storage rental customers with various types of protection for their goods in storage; and

(iii) Safetow® — which currently provides towing customers with a damage waiver, cargo protection and medical and life coverage.

Independent dealers receive U-Haul equipment on a consignment basis and are paid a commission on gross revenues generated from their rentals. U-Haul maintains contracts with its independent dealers that may typically be terminated upon 30 days written notice by either party.

Historically U-Haul has designed and manufactured its truck van boxes, trailers and various other support rental equipment items. Truck chassis are manufactured by both foreign and domestic truck manufacturers. These chassis receive certain post-delivery modifications and are joined with van boxes at strategically located Company-owned manufacturing and assembly facilities in the United States. From time to time, U-Haul buys its truck bodies from a third party provider of such items.

U-Haul services and maintains its trucks and trailers through an extensive preventive-maintenance program, generally performed at Company-owned facilities located at or near U-Haul Centers. Major repairs are performed either by the chassis manufacturers' dealers or by Company-owned repair shops.

Competition

A highly competitive industry exists within the moving truck and trailer rental market. There are two distinct users of rental trucks: commercial users and do-it-yourself users. U-Haul focuses on the do-it-yourself residential user. Within this group, U-Haul believes that the principal competitive factors are convenience of rental locations, availability of quality rental equipment and price. U-Haul's major competitors in the rental market are Budget Car and Truck Rental Company and Penske Truck Leasing.

Self-storage Business

U-Haul entered the self-storage business in 1974 and has increased its presence in the industry through the acquisition and conversion of existing facilities and new construction. In addition, U-Haul has entered into management agreements to manage self-storage properties owned by others, including SAC Holdings. U-Haul has also entered into a strategic and financial partnership with Private Mini Storage Realty, L.P., a Texas-based operator of self-storage properties.

Through 1,023 owned, managed or equity participating self-storage locations in the United States and Canada, U-Haul offers for rent more than 32.5 million square feet of self-storage at March 31, 2003. This is an increase of 1.4 million square feet over the prior year. U-Haul's self-storage facility locations range in sizes up to 152,600 square feet of storage space, with individual storage units in sizes from 15 to 400 square feet.

The primary market for storage rooms is the storage of household goods. With the addition of 18,833 storage rooms during fiscal year 2003, the average occupancy rate of same store facilities operating over one year was 82.9%, with modest seasonal variations.

Competition

The primary competition for a U-Haul self-storage location is other self storage facilities within a geographic area offering a comparable level of convenience to the customer.

Employees

As of March 31, 2003, U-Haul's non-seasonal work force consisted of 16,145 full and part-time employees.

D. Real Estate Operations

Real Estate Operations

Real Estate owns approximately 90% of the Company's real estate assets, including U-Haul Center and Storage locations. Various U-Haul and Insurance companies own the remainder of the real estate assets. Real Estate is responsible for overseeing property acquisitions, dispositions and managing environmental risks of the properties.

Environmental Matters

Compliance with environmental requirements of federal, state and local governments significantly affects Real Estate's business operations. Among other things, these requirements regulate the discharge of materials into the water, air and land and govern the use and disposal of hazardous substances. Real Estate is aware of issues regarding the presence of 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. Under this program, we have spent $43.7 million through March 31, 2003. See also Item 3. Legal Proceedings.

E. Insurance Operations

Business Strategies

RepWest originates and reinsures property and casualty type insurance products for various market participants, including independent third parties, U-Haul's customers, independent dealers and the Company. In April 2003, RepWest announced that in connection with AMERCO's overall restructuring efforts, and in order to reduce costs and to build upon its core strengths, RepWest has ceased writing and is exiting non-U-Haul related lines of business.

Oxford's business strategy is long-term capital growth through direct writing and reinsuring of annuity, credit life and disability and Medicare supplement products. In the past Oxford has pursued a growth strategy of increased direct writing via acquisitions of insurance companies, expanded distribution channels and product development. The acquisitions of North American Insurance Company and Safe Mate Life Insurance Company in 1997 and Christian Fidelity Life Insurance Company in 2000 represent a significant movement toward this long-term goal. Oxford has significantly expanded product offerings, distribution channels and administrative capabilities through these acquisitions.

Investments

RepWest and Oxford investments must comply with the insurance laws of the state of domicile. These laws prescribe the type, quality and concentration of investments that may be made. Moreover, in order to be considered an acceptable reinsurer by cedents and intermediaries, a reinsurer must offer financial security. The quality and liquidity of invested assets are important considerations in determining such security.

The investment strategies of RepWest and Oxford emphasize protection of principal through the purchase of investment grade fixed-income securities. Approximately 88.0% of RepWest's and 88.6% of Oxford's fixed-income securities consist of investment grade securities (NAIC-2 or greater). The maturity distributions are designed to provide sufficient liquidity to meet future cash needs.

Reinsurance

RepWest and Oxford assume and cede insurance from and to other insurers and members of various reinsurance pools and associations. Reinsurance arrangements are utilized to provide greater diversification of risk and to minimize exposure to large risks. However, the original insurer retains primary liability to the policyholder should the assuming insurer not be able to meet its obligations under the reinsurance agreements.

Regulation

RepWest and Oxford are subject to regulation by state insurance regulatory agencies. The regulation extends to such matters as licensing companies and agents, restricting the types, quality or quantity of investments, regulating capital and surplus and actuarial reserve maintenance, setting solvency standards, filing of annual and other reports on financial condition, and regulating trade practices. State laws also regulate transactions and dividends between an insurance company and its parent or affiliates, and generally require prior approval or notification for any change in control of the insurance subsidiary.

The insurance and reinsurance regulatory framework has been subjected to increased scrutiny by the National Association of Insurance Commissioners ("NAIC"), federal and state legislatures and insurance regulators. These regulators are considering increased regulations, with an emphasis on insurance company investment and solvency issues. It is not possible to predict the future impact of changing state and federal regulations on the operations of RepWest and Oxford.

In 1998, the NAIC adopted the Codification of Statutory Accounting Principles guidance, which replaced the prior Accounting Practices and Procedures manual as the NAIC's primary guidance for statutory

accounting as of January 1, 2001. The codification provides guidance for areas where statutory accounting has been silent and changes current statutory accounting practices in some areas. The DOI has adopted the Codification guidance, effective January 1, 2001. Oxford and RepWest have implemented the new Codification effective January 1, 2001.

In order to enhance the regulation of insurer solvency, the NAIC has adopted a formula and model law to implement risk-based capital ("RBC") requirements for insurance companies designed to assess minimum capital requirements and to raise the level of protection that statutory surplus provides for policyholder obligations. The RBC formula measures areas of risk facing insurers. Pursuant to the model law, insurers having less statutory surplus than that required by the RBC calculation will be subject to varying degrees of regulatory action, depending on the level of capital inadequacy.

The RBC model law provides for four levels of regulatory action. The extent of regulatory intervention and action increases as the level of surplus to RBC decreases. The first level, the Company Action Level (as defined by the NAIC), requires an insurer to submit a plan of corrective actions to the regulator if surplus falls below 200% of the RBC amount. The Regulatory Action Level requires an insurer to submit a plan containing corrective actions and requires the relevant insurance commissioner to perform an examination or other analysis and issue a corrective order if surplus falls below 150% of the RBC amount. The Authorized Control Level gives the relevant insurance commissioner the option either to take the aforementioned actions or to rehabilitate or liquidate the insurer if surplus falls below 100% of the RBC amount. The fourth action level is the Mandatory Control Level that requires the relevant insurance commissioner to rehabilitate or liquidate the insurer if surplus falls below 70% of the RBC amount.

Oxford is in compliance with the NAIC minimum RBC requirements. On May 20, 2003, the DOI determined that RepWest's level of RBC allowed for regulatory control and accordingly placed RepWest under supervision. See "Recent Developments" above.

Competition

The highly competitive insurance industry includes a large number of property and casualty insurance companies and life insurance companies. In addition, the marketplace now includes financial service firms offering both insurance and financial products. Stockholders own some insurance companies and policyholders own others. Many competitors have been in business for a longer period of time or possess substantially greater financial resources and broader product portfolios than RepWest and Oxford. RepWest and Oxford compete in the insurance business based upon price, product design and services rendered to producers and policyholders.

Employees

RepWest's non-seasonal work force consists of 343 full and part-time employees.

Oxford's non-seasonal work force consists of 148 full and part-time employees.

Life Insurance

Oxford originates and reinsures annuities, credit life and disability, single premium whole life, group life and disability coverage, and Medicare supplement insurance. Oxford also administers the self-insured group health and dental plans for the Company. Reinsurance arrangements are entered into with unaffiliated reinsurers.

Property and Casualty

RepWest's historical business activities consisted of three basic areas: U-Haul, direct and assumed reinsurance. U-Haul underwritings include coverage for U-Haul customers, independent dealers, fleet owners and employees of the Company. RepWest's direct underwriting was done through Company-employed underwriters and selected general agents. The products provided include liability coverage for rental vehicles, coverage for commercial multiple peril, commercial auto, mobile homes and excess workers' compensation.

RepWest has determined that these lines will be eliminated. RepWest's assumed reinsurance underwriting was done via broker markets and RepWest has exited this line. In an effort to decrease risk, RepWest has entered into various catastrophe cover policies to limit its exposure.

The liability for reported and unreported losses is based on both RepWest's historical and industry averages. Unpaid loss adjustment expenses are based on historical ratios of loss adjustment expenses paid to losses paid. The liability for unpaid losses and loss adjustment expenses is based on estimates of the amount necessary to settle all claims as of the statement date. Both reported and unreported losses are included in the liability. RepWest updates the liability estimate as additional facts regarding claim costs become available. These estimates are subject to uncertainty and variation due to numerous factors. In estimating reserves, no attempt is made to isolate inflation from the combined effect of other factors including inflation. Unpaid losses and loss adjustment expense are not discounted.

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

	2002	2001	2000
		(In thousands)	
Balance at January 1	$448,987	382,651	334,857
Less reinsurance recoverable	128,044	80,868	58,403
Net balance at January 1	320,943	301,783	276,454
Incurred related to:			
Current year	112,284	232,984	162,265
Prior years	16,396	23,042	41,285
Total incurred	128,680	256,026	203,550
Paid related to:			
Current year	66,728	106,395	61,196
Prior years	130,070	130,471	117,025
Total paid	196,798	236,866	178,221
Net balance at December 31	252,825	320,943	301,783
Plus reinsurance recoverable	146,622	128,044	80,868
Balance at December 31	$399,447	448,987	382,651

As a result of changes in estimates of insured events in prior years, the provision for unpaid losses and loss adjustment expenses (net of reinsurance recoveries of $90.1 million) increased by $16.4 million in 2002.

The following table illustrates the change in unpaid loss and loss adjustment expenses. First line — reserves as originally reported at the end of the stated year. Second section, reading down, — cumulative amounts paid as of the end of successive years with respect to that reserve. Third section, reading down, — revised estimates of the original recorded reserve as of the end of successive years. Last section — compares the latest revised estimated reserve amount to the reserve amount as originally established. This last section is cumulative and should not be summed.

Unpaid Loss and Loss Adjustment Expenses

	December 31										
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
	(In thousands)										
Unpaid Loss and Loss Adjustment Expenses	$238,762	314,482	329,741	341,981	332,674	384,816	344,748	334,858	382,651	448,987	399,447
Paid (Cumulative) as of:											
One year later	83,923	70,382	86,796	89,041	89,336	103,752	82,936	117,025	130,471	130,070	
Two years later	123,310	115,467	139,247	150,001	161,613	174,867	164,318	186,193	203,605		
Three years later	153,030	146,640	173,787	195,855	208,168	216,966	218,819	232,883			
Four years later	173,841	166,068	198,434	226,815	232,726	246,819	255,134				
Five years later	181,677	181,174	219,425	243,855	250,312	269,425					
Six years later	191,938	194,652	231,447	254,204	263,645						
Seven years later	200,281	203,535	237,118	264,120							
Eight years later	207,719	207,834	242,450								
Nine years later	211,075	211,493									
Ten years later	213,852										
Reserve Reestimated as of:											
One year later	251,450	321,058	338,033	353,508	354,776	357,733	339,602	377,096	433,222	454,510	
Two years later	254,532	323,368	340,732	369,852	342,164	361,306	371,431	432,714	454,926		
Three years later	253,844	309,936	349,459	328,445	346,578	369,598	429,160	437,712			
Four years later	231,536	317,687	302,808	331,897	349,810	398,899	413,476				
Five years later	239,888	267,005	300,180	339,665	376,142	398,184					
Six years later	263,843	262,517	307,306	347,664	369,320						
Seven years later	259,798	267,948	332,762	344,451							
Eight years later	265,285	303,457	311,682								
Nine years later	265,538	270,300									
Ten years later	267,029										
Cumulative Redundancy (Deficiency)	$ (28,267)	44,182	18,059	(2,470)	(36,646)	(13,368)	(68,728)	(102,854)	(72,275)	(5,523)	
Retro Premium Recoverable	2,209	4,239	8,231	11,294	13,905	18,350	25,569	29,852	39,731	41,206	
Reestimated Reserve: Amount (Cumulative)	$ (26,058)	48,421	26,290	8,824	(22,741)	4,982	(43,159)	(73,002)	(32,545)	35,683	

Item 2. *Properties*

AMERCO's subsidiaries own property, plant and equipment that are utilized in the manufacture, repair and rental of U-Haul equipment and that provide office space for the Company. Such facilities exist throughout the United States and Canada. U-Haul also manages storage facilities owned by others. In addition, the Company owns certain real estate not currently used in its operations. U-Haul operates 1,350 U-Haul Centers (including Company-owned storage locations), and operates 11 manufacturing and assembly facilities. U-Haul also operates 105 fixed site repair facilities located at or near a U-Haul Center.

SAC Holdings own property, plant and equipment that are utilized in the rental of self-storage rooms and U-Haul equipment. Such facilities exist throughout the United States and Canada. Such facilities also secure various promissory notes held by unrelated third parties. There is no debt held by the Company that is secured by SAC Holdings' real estate. U-Haul manages the storage facilities under management agreements whereby the management fees are consistent with management fees received by U-Haul for other properties owned by unrelated parties and managed by U-Haul.

Item 3. *Legal Proceedings*

In the normal course of business, the Company is a defendant in a number of suits and claims. The Company is also a party to several administrative proceedings arising from state and local provisions that

regulate the removal and/or cleanup of underground fuel storage tanks. It is the opinion of management that none of such suits, claims or proceedings involving the Company, individually or in the aggregate, are expected to result in a material loss. See “Item 1. Business — Environmental Matters”.

In the normal course of business, SAC Holdings is a defendant in a number of suits and claims. It is the opinion of management that none of the suits, claims or proceedings involving SAC Holdings, individually or in the aggregate, are expected to result in a material loss.

As previously discussed, on June 20, 2003, AMERCO filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code. As debtor-in-possession, AMERCO is authorized under Chapter 11 to continue to operate as an ongoing business, but may not engage in transactions outside the ordinary course of business without the prior approval of the Bankruptcy Court. As of the Petition Date, all pending litigation against AMERCO is stayed, and absent further order of the Bankruptcy Court, no party, subject to certain exceptions, may take any action, again subject to certain exceptions, to recover on pre-petition claims against AMERCO. The automatic stay, however, does not apply to AMERCO’s subsidiaries, other than Amerco Real Estate Company, which filed for protection under Chapter 11, on August 13, 2003.

On July 20, 2000, Charles Kocher (“Kocher”) filed suit in Wetzel County, West Virginia, Civil Action No. 00-C-51-K, entitled Charles Kocher v. Oxford Life Insurance Co. (“Oxford”) seeking compensatory and punitive damages for breach of contract, bad faith and unfair claims settlement practices arising from an alleged failure of Oxford to properly and timely pay a claim under a disability and dismemberment policy. On March 22, 2002, the jury returned a verdict of $5 million in compensatory damages and $34 million in punitive damages. On November 5, 2002, the trial court entered an Order (“Order”) affirming the $39 million jury verdict and denying Oxford’s motion for New Trial Or, in The Alternative, Remittitur. Oxford has perfected its appeal to the West Virginia Supreme Court. Oral argument on the appeal petition is set for September 9, 2003. Management does not believe that the Order is sustainable and expects the Order to be overturned by the West Virginia Supreme Court, in part because the jury award has no reasonable nexus to the actual harm suffered by Kocher.

On September 24, 2002, Paul F. Shoen filed a derivative action in the Second Judicial District Court of the State of Nevada, Washoe County, captioned Paul F. Shoen vs. SAC Holding Corporation et al, CV02-05602, seeking damages and equitable relief on behalf of AMERCO from SAC Holdings and certain current and former members of the AMERCO Board of Directors, including Edward J. Shoen, Mark V. Shoen and James P. Shoen as defendants. AMERCO is named a nominal defendant for purposes of the derivative action. The complaint alleges breach of fiduciary duty, self-dealing, usurpation of corporate opportunities, wrongful interference with prospective economic advantage and unjust enrichment and seeks the unwinding of sales of self-storage properties by subsidiaries of AMERCO to SAC Holdings over the last several years. The complaint seeks a declaration that such transfers are void as well as unspecified damages. On October 28, 2002, AMERCO, the Shoen directors, the non-Shoen directors and SAC Holdings filed Motions to Dismiss the complaint. In addition, on October 28, 2002, Ron Belec filed a derivative action in the Second Judicial District Court of the State of Nevada, Washoe County, captioned Ron Belec vs. William E. Carty, et al, CV 02-06331 and on January 16, 2003, M.S. Management Company, Inc. filed a derivative action in the Second Judicial District Court of the State of Nevada, Washoe County, captioned M.S. Management Company, Inc. vs. William E. Carty, et. al, CV 03-00386. Two additional derivative suits were also filed against these parties. These additional suits are substantially similar to the Paul F. Shoen derivative action. The five suits assert virtually identical claims. In fact, three of the five plaintiffs are parties who are working closely together and chose to file the same claims multiple times. The court consolidated all five complaints before dismissing them on May 8, 2003. Plaintiffs have filed a notice of appeal. These lawsuits falsely alleged that the AMERCO Board lacked independence. In reaching its decision to dismiss these claims, the court determined that the AMERCO Board of Directors had the requisite level of independence required in order to have these claims resolved by the Board.

The United States Department of Labor (“DOL”) is presently investigating whether there were violations of the Employee Retirement Income Security Act of 1974 (“ERISA”) involving the AMERCO Employee Savings, Profit Sharing and Employee Stock Ownership Plan (the “Plan”). The DOL has

interviewed a number of Company representatives as well as the Plan fiduciaries and has issued a subpoena to the Company and a subpoena to SAC Holdings. At the present time the Company is unable to determine whether the DOL will assert any claims against the Company, SAC Holdings, or the Plan fiduciaries. The DOL has asked the Company and its current directors as well as the Plan Trustees to sign an agreement tolling the statute of limitations with respect to any claims arising out of certain transactions between the Company or any affiliate of the Company and SAC Holdings, or any of its affiliates and such parties have done so. The DOL recently asked such parties to extend the tolling agreement. The DOL has not advised the Company that it believes that any violations of ERISA have in fact occurred. Instead, the DOL is simply investigating potential violations. The Company intends to vigorously defend its position. The Company also intends to take any corrective action that may be needed in light of the DOL's ultimate findings.

The Company has received notice of a formal, non-public investigation by the Securities and Exchange Commission ("SEC"). On January 7, 2003, the Company received the first of the four subpoenas issued by the SEC to the Company. SAC Holdings, the Company's current and former auditors, and others have also received one or more subpoenas relating to this matter. The SEC has advised the Company that this is a fact-finding investigation and that it has not reached any conclusions related to this matter. The Company has been cooperating fully with the SEC and is facilitating the expeditious review of its financial statements and any other issues that may arise. The Company does not believe that the SEC investigation will have a material adverse impact on its financial condition or results of operations. The SEC began its investigation by issuing a subpoena to PricewaterhouseCoopers ("PwC") two months before requesting information from the Company. The Company is cooperating fully with the SEC's investigation.

A subsidiary of U-Haul, INW Company ("INW"), owns one property located within two different state hazardous substance sites in the State of Washington. The sites are referred to as the "Yakima Valley Spray Site" and the "Yakima Railroad Area." INW has been named as a "potentially liable party" under state law with respect to this property as it relates to both sites. As a result of the cleanup costs of approximately $5.0 million required by the State of Washington, INW filed for reorganization under the federal bankruptcy laws in May of 2001. A successful mediation with other liable parties has occurred and future liability to INW will be in the range of $750,000 to $1.25 million.

AMERCO is a defendant in four putative class action lawsuits. *Article Four Trust v. AMERCO, et al., District of Nevada, United States District Court, Case No. CV-N-03-0050-DWH-VPC* . Article Four Trust, a purported AMERCO shareholder, commenced this action on January 28, 2003 on behalf of all persons and entities who purchased or acquired AMERCO securities between February 12, 1998 and September 26, 2002. *The Article Four Trust* action alleges one claim for violation of Section 10(b) of the Securities Exchange Act and Rule 10b-5 thereunder. *Mates v. AMERCO, et al., United States District Court, District of Nevada, Case No. CV-N-03-0107* . Maxine Mates, an AMERCO shareholder, commenced this putative class action on behalf of all persons and entities who purchased or acquired AMERCO securities between February 12, 1998 and September 26, 2002. The *Mates* action asserts claims under section 10(b) and Rule 10b-5, and section 20(a) of the Securities Exchange Act. *Klug v. AMERCO, et al., United States District Court of Nevada, Case No. CV-S-03-0380* . Edward Klug, an AMERCO shareholder, commenced this putative class action on behalf of all persons and entities who purchased or acquired AMERCO securities between February 12, 1998 and September 26, 2002. The *Klug* action asserts claims under section 10(b) and Rule 10b-5 and section 20(a) of the Securities Exchange Act. *IG Holdings* v. *AMERCO, et al., United States District Court, District of Nevada, Case No. CV-N-03-0199* . IG Holdings, an AMERCO bondholder, commenced this putative class action on behalf of all persons and entities who purchased, acquired, or traded AMERCO bonds between February 12, 1998 and September 26, 2002, alleging claims under section 11 and section 12 of the Securities Act of 1933 and section 10(b) and Rule 10b-5, and section 20(a) of the Securities Exchange Act. Each of these four securities class actions allege that AMERCO engaged in transactions with SAC entities that falsely improved AMERCO's financial statements, and that AMERCO failed to disclose the transactions properly. The actions are at a very early stage. The *Klug* action has not been served. In the other three actions, AMERCO does not currently have a deadline by which it must respond to the complaints. Management has stated that it intends to defend these cases vigorously. We have filed a notice of AMERCO's bankruptcy petition and the automatic stay in each of the Courts where these cases are pending.

Reference is made to Note 16 of Notes to Consolidated Financial Statements in Item 8 for a discussion of the final payments made in connection with stockholder litigation and California overtime litigation.

Item 4. ***Submission of Matters to a Vote of Security Holders***

No matter was submitted to a vote of the security holders of AMERCO or U-Haul during the fourth quarter of the fiscal year covered by this report, through the solicitation of proxies or otherwise.

PART II

Item 5. ***Market for the Registrant's Common Equity and Related Stockholder Matters***

As of July 10, 2003, there were approximately 3,000 holders of record of AMERCO's common stock.

AMERCO's common stock has been traded on NASDAQ since November 1994 under the symbol "UHAL". As a result of AMERCO's Chapter 11 filing and the late filing of this report, the trading symbol was changed by Nasdaq to "UHAEQ". The following table sets forth the high and low sales prices of the common stock of AMERCO trading on Nasdaq for the periods indicated.

	For the Years Ended March 31,			
	2003		2002	
	High	Low	High	Low
First quarter	18.50	13.90	19.98	16.64
Second quarter	14.99	6.19	20.20	17.80
Third quarter	10.40	1.36	18.80	16.75
Fourth quarter	6.00	2.77	18.04	14.27

AMERCO has not declared any cash dividends to common stockholders for the two most recent fiscal years.

AMERCO does not have a formal dividend policy. AMERCO's Board of Directors periodically considers the advisability of declaring and paying dividends in light of existing circumstances. AMERCO does not intend to pay dividends in the foreseeable future. See Note 21 of Notes to Consolidated Financial Statements in Item 8 for a discussion of certain statutory restrictions on the ability of the insurance subsidiaries to pay dividends to AMERCO.

See Note 17 of Notes to Consolidated Financial Statements in Item 8 for a discussion of AMERCO's non-cash dividends. See Note 7 of Notes to Consolidated Financial Statements in Item 8 for a discussion of changes to common shares outstanding.

The common stock of U-Haul is wholly owned by AMERCO. As a result, no active trading market exists for the purchase and sale of such common stock. U-Haul has not declared cash dividends to AMERCO during the two most recent fiscal years.

Due to the Chapter 11 filing, AMERCO does not expect to make any dividend payments on the Series A preferred stock for the duration of such proceedings. No assurance can be given as to when or whether the payment of cumulative preferred stock dividends will resume.

The rights and claims of AMERCO's various creditors and security holders will be determined by the plan of reorganization to be filed by AMERCO. Although AMERCO expects to file and consummate a "full value" plan of reorganization that provides creditors with a combination of cash and new debt securities equal to the full amount of their allowed claims and also preserves the value of AMERCO's common and preferred stock, no assurance can be given as to what values, if any, will be ascribed in the bankruptcy proceedings to each of these constituencies. Accordingly, the Company urges that appropriate caution be exercised with respect to existing and future investments in any of such securities.

Item 6. ***Selected Financial Data as Restated AMERCO and Consolidated Subsidiaries and SAC Holdings and Consolidated Subsidiaries***

	For the Years Ended March 31,				
	2003	Restated 2002(3)	Restated 2001(3)	Restated 2000(3)	Restated 1999(3)
	(In thousands except share and per share data)				
Summary of Operations:					
Rental revenue	$ 1,560,005	1,512,250	1,436,832	1,334,923	1,204,380
Net sales	222,889	222,816	212,243	201,355	220,994
Premiums	307,925	411,170	328,108	262,057	226,847
Net investment and interest income	41,568	47,343	52,297	61,021	64,964
Total revenues	2,132,387	2,193,579	2,029,480	1,859,356	1,717,185
Operating expenses	1,134,460	1,146,305	1,076,307	951,196	892,355
Commission expenses	136,827	140,442	132,865	134,135	130,160
Cost of sales	115,115	122,694	126,506	115,390	112,300
Benefits and losses	281,868	423,709	331,079	244,579	208,281
Amortization of deferred policy acquisition costs	37,819	40,674	36,232	34,987	31,721
Lease expense	179,642	174,664	175,460	130,951	118,742
Depreciation, net(1)	137,446	102,957	103,807	96,090	77,429
Total costs and expenses	2,023,177	2,151,445	1,982,256	1,707,328	1,570,988
Earnings from operations	109,210	42,134	47,224	152,028	146,198
Interest expense	148,131	109,465	111,878	97,187	85,611
Pretax earnings (loss)	(38,921)	(67,331)	(64,654)	54,841	60,587
Income tax benefit (expense)	13,935	19,891	22,544	(19,362)	(22,745)
Net earnings (loss)	$ (24,986)	(47,440)	(42,110)	35,479	37,842
Less: preferred stock dividends	12,963	12,963	12,963	13,641	17,414
Earnings (loss) available to common shareholders	$ (37,949)	(60,403)	(55,073)	21,838	20,428
Net earnings (loss) per common share (diluted) (2)	$ (1.83)	(2.87)	(2.56)	.99	.93
Weighted average common shares outstanding basic and (diluted)	20,743,072	21,022,712	21,486,370	21,934,930	21,937,686
Cash dividends declared and accrued Preferred stock	$ 12,963	12,963	12,963	13,641	17,414
Balance Sheet Data:					
Property, plant and equipment, net	$ 1,946,317	1,936,076	1,882,010	1,704,483	1,532,239
Total assets	3,805,666	3,732,317	3,599,658	3,280,884	3,127,739
AMERCO's notes and loans payable	954,856	1,045,801	1,156,849	1,137,840	1,114,748
SAC Holdings' notes and loans payable	589,019	561,887	376,146	230,776	115,609
Stockholders' equity	327,448	381,524	446,354	504,749	543,739

(1) Reflects the change in salvage value and estimated useful lives during the fiscal year ended March 31, 2002. The net effect of these changes was to reduce net loss for the fiscal year 2002 by $3.1 million or $0.15 per share.

(2) Earnings and net earnings per common share were computed after giving effect to the dividends on the Company's Series B floating rate stock for all years presented.

(3) Gives effect to the restatements identified in Notes 1 and 2 of Notes to Consolidated Financial Statements in Item 8.

Item 6. ***Selected Financial Data, U-Haul International, Inc. — (Continued)***

	For the Years Ended March 31,				
	2003	2002	2001	2000	1999
			(In thousands)		
Summary of Operations:					
Rental revenue	$1,433,442	1,425,685	1,364,504	1,304,709	1,216,814
Net sales	174,065	198,312	194,270	191,083	183,910
Net investment and interest income	29,358	22,686	24,346	19,474	12,916
Total revenues	1,636,865	1,646,683	1,583,120	1,515,266	1,413,640
Operating expenses	992,214	1,041,354	1,021,576	961,795	918,508
Commission expenses	164,508	153,465	143,588	143,916	137,044
Cost of sales	93,735	110,449	116,601	112,874	107,690
Benefits and losses(1)	37,560	47,036	40,521	—	—
Lease expense	165,020	171,656	167,290	132,395	118,428
Depreciation, net(2)	112,815	92,351	87,539	78,740	61,002
Total costs and expenses	1,565,852	1,616,311	1,577,115	1,429,720	1,342,672
Earnings from operations	71,013	30,372	6,005	85,546	70,968
Interest expense	9,991	11,675	17,094	496	437
Pretax earnings (loss)	61,022	18,697	(11,089)	85,050	70,531
Income tax benefit (expense)	(21,211)	(6,117)	4,921	(31,704)	(27,167)
Net earnings (loss)	$ 39,811	12,580	(6,168)	53,346	43,364
Balance Sheet Data :					
Property, plant and equipment, net	$ 736,499	750,779	731,074	757,029	684,165
Total assets	1,208,791	1,099,195	935,254	970,968	892,838
Notes and loans payable	31,693	14,793	—	—	—
Stockholders' equity	499,380	458,639	449,586	455,714	402,368

(1) Reflects non cash adjustments primarily related to insurance

(2) Reflects the change in salvage value and estimated useful lives during the fiscal year ended March 31, 2002. The net effect of these changes was to increase net earnings for the fiscal year 2002 by $3.1 million.

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

The following discussion should be read in conjunction with the Company's consolidated financial statements and the related notes. The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the continuity of operations, realization of assets and the satisfaction of liabilities in the normal course of business. However, as a result of AMERCO's Chapter 11 filing, such realization of assets and satisfaction of liabilities, without substantial adjustments, are subject to uncertainty. Further, a plan of reorganization could materially change the amounts and classifications in the financial statements. In addition, as discussed in Note 1 to the consolidated financial statements, AMERCO is in default under the terms of most of its financing arrangements. The consolidated financial statements do not include any adjustments that might be required if AMERCO is unable to continue as a going concern.

Cautionary Statements Regarding Forward-looking Statements

This report contains forward-looking statements as that term is defined in Section 27A of the Securities Act and Section 21E of the Securities Exchange Act. All statements, other than statements of historical fact,

included in this report are forward-looking statements, including, but not limited to projections of revenues, income or loss, estimates of capital expenditures, plans and intentions regarding the recapitalization of the balance sheet and the payment of dividends arrearages, plans for future operations, products or services and financing needs or plans, or perceptions of AMERCO's legal positions and anticipated outcomes of pending litigation against us, liquidity, expected outcomes of the Chapter 11 proceeding as well as assumptions relating to the foregoing. The words "believe", "expect", "anticipate", "estimate", "project", "may", "will", "intends", "plans" 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 at the end of this section, as well as the following: the Company's ability to operate pursuant to the terms of its DIP facility; the Company's ability to obtain court approval with respect to motions in the Chapter 11 proceeding prosecuted by it from time to time; the Company's ability to develop, prosecute, confirm and consummate a plan of reorganization with respect to the Chapter 11 case; risks associated with third parties seeking and obtaining court approval to terminate or shorten the exclusivity period for the Company to propose and confirm a plan of reorganization, for the appointment of a Chapter 11 trustee or to convert the case to a Chapter 7 case; the Company's ability to obtain and maintain normal terms with vendors and service providers; the Company's ability to maintain contracts that are critical to its operations; the potential adverse impact of the Chapter 11 case on the Company's liquidity or results of operations; the costs and availability of financing; the Company's ability to execute its business plan; the Company's ability to attract, motivate and retain key employees; general economic conditions; weather conditions; fluctuations in our costs to maintain and update our fleet and facilities; our ability to refinance our debt; our ability to successfully recapitalize our balance sheet and cure existing defaults of our debt agreements; our ability to continue as a going concern; changes in government regulations, particularly environmental regulations; our credit ratings; the availability of credit; changes in demand for our products; changes in the general domestic economy; degree and nature of our competition; the resolution of pending litigation against the company; changes in accounting standards and other factors described in this report or the other documents we file with the Securities and Exchange Commission. The above factors, the following disclosures, as well as other statements in this report and in the Notes to AMERCO's Consolidated Financial Statements, could contribute to or cause such differences, or could cause AMERCO's stock price to fluctuate dramatically. Consequently, the forward-looking statements should not be regarded as representations or warranties by the Company that such matters will be realized. The Company disclaims any intent or obligation to update or revise any of the forward-looking statements, whether in response to new information, unforeseen events, changed circumstances or otherwise.

General

Information on fiscal year, industry segments and the Company and SAC Holdings is incorporated by reference to "Item 8. Financial Statements and Supplementary Data — Notes 1, 21, and 22 of Notes to Consolidated Financial Statements". The notes discuss the principles of consolidation, summarized consolidated financial information and industry segment and geographic area data. In consolidation, all intersegment premiums are eliminated.

Critical Accounting Policies and Estimates

Management's discussion and analysis of financial condition and results of operations are based upon the consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires the use of estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an ongoing basis, estimates are reevaluated, including those related to areas that require a significant level of judgment or are otherwise subject to an inherent degree of uncertainty. These areas include allowances for doubtful accounts, depreciation of revenue earning vehicles and buildings, self-insured liabilities, impairments of assets, insurance reserves, premiums and acquisition cost amortization, income taxes and commitments and contingencies. The 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.

Accounting policies are considered critical when they are significant and involve difficult, subjective or complex judgments or estimates. 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 — The consolidated financial statements include the accounts of AMERCO and its wholly owned subsidiaries and SAC Holdings and its wholly owned subsidiaries. All material intercompany accounts and transactions have been eliminated in consolidation. SAC Holdings has been classified as a special purpose entity that meets the criteria for consolidation and therefore the accounts of SAC Holdings are included in the consolidated financial statements. AMERCO has concluded that SAC Holdings qualifies as a Variable Interest Entity, as defined by FIN 46, and will continue to be included in the consolidation. AMERCO does not have an equity ownership interest in SAC Holdings or any of SAC Holdings' subsidiaries, except for investments made by RepWest and Oxford in a SAC Holdings-controlled limited partnership, which holds Canadian self-storage properties. SAC Holdings are not legal subsidiaries of AMERCO. AMERCO is not liable for the debts of SAC Holdings and there are no default provisions in AMERCO indebtedness that cross-default to SAC Holdings' obligations. SAC Holdings has concluded that a conglomerate of entities, known as Private Mini Storage Realty L.P. ("Private Mini"), qualifies as a Variable Interest Entity and will be included in the consolidation beginning July 1, 2003. As of March 31, 2003 and for the period then ended, Private Mini is accounted for on the equity method of accounting.

Revenue earning vehicles and buildings — Depreciation is recognized in amounts expected to result in the recovery of estimated residual values upon disposal (i.e. no gains or losses). In determining the depreciation rate, historical disposal experience and holding periods, and trends in the market for vehicles are reviewed. Due to longer holding periods on trucks and the resulting increased possibility of changes in the economic environment and market conditions, these estimates are subject to a greater degree of risk.

Long-lived assets and intangible assets — The carrying value is reviewed whenever events or circumstances indicate the carrying values may not be recoverable through projected undiscounted future cash flows. The events could include significant underperformance relative to expected, historical or projected future operating results, significant changes in the manner of using the assets, overall business strategy, significant negative industry or economic trends and an unexpected non-compliance with significant debt agreements.

Investments — For investments accounted for under SFAS 115, in determining if and when a decline in market value below amortized cost is other than temporary, quoted market prices, dealer quotes or discounted cash flows are reviewed. Other-than-temporary declines in value are recognized in the current period operating results to the extent of the decline.

Insurance Revenue and Expense Recognition — Premiums are recognized as revenue and earned over the terms of the respective policies. Benefits and expenses are matched with recognized premiums to result in revenue and expense recognition over the life of the contracts. This match is accomplished by recording a provision for future policy benefits and unpaid claims and claim adjustment expenses and by amortizing deferred policy acquisition costs. Charges related to services to be performed are deferred until earned. The amounts received in excess of premiums and fees are included in other policyholder funds in the consolidated balance sheets.

Unearned premiums represent the portion of premiums written which relate to the unexpired term of policies. Liabilities for health and disability and other policy claims and benefits payable represent estimates of payments to be made on insurance claims for reported losses and estimates of losses incurred but not yet reported. These estimates are based on past claims experience and current claim trends as well as social and economic conditions such as changes in legal theories and inflation. Due to the nature of underlying risks and the 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 liabilities cannot be precisely determined and may vary significantly from the estimated liability.

Acquisition costs related to insurance contracts have been deferred to accomplish matching against future premium revenue. The costs are charged to current earnings to the extent it is determined that future premiums are not adequate to cover amounts deferred.

U-Haul Insurance Expense — Expense is recognized annually based on reported claims and an estimate of future claims. A reserve is booked for unpaid losses. U-Haul's self-insured retention is paid out over time as claims are settled, relieving the reserve for unpaid losses.

Disclosures about Contractual Obligations and Commercial Commitments

		Payments due by Period (as of March 31, 2003)			
Financial Obligations	**Total**	**Prior to 03/31/04**	**04/01/04 03/31/06**	**04/01/06 03/31/08**	**April 1, 2008 and Thereafter**
			(In thousands)		
AMERCO's notes and loans	$ 954,856	954,856	—	—	—
AMERCO's operating leases	552,165	552,165	—	—	—
SAC Holdings' notes and loans	983,190	79,971	120,067	19,241	763,911
Elimination of SAC Holdings' obligations to AMERCO	(394,171)	—	(23,618)	—	(370,553)
Total Contractual Obligations	$2,096,040	1,586,992	96,449	19,241	393,358

On October 15, 2002 AMERCO defaulted on its BBATs and related obligations. This default triggered cross-default provisions in AMERCO's other debt agreements. As a result, approximately $1,178.1 million of the Company's contractual obligations and commercial commitments listed below became immediately due and payable. As of March 31, 2003, SAC Holdings has interest bearing debt to outside parties of $589.0 million, is not in default of any related covenants and is current on all of its payments.

	(In millions)
Bank of Montreal synthetic lease	$ 149.0
Citibank synthetic lease	101.7
3 yr Credit Agreement	205.0
Royal Bank of Canada lease	5.7
Amerco Real Estate Notes	100.0
'03 Notes	175.0
'05 Notes	200.0
Medium Term Notes	109.5
BBAT	100.0
Bank of America Obligation (BBAT)	11.3
Citicorp Obligation (BBAT)	15.3
Bank of America Swap	2.1
JP Morgan Swap	3.5
	$1,178.1

In February 1997, AMERCO, through its insurance subsidiaries, invested in the equity of Private Mini, a Texas based self-storage operator. During 1997, Private Mini secured a line of credit in the amount of $225 million with a financial institution, which was subsequently reduced in accordance with its terms to $125 million in December 2001. Under the terms of this credit facility AMERCO entered into a support party agreement with Private Mini and the financial institution whereby upon certain defaults or noncompliance with debt covenants by Private Mini, AMERCO could be required to assume responsibility in fulfilling all

payment obligations and certain covenant obligations related to this credit facility. Private Mini defaulted on the credit facility due to AMERCO's default under the support party agreement, which support party agreement default was triggered by virtue of cross-defaults to certain other AMERCO obligations. Additionally, Private Mini defaulted under the credit facility by virtue of non-payment of the outstanding balance at maturity. In December 2002, the financing institution exercised its option to require AMERCO to purchase all commitments under the credit facility. In March 2003 AMERCO and the financial institution entered into a standstill agreement with respect to this obligation, which standstill agreement expired by its terms on April 30, 2003. Since April 30, 2003, the financial institution has not re-issued any default notices to AMERCO with respect to this obligation or otherwise required AMERCO to purchase all commitments under the credit facility. AMERCO has not purchased any commitments under the credit facility and, as of March 31, 2003, AMERCO has recorded a liability for the $55 million remaining balance under the credit facility with a corresponding increase to its receivable from Private Mini.

In February 2003, an entity affiliated with Private Mini closed on a $255 million financing and $70 million of these proceeds were used to pay down the $125 million line of credit described above. The aggregate amount of support provided by AMERCO remains unchanged at $125 million ($55 million referred to in the previous paragraph to the lenders under the Amended and Restated loan agreement with the 1997 lenders and $70 million under the new $255 million financing). Under the terms of the support party capital agreement for the $255 million financing, following certain events of default, AMERCO could be required to assume responsibility for $70 million of the obligations under this financing. AMERCO has recorded a liability for the $70 million obligation with a corresponding increase to its receivable from Private Mini.

AMERCO uses certain equipment and occupies certain facilities under operating lease commitments with terms expiring through 2079. In the event of a shortfall in proceeds from the sale of the underlying assets, AMERCO has guaranteed approximately $192.0 million of residual values at March 31, 2003, for these assets at the end of the respective lease terms.

Results of Operations

U-HAUL Moving and Storage Operations

Rental revenue was $1,433.4 million, $1,425.7 million and $1,364.5 million in fiscal years 2003, 2002 and 2001, respectively. Rental revenues increased from 2003 compared to fiscal 2002, due to price and productivity gains. The increase from fiscal year 2001 to fiscal year 2002 is due to an increase in one-way transactions with an improved average dollar per transaction on one-way rentals as well as growth in transactions in trailer rentals and support rental items. Storage revenue decreased all of the years due to the sale of properties to SAC Holdings.

Net sales revenues were $174.1 million, $198.3 million and $194.3 million in fiscal years 2003, 2002 and 2001, respectively. Revenue declines in the sale of hitches, moving support items (i.e. boxes, etc.) and propane for 2003 from 2002 was largely due to the sale of centers to SAC.

Interest income, before consolidating entries, was $29.4 million, $22.7 million and $24.3 million in fiscal years 2003, 2002 and 2001, respectively. The increase during fiscal year 2003 can be attributed to an increase in the average investment balance of SAC notes. The decrease in fiscal year 2002 is mainly related to a decrease in average investment balance in SAC notes.

Operating expenses, before intercompany eliminations, were $992.2 million, $1,041.4 million and $1,021.6 million in fiscal years 2003, 2002 and 2001, respectively. The decrease in operating expenses for fiscal year 2003 was due to the incorporation of cost reduction programs and the sale of centers to SAC. The increase in fiscal year 2002 is due to increased personnel costs and higher repair expense. Also, the addition of storage rooms will initially cause an increase in operating expenses without corresponding increases in earnings until the properties reach a stabilized level of occupancy.

Commission expense was $164.5 million, $153.5 million and $143.6 million for fiscal years 2003, 2002 and 2001 respectively. The increase in commissions paid was due to the overall increase in rental revenues generated by independent dealers (including SAC).

Cost of sales was $93.7 million, $110.4 million and $116.6 million in fiscal years 2003, 2002 and 2001, respectively. The decrease in fiscal year 2003 was due to lower sales volume, better sourcing and the sales of certain locations to SAC during the last quarter of fiscal year 2002. The decrease in fiscal year 2002 is due to lower sales volume and lower costs of propane and other materials.

Benefits and losses were $37.6 million, $47.0 million and $40.5 million for fiscal years 2003, 2002 and 2001 respectively. This expense represents an adjustment in the reserve for insurance claims on U-Haul's financial statements. This was partially due to U-Haul's "Self-Insurance Retention Level" increasing to 95% for 2001 and 2002 and 100% in 2003. The Self-Insurance Retention is currently $2.0 million per event. This is a non-cash expense until claims are paid.

Lease expense before intercompany elimination was $165.0 million, $171.7 million and $167.3 million in fiscal years 2003, 2002 and 2001, respectively. The decrease in lease expense for fiscal year 2003 was due to a decline in rental trucks under lease. The increase in fiscal year 2002 is due to an increase in the value of properties leased that was partially offset by a decrease in rental equipment lease expense.

Depreciation expense, net was $112.8 million, $92.4 million and $87.5 million in fiscal years 2003, 2002 and 2001, respectively. The increase in depreciation expense, net, for fiscal year 2003 was caused by an increase in the number of trucks owned. The increase in fiscal years 2002 reflects an overall increase in depreciation expense on the rental truck fleet offset in fiscal year 2002 by gains on the sale of surplus assets. A change in estimated salvage value and increase in our estimate of the useful lives of certain of our trucks further reduced depreciation expense for fiscal year 2002. An internal analysis of sales of trucks was completed for the fiscal years ending March 31, 1996 through March 31, 2001. The study compared the truck model, size, age and average residual value of units sold for each fiscal year indicated. The analysis revealed that average residual values (as computed) when compared to sales prices were not reflective of the values that the Company was receiving upon disposition. Based on the analysis, the estimated residual values were decreased to approximately 25% of historic cost. In addition, this analysis revealed that our estimates of useful lives were not reflective of the economic lives of our trucks, which ultimately were being utilized by the Company for longer periods of time. Thus the useful lives of certain of our trucks were increased by approximately 3 years. The net effect of these changes was to decrease net losses for the fiscal year 2002 by $3.1 million or $0.15 per share.

Earnings from operations, before intercompany eliminations, were $71.0 million, $30.4 million and $6.0 million in fiscal years 2003, 2002 and 2001, respectively. The increase in earnings from operations in fiscal year 2003 was due to a reduction in all expense categories except depreciation. Tighter cost controls and the reduction in expenses due to the sale to SAC were the largest contributors. The increase in fiscal year 2002 is due to the increase in rental revenues offset by increases in operating expenses.

Interest expense before intercompany eliminations was $10.0 million, $11.7 million and $17.1 million in fiscal years 2003, 2002 and 2001, respectively. The decrease in fiscal years 2003 and 2002 can be attributed to lower average debt balance and interest rate reductions.

Pretax earnings (loss) before intercompany eliminations were $61.0 million, $18.7 million and $(11.1) million for the fiscal years 2003, 2002, and 2001, respectively.

SAC Moving and Storage Operations

Rental revenue was $168.0 million, $112.7 million and $92.5 million in fiscal years 2003, 2002 and 2001, respectively. Increased facility capacity through the acquisition of new locations and increased storage rates accounted for the increase. The occupancy of existing storage locations has remained stable.

Net sales revenues were $48.8 million, $24.4 million and $17.9 million in fiscal years 2003, 2002 and 2001, respectively. Revenue growth was due to the addition of new locations.

Operating expenses, before intercompany eliminations, were $105.3 million, $68.2 million and $49.2 million in fiscal years 2003, 2002 and 2001, respectively. Personnel expenses, liability insurance, property taxes and utility expenses all increased proportionately in relation to the increased revenues from the acquisition of new locations.

Cost of sales was $21.4 million, $12.2 million and $9.9 million in fiscal years 2003, 2002 and 2001, respectively. Higher sales volume related to moving support items contributed to the increases in both fiscal years 2003 and 2002 along with the addition of new locations.

Depreciation expense, net was $21.4 million, $15.1 million and $12.4 million in fiscal years 2003, 2002 and 2001, respectively. The increase is attributed to the acquisition of new locations.

Earnings from operations were $68.8 million, $41.7 million and $38.9 million in fiscal years 2003, 2002 and 2001, respectively. The increase is due to the addition of locations.

Interest expense before intercompany elimination was $81.2 million, $61.1 million and $53.5 million in fiscal years 2003, 2002 and 2001, respectively. The average debt level outstanding continued to increase due to the acquisition of storage properties in fiscal year 2002 compared to fiscal year 2001.

Pretax losses before intercompany eliminations were $12.4 million, $19.4 million, and $14.6 million for the fiscal years 2003, 2002, and 2001, respectively.

Real Estate Operations

Rental revenue, before intercompany eliminations, were $59.2 million, $68.2 million and $72.0 million in fiscal years 2003, 2002 and 2001, respectively. Intercompany rental revenue was $56.2 million. $64.3 million and $71.1 million in fiscal years 2003, 2002 and 2001, respectively. The decrease in fiscal years 2003 and 2002 is related to the sale of properties to SAC Holdings.

Net investment and interest income was $10.7 million, $8.3 million and $11.0 million in fiscal years 2003, 2002 and 2001, respectively. The increase in fiscal 2003 is related to increased investments in mortgage notes. The decline in 2002 was due to a reduction in mortgage notes.

Operating (income) expenses, before intercompany eliminations, were $(5.5) million, $(4.4) million and $0.5 million in fiscal years 2003, 2002 and 2001, respectively.

Lease expense before intercompany eliminations, for real estate operations was $14.2 million, $11.2 million and $11.6 million for the fiscal years 2003, 2002 and 2001, respectively. The increase in fiscal year 2003 was due to more properties under lease and the default lease rates on three multi-property leases. The lease expense in fiscal year 2002 was virtually unchanged over the fiscal year 2001.

Depreciation expense, net, was $5.2 million, $(2.0) million and $5.3 million in fiscal years 2003, 2002 and 2001, respectively. The increase in depreciation expense in 2003 was due to no gains from the disposition of surplus real estate. The decrease in fiscal years 2002 reflects an increase in gains from the disposition of property, plant and equipment.

Earnings from operations, before intercompany eliminations, were $56.0 million, $71.9 million and $65.7 million in fiscal years 2003, 2002 and 2001, respectively. The decline in earnings from operations in fiscal year 2003 was due to a reduction in rental revenues and an increase in lease expense. The increase in fiscal year 2002 is mainly related to lower operating costs and expenses, and gains recorded on sales of surplus properties.

Interest expense was $23.7 million, $34.3 million and $44.3 million for fiscal years 2003, 2002 and 2001, respectively. Declining intercompany loan balances and declining rates led to the overall decline in interest expense for fiscal years 2003 and 2002.

Pretax earnings before intercompany eliminations were $32.4 million, $37.6 million and $21.5 million for the fiscal years ended March 31, 2003, 2002, and 2001, respectively.

Property and Casualty

Premium revenues, before intercompany eliminations, were $152.6 million, $262.0 million and $226.1 million for the years ended December 31, 2002, 2001 and 2000, respectively. General agency premiums were $66.0 million, $107.4 million and $64.3 million for the years ended December 31, 2002, 2001 and 2000,

respectively. The decrease in 2002 from 2001 is due to the run-off of RepWest's Non-Standard Auto business which was cancelled in 2001, as well as increased quota share reinsurance on the trucking program. The increase in 2001 from 2000 was due to trucking, commercial lines business, and the non-standard auto program, which was cancelled in 2001. Assumed treaty reinsurance premiums were $34.9 million, $73.0 million and $83.2 million for the years ended December 31, 2002, 2001 and 2000, respectively. The decrease in 2002 from 2001 is due to the non-renewal and cancellation of the assumed treaty business. Rental industry revenues were $32.6 million, $47.5 million and $51.3 million for the years ended December 31, 2002, 2001 and 2000, respectively. The decrease in 2002 from 2001 was due to a change in policy structure on U-Haul business effective April 1, 2002. Under the new policy U-Haul is now responsible for losses from $0 — $2,000,000 per occurrence. The increase from 2000 was the result of an increase in premiums of a retrospectively rated policy on the U-Haul industry liability policy.

Net investment income was $22.3 million, $20.7 million and $25.5 million for the years ended December 31, 2002, 2001 and 2000, respectively. The increase in 2002 from 2001 is due to increased earnings on real estate offset by a decrease in income on fixed maturities due to lower average invested assets. The decrease in 2001 from 2000 is due to lower invested asset balances, lower interest rates, as well as the write down of $4.1 million of fixed maturity investments during 2001.

Operating expenses, before intercompany eliminations, were $37.0 million, $77.2 million and $56.5 million for the years ended December 31, 2002, 2001 and 2000, respectively. The decrease in 2002 from 2001 is due to decreased commission expense on decreased premium writings. The increase in 2001 from 2000 is due to a change in estimate on an aggregate stop loss treaty in which RepWest had originally recorded the treaty as if it would be commuted. Estimates in 2001 have changed and the treaty was not commuted. The original amount was a reduction to commissions of $17.7 million of which RepWest had to recognize as additional commission expense in 2001. Commission expenses were $13.9 million, $51.2 million and $33.1 million for the years ended December 2002, 2001 and 2000, respectively. Lease expenses were $1.1 million, $1.7 million and $2.1 million for the years ended December 2002, 2001 and 2000, respectively. All other underwriting expenses were $22.0 million, $24.3 million and $21.3 million for the years ended December 2002, 2001 and 2000, respectively.

Benefits and losses incurred were $128.7 million, $255.8 million and $211.3 million for the years ended December 31, 2002, 2001 and 2000, respectively. The decrease in 2002 from 2001 is due to decreased earned premiums in all segments of RepWest's business. The increase in 2001 to 2000 was due to increased earned premium in three general agency programs and reserve strengthening in the assumed reinsurance treaty segment.

Amortization of deferred acquisition costs was $17.3 million, $22.1 million and $16.6 million for the years ended December 31, 2002, 2001 and 2000, respectively. The decrease in 2002 from 2001 is due to RepWest's decreased premium writings. The increase in 2001 from 2000 is due to the amortization of higher commissions deferred in the 2000 year.

Pretax losses from operations were $8.0 million, $72.4 million and $32.9 million for the years ended December 31, 2002, 2001 and 2000, respectively. The decrease in losses in 2002 from 2001 is due to RepWest exiting multiple unprofitable lines of business as well as reduced expenses. The increase in losses in 2001 from 2000 was due to the increase in earned premium from unprofitable lines, increased commissions due to the commutation write-off, reserve strengthening, and development in older years on the assumed treaty reinsurance business.

Life Insurance

Premium revenues, before intercompany eliminations, were $161.4 million, $159.4 million and $112.6 million for the years ended December 31, 2002, 2001 and 2000, respectively. Oxford increased Medicare supplement premiums through direct writings and the acquisition of Christian Fidelity Life Insurance Company ("CFLIC"); these actions increased premiums by $6.3 million from 2001 and $54.5 million from 2000. Premiums from Oxford's life insurance lines increased $2.5 million from 2001 and $3.7 million from 2000. Credit life and disability premiums decreased $2.9 million from 2001 and $6.6 million

from 2000 due to account cancellations in specific states and decreased penetration. Annuitizations decreased by $0.7 million from 2001 and $2.6 million from 2000. Other health insurance premiums decreased $3.2 million from 2001 and decreased $0.2 million from 2000 due to termination of major medical programs.

Net investment income before intercompany eliminations was $13.9 million, $23.2 million, and $19.0 million for the years ended December 31, 2002, 2001, and 2000. The change in 2002 from 2001 is due to lower interest rates, larger short-term balances and write-downs for other than temporary declines in the investment portfolio. The increase between 2001 and 2000 is primarily due to write-downs for other than temporary declines in the investment portfolio in 2000.

Operating expenses were $40.5 million, $37.5 million and $29.4 million for the years ended December 31, 2002, 2001 and 2000, respectively. Commissions have increased $1.0 million from 2001 and $4.9 million from 2000, primarily due to the increases in Medicare supplement premiums. General and administrative expenses net of fees collected increased $2.1 million from 2001 and $6.3 million from 2000. The acquisition of CFLIC resulted in $3.3 million of the increase from 2000.

Benefits incurred were $115.6 million, $120.9 million and $79.2 million for the years ended December 31, 2002, 2001 and 2000. Medicare supplement benefits decreased $1.8 million from 2001 primarily due to decreased exposure and improved experience, and increased $36.8 million from 2000 due to the acquisition of CFLIC. Credit insurance benefits decreased $1.7 million from 2001 and $1.2 million from 2000 due to decreased exposure. Benefits from other health lines decreased $4.1 million from 2001 and $.5 million from 2000 due to the termination of major medical programs. Annuity and life benefits increased $2.3 million from 2001 and $1.3 million from 2000 due to increases in life insurance exposure.

Amortization of deferred acquisition costs (DAC) and the value of business acquired (VOBA) was $20.5 million, $18.6 million and $19.6 million for 2002, 2001 and 2000. These costs are amortized for life and health policies as the premium is earned over the term of the policy; and for deferred annuities, amortized in relation to interest spreads. Amortization increased $1.9 million and $0.9 million from 2001 and 2000 due to the annuity and credit segments.

Pretax earnings (losses) before intercompany eliminations were $(1.4) million, $5.6 million and $3.4 million for the years ended December 31, 2002, 2001 and 2000, respectively. The decrease from 2001 is primarily due to other than temporary declines in the investment portfolio and poor experience in the credit insurance lines. The increase from 2000 is due to realized gains in the investment portfolio.

Consolidated Group Earnings

As a result of the foregoing, pretax losses were $38.9 million, $67.3 million and $64.7 million in fiscal years 2003, 2002 and 2001, respectively. After providing for income taxes, losses were $25.0 million, $47.4 million and $42.1 million in fiscal years 2003, 2002 and 2001 respectively. On a combined basis SAC Holdings and RepWest accounted for $14.1 million, $62.7 million and $32.4 million of the total losses for fiscal years 2003, 2002 and 2001 respectively.

Going Concern

The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the continuity of the Company’s operations and realization of its assets and payments of its liabilities in the ordinary course of business. As more fully described in Note 1 to the consolidated financial statements, on June 20, 2003, AMERCO, the parent corporation, filed a voluntary petition for reorganization under Chapter 11 of the United States Bankruptcy Code. Amerco Real Estate Company filed a voluntary petition for relief under Chapter 11 on August 13, 2003. The uncertainties inherent in the bankruptcy process raise substantial doubt about AMERCO’s ability to continue as a going concern. AMERCO is currently operating its business as a debtor-in-possession under the jurisdiction of the bankruptcy court, and continuation of the Company as a going concern is contingent upon, among other things, the confirmation of a plan of reorganization, the Company’s ability to comply with all debt covenants

under the existing debtor-in-possession financing arrangement, and obtaining financing sources to meet its future obligations. If a reorganization plan is not approved, it is possible some assets of the Company may be liquidated. Management's plans in regards to these matters are also described in Note 1. The consolidated financial statements do not include any adjustments to reflect future effects on the recoverability and classification of assets or the amount and classification of liabilities that might result from the outcome of these uncertainties.

Liquidity and Capital Resources

The matters described in "Liquidity and Capital Resources" to the extent that they relate to future events or expectations, may be significantly affected by the Chapter 11 case. That proceeding will involve, or may result in, various restrictions on the Company's activities, limitations on financing, the need to obtain Bankruptcy Court approval for various matters and uncertainty as to relationships with vendors, suppliers, customers and others with whom the Company may conduct or seek to conduct business.

Generally, under the Bankruptcy Code, most of a debtor's liabilities must be satisfied in full in order to preserve the value of the debtor's preferred and common stock. The rights and claims of the Company's various creditors and security holders will be determined by the plan of reorganization to be filed by AMERCO. Although AMERCO expects to file and consummate a "full value" plan of reorganization that provides creditors with a combination of cash and new debt securities equal to the full amount of their allowed claims and also preserves the value of AMERCO's common and preferred stock, no assurance can be given as to what values, if any, will be ascribed in the bankruptcy proceedings to each of these constituencies.

The Company's total of cash, cash equivalents and short-term investments was $66.8 million at March 31, 2003, compared to $41.4 million at March 31, 2002.

To meet the needs of its customers, U-Haul must maintain a large inventory of fixed asset rental items. In fiscal year 2003, capital expenditures were $182.4 million, as compared to $248.7 million and $411.9 million in fiscal years 2002 and 2001, respectively. These expenditures primarily reflect the renewal of the rental truck fleet. The capital required to fund these expenditures was obtained through internally generated funds from operations and lease financings.

During each of the fiscal years ending March 31, 2004, 2005 and 2006, U-Haul estimates gross capital expenditures will average approximately $150 million to maintain the rental fleet at current levels. This level of capital expenditures, combined with a potential level of debt amortization of approximately $100 million, are expected to create average annual funding needs of approximately $250 million. Management estimates that U-Haul will fund these requirements entirely with internally generated funds and proceeds from the sale of trucks and surplus assets. The level of capital expenditures will be dependent upon the amount of internally generated funds and proceeds from the sale of assets.

DIP Facility

Reference is made to Note 1 (Going Concern Basis) to the Consolidated Financial Statements regarding the DIP facility. The DIP Facility consists of a $300 million credit facility with an interest rate option of LIBOR plus 3.5% or the prime rate plus 1.0%. The DIP Facility will mature on the earlier of (i) 12 months following the Bankruptcy Court's order approving the facility; (ii) ten days following the date of entry of an order confirming AMERCO's plan of reorganization; and (iii) the conversion of the Chapter 11 case to a case under Chapter 7. In order to facilitate a drawing on the DIP Facility, Real Estate filed for Chapter 11. This filing was needed to facilitate granting security to the lending group in the real estate assets owned by Real Estate. The DIP Facility was approved on an interim basis by the Bankruptcy Court on August 14, 2003.

The terms of the DIP Facility include covenants that require AMERCO to maintain agreed upon minimum levels of EBITDA, EBITDAR and fixed charge coverage ratios. The DIP Facility also contains a limitation on capital expenditures. All such financial covenants will be tested quarterly. Other customary covenants (both positive and negative) are included in the DIP Facility.

Credit Agreements

Reference is made to Note 1 (Going Concern Basis) to the Consolidated Financial Statements regarding defaults of our credit and financing arrangements.

AMERCO's operations were previously funded by various credit and financing arrangements, including unsecured long-term borrowings, unsecured medium-term notes and revolving lines of credit with domestic and foreign banks. To finance its fleet of trucks and trailers, U-Haul routinely enters into sale and leaseback transactions. As of March 31, 2003, AMERCO had $954.9 million in total notes and loans outstanding.

Certain of AMERCO's credit agreements contained restrictive financial and other covenants, including, among others, covenants with respect to incurring additional indebtedness, making third party guarantees, entering into contingent obligations, maintaining certain financial ratios and placing certain additional liens on its properties and assets and restricting the issuance of certain types of preferred stock AMERCO's various credit and financing arrangements are affected by its credit ratings. When AMERCO experienced the credit downgrade, certain interest rates that were being charged were increased.

On October 15, 2002, AMERCO failed to make a $100 million principal payment due to the Series 1997-C Bond Backed Asset Trust. On that date, AMERCO also failed to pay a $26.5 million obligation to Citibank and Bank of America in connection with the BBATs. As a result of the foregoing, AMERCO is in default with respect to its other credit arrangements that contain cross-default provisions, including its Revolver in the amount of $205 million. In addition to the cross-default under the Revolver, AMERCO is also in default under that agreement as a result of its failure to obtain incremental net cash proceeds and/or availability from additional financings in the aggregate amount of at least $150 million prior to October 15, 2002. In addition, Amerco Real Estate Company has defaulted on a $100 million loan by failing to grant mortgages required by the loan agreement in a timely manner. The obligations of AMERCO currently in default (either directly or as a result of a cross-default) are approximately $1,178.1 million.

Support Agreements

In February 1997, AMERCO, through its insurance subsidiaries, invested in the equity of Private Mini. During 1997, Private Mini secured a line of credit in the amount of $225 million with a financial institution, which was subsequently reduced in accordance with its terms to $125 million in December 2001. Under the terms of this credit facility AMERCO entered into a support party agreement with Private Mini and the financial institution whereby upon certain defaults or noncompliance with debt covenants by Private Mini, AMERCO could be required to assume responsibility in fulfilling all payment obligations and certain covenant obligations related to this credit facility. Private Mini defaulted on the credit facility due to AMERCO's default under the support party agreement, which support party agreement default was triggered by virtue of cross-defaults to certain other AMERCO obligations. Additionally, Private Mini defaulted under the credit facility by virtue of non-payment of the outstanding balance at maturity. In December 2002, the financing institution exercised its option to require AMERCO to purchase all commitments under the credit facility. In March 2003 AMERCO and the financial institution entered into a standstill agreement with respect to this obligation, which standstill agreement expired by its terms on April 30, 2003. Since April 30, 2003, the financial institution has not re-issued any default notices to AMERCO with respect to this obligation or otherwise required AMERCO to purchase all commitments under the credit facility. AMERCO has not purchased any commitments under the credit facility and, as of March 31, 2003, AMERCO has recorded a liability for the $55 million remaining balance under the credit facility with a corresponding increase to its receivable from Private Mini.

In February 2003, an entity affiliated with Private Mini closed on a $255 million financing and $70 million of these proceeds were used to pay down the $125 million line of credit described above. The aggregate amount of support provided by AMERCO remains unchanged at $125 million ($55 million to the lenders under the Amended and Restated loan agreement with the 1997 lenders and $70 million under the new $255 million financing). Under the terms of the support party agreement for the $255 million financing, following certain events of default, AMERCO would assume responsibility for $70 million of the obligations

under this financing. AMERCO has recorded a liability for the $70 million obligation with a corresponding increase to its receivable from Private Mini.

SAC Holdings

SAC Holdings intends to meet its current debt obligations through cash flows generated from its operating activities. SAC Holdings intends to continue to purchase storage properties during the next year using financing arrangements.

Reference is made to Note 5 of Notes to Consolidated Financial Statements.

U-HAUL Moving and Storage Operations

At March 31, 2003, U-HAUL Moving and Storage notes and loans payable due in less than one year total $31.7 million and its accounts payable and accrued expenses total $283.6 million. U-HAUL Moving and Storage financial assets (cash, receivables, inventories, and short term investments) at March 31, 2003 were $117.6 million. These assets, if converted to cash, are available to meet the financial obligations of AMERCO.

SAC Moving and Storage Operations

At March 31, 2003, SAC Holdings notes and loans payable due in less than one year total $80.0 million and its accounts payable and accrued expenses total $48.0 million. SAC Holdings financial assets (cash, receivables, inventories, and short term investments) at March 31, 2003 were $8.7 million. Because AMERCO does not have any equity ownership in SAC Holdings (other than investments made by RepWest and Oxford in a SAC Holdings-controlled limited partnership which holds Canadian self-storage properties), these assets are not available to meet the obligations of AMERCO.

Real Estate Operations

At March 31, 2003, Real Estate had $100.0 million of notes and loans payable due in less than one year and its accounts payable and accrued expenses total $7.7 million. Real Estate financial assets (cash, receivables, inventories, and short term investments) at March 31, 2003 were $18.9 million. These assets, if converted to cash, are available to meet the obligations of AMERCO to the extent such cash exceeds current obligations of Real Estate.

Property and Casualty

At December 31, 2002, Property and Casualty had no notes and loans due in less than one year and its accounts payable and accrued expenses were $20.2 million. Property and Casualty financial assets (cash, receivables, inventories, and short term investments) at December 31, 2002 were $361.4 million. Because of state insurance regulations that restrict the amount of dividends that can be paid to stockholders of insurance companies, these assets are generally not available to meet the obligations of AMERCO. Reference is made to “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Insurance Operations.”

Life Insurance

At December 31, 2002, Life Insurance had no notes and loans payable due in less than one year and its accounts payable and accrued expenses total $10.7 million. Life Insurance financial assets (cash, receivables, inventories, and short term investments) at December 31, 2002 were $870.2 million. Because of state insurance regulations that restrict the amount of dividends that can be paid to stockholders of insurance companies, these assets are generally not available to meet the obligations of AMERCO. Reference is made to “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Insurance Operations.”

Consolidated group

At March 31, 2003, total outstanding notes and mortgages payable for AMERCO and consolidated subsidiaries was $954.9 million compared to $1,045.8 million at March 31, 2002.

At March 31, 2003, total outstanding notes and mortgages payable for SAC Holdings and consolidated subsidiaries, before intercompany eliminations were $983.2 million as compared to $961.5 million at March 31, 2002, including amounts due to AMERCO of $394.2 million and $399.6 million at March 31, 2003 and 2002. SAC Holdings' creditors have no recourse to AMERCO. AMERCO is not liable for the debts of SAC Holdings. Further, there are no cross default provisions on indebtedness between AMERCO and SAC Holdings.

Due to the defaults and various cross defaults, the consolidated group have notes, loans and lease obligations due and payable of $1.2 billion. The group also had accounts payable and accrued expenses of $411.9 million. Liquid assets for the group totaled $511.2 million. AMERCO is in the process of refinancing and restructuring its debt to meet its liquidity needs.

Cash Provided by Operating Activities

U-HAUL Moving and Storage Operations

Cash provided by operating activities was $83.5 million, $96.2 million and $106.9 million in fiscal years 2003, 2002 and 2001, respectively. The decrease in 2003 was due to a decline in intercompany payables that was partially offset by an increase in depreciation of rental equipment. The decrease in fiscal year 2002 from 2001 is due to an increase in earnings and offset by an increase in other investments.

SAC Moving and Storage Operations

Cash provided (used) by operating activities was $13.5 million, ($1.3) million and $15.1 million in fiscal years 2003, 2002 and 2001, respectively.

At March 31, 2003, total outstanding notes and mortgages payable before intercompany eliminations of $394.2 million were $983.2 million compared to $961.5 million at March 31, 2002.

Real Estate Operations

Cash provided (used) by operating activities was $(87.1) million, $(144.1) million and $68.7 million in fiscal years 2003, 2002 and 2001, respectively. The decrease in fiscal years 2003 and 2002 was due to a decrease in the intercompany payable with AMERCO.

Property And Casualty

Cash provided (used) by operating activities was $(75.1) million, $(61.5) million and $15.2 million for the years ended December 31, 2002, 2001 and 2000, respectively. The change in 2002 from 2001 is due to increased receivables. The change in 2001 from 2000 change is due to decreased unearned premiums, increased receivables, and an increase in federal income tax recoverable.

RepWest's cash and cash equivalents and short-term investment portfolio were $35.1 million, $18.3 million and $17.0 million at December 31, 2002, 2001 and 2000, respectively. This balance reflects funds in transition from maturity proceeds to long-term investments. This level of liquid assets, combined with anticipated operating cash flow, is adequate to meet periodic needs. Capital and operating budgets allow RepWest to schedule cash needs in accordance with investment and underwriting proceeds.

During fiscal 2002, RepWest realized a write-down of investments due to other than temporary declines approximating $1.8 million.

Life Insurance

Oxford's primary sources of cash are premiums, receipts from interest-sensitive products and investment income. The primary uses of cash are operating costs and benefit payments to policyholders. Matching the investment portfolio to the cash flow demands of the types of insurance being written is an important consideration. Benefit and claim statistics are continually monitored to provide projections of future cash requirements.

Cash provided (used) by operating activities was $(18.0) million, $(5.2) million and $3.5 million for the years ended December 31, 2002, 2001 and 2000, respectively. The decrease in cash flows from operating activities in 2001 and 2000 relates to federal income taxes paid, general and administrative expenses and paid loss experience. Cash flows provided by financing activities were $67.3 million, $58.1 million and $13.7 million for the years ended December 31, 2002, 2001 and 2000, respectively. Cash flows from deferred annuity sales increase investment contract deposits, which are a component of financing activities. The increase in investment contract deposits over 2001 and 2000 is due to growth in new deposits offset by withdrawals and terminations of existing deposits.

In addition to cash flows from operating and financing activities, a substantial amount of liquid funds is available through Oxford's short-term portfolio. At December 31, 2002, 2001 and 2000, short-term investments amounted to $80.4 million, $53.5 million and $44.9 million, respectively. Management believes that the overall sources of liquidity will continue to meet foreseeable cash needs.

During fiscal 2002, Oxford realized a write-down of investments due to other than temporary declines approximating $2.3 million. During fiscal 2003, Oxford realized a write-down of investments due to other than temporary declines of approximately $7.9 million.

Consolidated Group

Cash provided (used) by operating activities were $74.5 million, ($19.6) million and $172.6 million for fiscal year 2003, 2002 and 2001, respectively.

Stockholders' Equity

U-Haul's Moving and Storage Operations

U-Haul's stockholders' equity was $499.4 million, $458.6 million and $449.6 million as of March 31, 2003, 2002 and 2001, respectively. Earnings or losses from operating activities was the cause for the change in each of the years.

SAC Moving and Storage Operations

SAC Holdings' stockholders' deficit was $45.1 million, $37.7 million and $23.5 million as of March 31, 2003, 2002 and 2001, respectively

AMERCO'S Real Estate Operations

Real Estate stockholders' equity was $215.0 million, $196.4 million and $88.4 million as of March 31, 2003, 2002 and 2001, respectively. The increase in fiscal year 2003 and 2002 is due to increased earnings and the sale of storage properties during fiscal year 2002.

Property and Casualty

RepWest's stockholder's equity was $199.1 million, $205.3 million and $186.7 million at December 31, 2002, 2001 and 2000, respectively. The decrease in 2002 from 2001 is due to the operating losses in 2002. The increase in 2001 from 2000 was due to a $60.2 million capital contribution from the RepWest's parent AMERCO, offset by operating losses in 2001. RepWest does not use debt or equity issues to increase capital and therefore has no exposure to capital market conditions. RepWest did not pay dividends to its parent during 2002, 2001 or 2000.

Applicable laws and regulations of the State of Arizona require RepWest and Oxford to maintain minimum capital and surplus determined in accordance with statutory accounting practices. 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. At December 31, 2002, RepWest has $6.5 million of statutory surplus available for distribution. However, as discussed in Item 1, subsequent to December 31, 2002, RepWest consented to an Order of Supervision which, among other things, prohibits any dividend payments to AMERCO without prior approval of the DOI.

Life Insurance

Oxford's stockholder's equity was $111.1 million, $117.7 million and $90.9 million as of December 31, 2002, 2001 and 2000, respectively. The decrease from 2001 to 2002 is from investment losses, the increase from 2000 to 2001 is a result of earnings, changes in market value of the available for sale investment portfolio and a $15.4 million contribution from AMERCO. Oxford did not pay dividends in 2002, 2001 or 2000. At December 31, 2002, Oxford cannot distribute any of its statutory surplus as dividends without regulatory approval.

Consolidated group

The Consolidated group's stockholder equity was $333.0 million, $381.5 million and $446.4 million as of the end of fiscal years 2003, 2002 and 2001, respectively.

Quarterly Results

The quarterly results shown below are derived from unaudited financial statements for the eight quarters beginning April 1, 2001 and ending March 31, 2003. The Company has restated the quarterly information to reflect the adjustments identified with the reaudit and current year audit of the consolidated financial statements. The Company believes that all necessary adjustments have been included in the amounts stated below to present fairly, and in accordance with generally accepted accounting principles. U-Haul moving and storage operations are seasonal and proportionally more of the Company's revenues and net earnings from its U-Haul 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			
	Mar 31, 2003	Dec 31, 2002 Restated	Sep 30, 2002 Restated	Jun 30, 2002 Restated
	(In thousands, except for share and per share data)			
Total revenues	$ 448,997	467,223	636,874	579,294
Earnings/(loss) from operations	(10,534)	(6,722)	62,869	63,597
Net earnings (loss)	(25,110)	(45,783)	22,128	23,779
Weighted average common shares outstanding basic and diluted	20,837,164	20,762,722	20,779,543	20,592,858
Earnings (loss) from operations per common share(1)	(0.51)	(0.32)	3.02	3.09
Earnings (loss) per common Share basic and diluted	(1.36)	(2.37)	0.91	1.00

	Quarter Ended			
	Mar 31, 2002 Restated	Dec 31, 2001 Restated	Sep 30, 2001 Restated	Jun 30, 2001 Restated
	(In thousands, except for share and per share data)			
Total revenues	$ 461,881	480,630	655,150	595,917
Earnings from operations	(19,879)	(31,657)	61,510	32,161
Net earnings (loss)	(39,410)	(36,061)	20,757	(7,274)
Weighted average common shares outstanding basic and diluted	21,022,712	20,892,342	21,106,343	21,280,361
Earnings (loss) from operations per common share(1)	(0.95)	(1.52)	2.91	1.52
Earnings (loss) per common share basic and diluted	(2.05)	(1.88)	.83	0.19

(1) Net earnings (loss) per common share amounts were computed after giving effect to the dividends on AMERCO's Preferred Stock.

Risk Factors

AMERCO has filed for protection under Chapter 11 of the Bankruptcy Code.

On June 20, 2003, AMERCO filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code. AMERCO's subsidiaries were not included in the initial filing. However, on August 13, 2003, Amerco Real Estate Company filed for protection under Chapter 11. AMERCO will continue to manage its properties and operate its businesses as "debtor-in-possession in" under the jurisdiction of the Bankruptcy Court and in accordance with the applicable provisions of the Bankruptcy Code. In order to exit Chapter 11 successfully, AMERCO will need to propose, and obtain confirmation by the Bankruptcy Court of, a plan of reorganization that satisfies the requirements of the Bankruptcy Code. Although AMERCO expects to file a "full-value" plan of reorganization that provides creditors with a combination of cash and new debt securities equal to the full amount of their allowed claims as well as AMERCO's emergence from bankruptcy as a going concern, there can be no assurance at this time that a plan of reorganization will be confirmed by the Bankruptcy Court or that any such plan will be implemented successfully.

The U.S. Trustee has appointed a Creditors' Committee and an Equity Committee. The Creditors' Committee, Equity Committee and their respective legal representatives have a right to be heard on certain matters that come before the Bankruptcy Court. There can be no assurance that the Creditors' Committee and Equity Committee will support AMERCO's positions or AMERCO's ultimate plan of reorganization, once proposed, and disagreements between AMERCO and the Creditors' Committee and Equity Committee could protract the Chapter 11 case, could negatively impact AMERCO's ability to operate during the Chapter 11 case, and could prevent AMERCO's emergence from Chapter 11.

At this time, it is not possible to predict accurately the effect of the Chapter 11 reorganization process on the Company's business or when AMERCO may emerge from Chapter 11. The Company's future results depend on the timely and successful confirmation and implementation of a plan of reorganization. The rights and claims of various creditors and security holders will be determined by the plan as well. Although AMERCO expects to file and consummate a "full value" plan of reorganization that provides creditors with a combination of cash and new debt securities equal to the full amount of their allowed claims and also preserves the value of AMERCO's common and preferred stock, no assurance can be given as to what values, if any, will be ascribed in the bankruptcy proceedings to each of these constituencies. Accordingly, the Company urges that appropriate caution be exercised with respect to existing and future investments in any of such securities and claims.

We operate in a highly competitive industry.

The truck rental industry is highly competitive and includes a number of significant national and hundreds of regional and local competitors. Competition is generally based on price, product quality, convenience, availability, brand name recognition and service. In our truck rental business, we face competition from Budget Car and Truck Rental Company and Penske Truck Leasing. Some of our competitors may have greater financial resources than we have. We cannot assure you that we will not be forced to reduce our rental prices or delay price increases.

We compete with national and regional self-storage operators as well as local operators. 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 increase rental rates and compel us to offer discounted rental rates which could have a material adverse effect on our operating results.

Entry into the self-storage business through acquisition of existing facilities is possible for persons or institutions with the required initial capital. Development of new self-storage facilities is more difficult, however, due to 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.

Control of AMERCO remains in the hands of a small contingent.

As of June 30, 2003, Edward J. Shoen, Chairman of the Board of Directors and President of AMERCO, James P. Shoen, a director of AMERCO, and Mark V. Shoen, an executive officer of AMERCO, collectively own 8,893,078 shares (approximately 43.1%) of the outstanding common shares of AMERCO. Accordingly, Edward J. Shoen, Mark V. Shoen and James P. Shoen will be in a position to continue to influence the election of the members of the Board of Directors and approval of significant transactions. In addition, 2,402,456 shares (approximately 11.7%) of the outstanding common shares of AMERCO, including shares allocated to employees and unallocated shares, are held by our Employee Savings and Employee Stock Ownership Trust.

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 water, air and land and govern the use and disposal of hazardous substances. Under environmental laws, we can be held strictly 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 remedial plan at each site where we believe such a plan is necessary. 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. Under this program, we spent $43.7 million between April 1988 and March 31, 2003. Despite these compliance efforts, risk of environmental liability is part of the nature of our business.

While we do not expect the future cost of compliance with environmental laws or future environmental liabilities, including compliance and remediation costs, to have a material adverse effect on 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 or future environmental liabilities will not have a material adverse effect on our business.

Our business is seasonal.

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, when there is a greater potential for adverse weather conditions.

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

In the last ten years, we purchased all of our rental trucks from Ford and General Motors. Although we believe that we have alternative sources of supply for our rental trucks, termination of one or more of our relationships with any of these suppliers could have a material adverse effect on our business, financial condition or results of operations.

Our property and casualty insurance business has suffered extensive losses.

Our property and casualty insurance business, RepWest, has experienced significant net losses totaling approximately $77.0 million for the three calendar years ended December 31, 2002. These losses are primarily attributable to business lines that were unprofitable as underwritten. To restore profitability in RepWest, we are exiting all non-U-Haul related lines and the exit may result in near term losses as these lines are eliminated. Although we believe the changes will have a positive impact on the financial position of RepWest, we cannot assure you that we will be successful in returning RepWest to sustained profitability. Our inability to sustain profitability could have a material adverse effect on our earnings and financial position.

Our insurance businesses have recently suffered downgrades in their ratings from national insurance company rating agencies.

A.M. Best has recently downgraded RepWest and Oxford. These downgrades have affected their standing in the insurance industry and caused their premiums to decrease. Ratings have become an increasingly important factor in establishing the competitive position of insurance companies. A.M. Best ratings reflect its opinion of an insurance company's financial strength, operating performance, strategic position and ability to meet its obligations to policyholders. The A.M. Best ratings are C for RepWest and C+ for Oxford.

Notes receivable from SAC Holdings are a significant portion of AMERCO'S total assets.

At March 31, 2003, we held $394.2 million of mortgage loans and notes due from SAC Holdings. Although these assets have been eliminated in the consolidated financial statements, we have significant economic exposure to SAC Holdings. SAC Holdings is highly leveraged with total outstanding indebtedness and other obligations of $982.2 million at March 31, 2003. We hold various senior and junior unsecured notes of SAC Holdings. The senior unsecured notes of SAC Holdings that we hold rank equal in right of payment with the notes of certain senior mortgage holders, but junior to the extent of the collateral securing the applicable mortgages and junior to the extent of the cash flow waterfalls that favor the senior mortgage holders. If SAC Holdings are unable to meet their obligations to their senior lenders, it could trigger a default on their obligations to us. In such an event of default, we could suffer a significant loss to the extent the value of the underlying collateral on our loans to SAC Holdings is inadequate to repay SAC Holdings' senior lenders and us. We cannot assure you that SAC Holdings will not default on their loans to their senior lenders or that the value of SAC Holdings' assets upon liquidation would be sufficient to repay us in full.

AMERCO is a holding company and is dependent on its subsidiaries for cash flow.

As a holding company with no business operations, AMERCO's material assets consist only of the stock of its subsidiaries. AMERCO will have to rely upon dividends and other payments from its subsidiaries to generate the funds necessary to pay its obligations. AMERCO's subsidiaries, however, are legally distinct from AMERCO and have no obligation, contingent or otherwise, to make funds available to AMERCO. The ability of AMERCO's subsidiaries to make dividend and other payments to AMERCO is subject to, among other things, the availability of funds, the terms of the indebtedness of AMERCO's subsidiaries and applicable state laws and insurance regulations.

We face risks related to an SEC investigation and securities litigation.

The SEC has issued a formal order of investigation to determine whether we have violated the Federal securities laws. Although we have fully cooperated with the SEC in this matter and intend to continue to fully cooperate, the SEC may determine that we have violated Federal securities laws. We cannot predict when this investigation will be completed or its outcome. If the SEC makes a determination that we have violated Federal securities laws, we may face sanctions, including, but not limited to, significant monetary penalties and injunctive relief.

In addition, the Company has been named a defendant in a number of class action and related lawsuits. The findings and outcome of the SEC investigation may affect the class-action lawsuits that are pending. We are generally obliged, to the extent permitted by law, to indemnify our directors and officers who are named defendants in some of these lawsuits. We are unable to estimate what our liability in these matters may be, and we may be required to pay judgments or settlements and incur expenses in aggregate amounts that could have a material adverse effect on our financial condition or results of operations.

We face risks related to a Department of Labor Investigation.

The DOL is presently investigating whether there were violations of ERISA involving the AMERCO Employee Savings, Profit Sharing, and Employee Stock Ownership Plan (the "Plan"). Although the Company has fully cooperated with the DOL in this matter and intends to continue to fully cooperate, the DOL may determine that the Company has violated ERISA. In that event, the Company may face sanctions, including, but not limited to, significant monetary penalties and injunctive relief.

Our common stock may be delisted from the NASDAQ Stock Market.

On June 24, 2003, we received a letter from NASDAQ indicating that, in light of AMERCO's recent Chapter 11 filing, a NASDAQ Listing Qualifications Panel (the "Panel") would consider such filing and associated concerns in rendering a determination regarding AMERCO's listing status. NASDAQ has requested, and we have provided, information regarding the Chapter 11 filing and the anticipated effect of the filing on the shareholders of AMERCO. On August 13, 2003, AMERCO received a letter from Nasdaq indicating that the Panel has determined to continue the listing of AMERCO's common stock on Nasdaq provided that: (1) on or before August 22, 2003, AMERCO files this report and its Form 10-Q for the quarter ended June 30, 2003 with the SEC and Nasdaq (Nasdaq has been advised that this deadline was not met and further discussions with Nasdaq are anticipated); (2) on or before deadlines determined by the Panel, AMERCO submits to Nasdaq a copy of the Company's plan of reorganization as filed with the bankruptcy court, a copy of any amendments to the plan of reorganization as submitted to the bankruptcy court; documentation evidencing that AMERCO has commenced the solicitation of votes regarding the plan of reorganization, as well as documentation evidencing that the plan of reorganization has been confirmed by the bankruptcy court; and (3) on or before January 9, 2004, AMERCO submits documentation to Nasdaq evidencing its emergence from bankruptcy. In addition to the foregoing, AMERCO must comply with all other requirements for continued listing on Nasdaq. Although we intend to seek a modification of the deadlines to file its Form 10-K and Form 10-Q as discussed above and to take all actions available to maintain its Nasdaq listing, there can be no assurance that AMERCO will be able to do so.

Our preferred stock may be delisted from the New York Stock Exchange.

The New York Stock Exchange has completed a review of the continued listing of the Series A 8 1/2% preferred stock of AMERCO following its filing for protection under Chapter 11. According to NYSE, this assessment has shown that the Company is currently in compliance with all of the NYSE's quantitative continued listing standards. The NYSE will continue to closely monitor events at the Company in connection with assessing the appropriateness of continued listing of the Company's preferred stock. The NYSE has indicated that it will give consideration to immediate suspension of the Company's preferred stock if authoritative advice is received that the Company's securities, including the common stock, are without value, or if the Company subsequently falls below any of the NYSE's quantitative continued listing standards. In addition, the NYSE noted that it may, at any time, suspend a security if it believes that continued dealings in

the security on the NYSE are not advisable. Accordingly, there can be no assurance that the Company's preferred stock will continue to be listed on NYSE.

RepWest has consented to an Order of Supervision issued by the Arizona Department of Insurance.

On May 20, 2003, RepWest consented to an Order of Supervision issued by the DOI. Pursuant to this Order and Arizona law, during the period of supervision, RepWest may not engage in certain activities without the prior approval of the DOI.

The requirements to abate the order are for RepWest to eliminate the specific credit risk associated with the exposures to AMERCO and its affiliates and establish that it possesses surplus sufficient with Arizona law and as the Arizona Director of Insurance may require based on type, volume or nature of its business pursuant to Arizona law.

In addition, if RepWest fails to satisfy the requirements to abate DOI's concerns, the DOI may take further action, including, but not limited to, commencing a conservatorship.

IRS Examination

In connection with the resolution of litigation with certain members of the Shoen family and their corporations, AMERCO has deducted for income tax purposes approximately $372.0 million of the payments made to plaintiffs in a lawsuit. While AMERCO believes that such income tax deductions are appropriate, there can be no assurance that such deductions ultimately will be allowed in full. The IRS has proposed adjustments to the Company's 1997 and 1996 tax returns. Nearly all of the adjustments are attributable to denials of deductions claimed for certain payments made in connection with this litigation. We believe these income tax deductions are appropriate and are vigorously contesting the IRS adjustments. No additional taxes have been provided in the accompanying financial statements, as management believes that none will result.

New Accounting Pronouncements

SFAS No. 143, Accounting for Asset Retirement Obligations, requires recognition of the fair value of liabilities associated with the retirement of long-lived assets when a legal obligation to incur such costs arises as a result of the acquisition, construction, development and/or the normal operation of a long-lived asset. Upon recognition of the liability, a corresponding asset is recorded at present value and accreted over the life of the asset and depreciated over the remaining life of the long-lived asset. SFAS 143 defines a legal obligation as one that a party is required to settle as a result of an existing or enacted law, statute, ordinance, or written or oral contract or by legal construction of a contract under the doctrine of promissory estoppel. SFAS 143 is effective for fiscal years beginning after June 15, 2002. The implementation of this accounting standard is not expected to have a material impact on the financial statements.

In October 2001, the FASB issued SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets. SFAS 144 requires that long-lived assets be measured at the lower of carrying amount or fair value less cost to sell, whether reported in continuing operations or in discontinued operations. Therefore, discontinued operations will no longer be measured at net realizable value or include amounts for operating losses that have not yet occurred. SFAS 144 is effective for financial statements issued for fiscal years beginning after December 15, 2001 and, generally, are to be applied prospectively. We have adopted this statement effective April 1, 2002 and it did not affect our consolidated financial position or results of operations.

In April 2002, the FASB issued SFAS No. 145, Rescission of No. 4, (Reporting Gains and Losses from Extinguishment of Debt), No. 44 (Accounting for Intangible Assets of Motor Carriers), No. 64, (Extinguishments of Debt Made to Satisfy Sinking-Fund Requirements), Amendment of FASB Statement No. 13 (Accounting for Leases) and Technical Corrections. This statement eliminates the current requirement that gains and losses on debt extinguishment must be classified as extraordinary items in the income statement. Instead, such gains and losses will be classified as extraordinary items only if they are deemed to be unusual and infrequent, in accordance with the current GAAP criteria for extraordinary classification. In addition,

SFAS 145 eliminates an inconsistency in lease accounting by requiring that modification of capital leases that result in reclassification as operating leases be accounted for consistent with sale-leaseback accounting rules. The statement also contains other nonsubstantive corrections to authoritative accounting literature. The changes related to debt extinguishment were effective for fiscal years beginning after May 15, 2002, and the changes related to lease accounting were effective for transactions occurring after May 15, 2002. Pre-tax earnings were reduced by $3.3 million and $547 thousand for the fiscal year ended March 31, 2001 and 2000, respectively. The reclassification did not reduce net earnings for the fiscal year ended March 31, 2001 and 2000 as the extraordinary loss on early extinguishment of debt was reported net of taxes.

In June 2002, the FASB issued Statement of Financial Accounting Standards No. 146, (SFAS 146) Accounting for Costs Associated with Exit or Disposal Activities, which addresses accounting for restructuring and similar costs. SFAS 146 supersedes previous accounting guidance, principally Emerging Issues Task Force (EITF) Issue No. 94-3. SFAS 146 requires that the liability for costs associated with an exit or disposal activity be recognized when the liability is incurred. Under EITF No. 94-3, a liability for an exit cost was recognized at the date of a company's commitment to an exit plan. SFAS 146 also establishes that the liability should initially be measured and recorded at fair value. Accordingly, SFAS 146 may affect the timing of recognizing future restructuring costs as well as the amount recognized. The provisions of this Statement are effective for exit or disposal activities that are initiated after December 31, 2002. The adoption of SFAS 146 will not have any immediate effect on the Company's consolidated financial statements and will be applied prospectively.

In November 2002, the FASB issued FASB Interpretation No. 45, Guarantor's Accounting for Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others, an interpretation of FASB Statements No. 5, 57, and 107 and rescission of FASB Interpretation No. 34, Disclosure of Indirect Guarantees of Indebtedness of Others ("FIN 45"). FIN 45 clarifies the requirements for a guarantor's accounting for and disclosure of certain guarantees issued and outstanding. It also requires a guarantor to recognize, at the inception of a guarantee, a liability for the fair value of the obligation undertaken in issuing the guarantee. The Company entered into a support party agreement for $70.0 million of indebtedness of an affiliate. Under the terms of FIN 45, the Company recognized a liability in the amount of $70.0 million, which is management's estimate of the liabilities associated with the guarantee.

In December 2002, the FASB issued Statement of Financial Accounting Standards No. 148, "Accounting for Stock-Based Compensation — Transition and Disclosure" ("FAS 148"), which amends Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" ("FAS 123"). FAS 148 provides alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, FAS 148 amends the disclosure requirement of FAS 123 to require more prominent and more frequent disclosures in financial statements of the effects of stock-based compensation. The transition guidance and annual disclosure provisions of FAS 148 are effective for fiscal years ending after December 15, 2002. The interim disclosure provisions are effective for financial reports containing condensed financial statements for interim periods beginning after December 15, 2002. The Company does not have any stock based compensation plans and the adoption of FAS 148 is not expected to have a material impact on the Company's consolidated balance sheet or results of operations.

In April 2003, the FASB issued SFAS No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities." This Statement amends and clarifies the accounting for derivative instruments, including certain derivative instruments embedded in other contracts and for hedging activities under SFAS No. 133. In particular, SFAS No. 149 (1) clarifies under what circumstances a contract with an initial net investment meets the characteristic of a derivative as discussed in SFAS No. 133, (2) clarifies when a derivative contains a financing component, (3) amends the definition of an underlying derivative to conform it to the language used in FASB Interpretation No. 45, Guarantor Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others, and (4) amends certain other existing pronouncements.. SFAS No. 149 is generally effective for contracts entered into or modified after June 30, 2003. The Company does not believe the adoption of SFAS No. 149 will have a material impact on the Company's financial position, results of operations or cash flows.

In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity." This Statement establishes standards for classifying and measuring as liabilities certain financial instruments that embody obligations of the issuer and have characteristics of both liabilities and equity. SFAS No. 150 is effective at the beginning of the first interim period beginning after June 15, 2003; including all financial instruments created or modified after May 31, 2003. SFAS No. 150 currently has no impact on the Company.

In January 2003, the FASB issued FASB Interpretation No. 46, Consolidation of Variable Interest Entities, an interpretation of Accounting Research Bulletins ("ARB") No. 51, Consolidated Financial Statements ("FIN 46"). FIN 46 applies immediately to variable interest entities created after January 31, 2003, and in the first interim period beginning after June 15, 2003 for variable interest entities created prior to January 31, 2003. The interpretation explains how to identify variable interest entities and how an enterprise assesses its interests in a variable interest entity to decide whether to consolidate that entity. The interpretation requires variable interest entities to be consolidated by their primary beneficiaries if the entities do not effectively disperse risks among parties involved. Variable interest entities that effectively disperse risks will not be consolidated unless a single party holds an interest or combination of interests that effectively recombines risks that were previously dispersed. The Company has determined that Private Mini is a Variable Interest Entity and will need to be consolidated beginning in July 2003. The impact of this on the consolidated financial statements is to increase assets by approximately $320.0 million and increase debt by approximately $308.0 million. AMERCO also determined that SAC qualifies as a Variable Interest Entity and will continue to be consolidated.

Item 7A. ***Quantitative and Qualitative Disclosures About Market Risk***

Interest Rate Risk

In the normal course of business, AMERCO is exposed to fluctuations in interest rates. AMERCO manages such exposure through the use of a variety of derivative financial instruments when deemed prudent. AMERCO does not enter into leveraged financial transactions or use derivative financial instruments for trading purposes. The exposure to market risk for changes in interest rates relates primarily to debt obligations. AMERCO's objective is to mitigate the impact of changes in interest rates on its variable rate debt. Historically, AMERCO has used interest rate swap agreements to provide for matching the gain or loss recognition on the hedging instrument with the recognition of the changes in the cash flows associated with the hedged asset or liability attributable to the hedged risk or the earnings effect of the hedged forecasted transaction. At March 31, 2003, no interest rate swap contracts existed. At March 31, 2002, the Company had interest rate swap contracts to pay variable rates of interest at the 3-month US LIBOR and receive fixed rates of interest (average rate of 8.6%) on $45 million notional amount of indebtedness. This resulted in approximately $238 million of the Company's underlying debt being subject to variable interest rates. See Note 6 of Notes to Consolidated Financial Statements in Item 8. A fluctuation in the interest rates of 100 basis points would change AMERCO's interest expense by approximately $2.5 million.

SAC Holdings debt is primarily fixed rate. Fluctuations in interest rates for new operations could have an impact on operations. SAC Holdings does not enter into leveraged financial transactions or use derivative financial instruments for trading purposes.

Foreign Currency Exchange Rate Risk

The Company's earnings are affected by fluctuations in the value of foreign currency exchange rates. Approximately 2.0% of the Company's revenue is generated in Canada. The result of a 10% change in the value of the U.S. dollar relative to the Canadian dollar would not be material. The Company does not typically hedge any foreign currency risk since the exposure is not considered material.

SAC Holdings earnings are affected by fluctuations in the value of foreign currency exchange rates. Approximately 6.4% of SAC Holdings revenue is generated in Canada. SAC Holdings does not typically hedge any foreign currency risk since the exposure is not considered material.

Item 8. ***Financial Statements and Supplementary Data***

The Report of Independent Accountants and Consolidated Financial Statements of AMERCO and SAC Holdings, including the notes to such statements and the related schedules, are set forth on pages 54 through 106 and are thereby incorporated herein.

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

On July 17, 2002, the Company dismissed PricewaterhouseCoopers LLP ("PwC") as the Company's independent auditors. On August 8, 2002, the Company engaged BDO as the Company's independent auditing firm.

On July 23, 2002, the Company disclosed the following:

- That the reports of PwC on the financial statements of the Company for the fiscal years ended March 31, 2002 and 2001 did not contain an adverse opinion or a disclaimer of opinion, and were not qualified or modified as to uncertainty, audit scope or accounting principles.

- That the decision to dismiss PwC was recommended by the Company's audit committee and authorized by the Board of Directors of the Company.

- That for the Company's fiscal years ended March 31, 2002 and 2001 and through July 17, 2002, there were no disagreements with PwC on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of PwC would have caused it to make reference to the subject matter of the disagreements in its report.

- That for the Company's fiscal years ended March 31, 2002 and 2001 and through July 17, 2002, there had occurred none of the "reportable events" listed in Item 304(a)(1)(v)(A-D) of Regulation S-K.

- That PwC indicated to the Company that material weaknesses exist in certain aspects of the Company's internal controls that were noted during PwC's audits of the Company's financial statements for the fiscal years ended March 31, 2001 and 2002.

- That PwC recommended examination and augmentation, as appropriate, of certain aspects of the Company's internal control procedures, including the following: (1) Responsibility for each general ledger account should be assigned to an appropriate person, reconciliations (particularly with respect to intercompany accounts with SAC Holdings, inventory, and fixed assets) should be performed on a monthly basis, and the financial reporting manager should ensure that all accounts with variances at month-end are investigated and corrected within an appropriate timeframe; (2) The internal control structure and monitoring process of management should be strengthened to help detect misstated account balances on a timely basis. Corrections of items should be made on a timely basis, as well, to ensure proper quarterly and annual reporting; (3) Access to the general ledger should be limited to a few select individuals, with the appropriate level of authority, who do not possess incompatible job responsibilities. Further, journal entries should be reviewed and approved to ensure that each adjustment is supported by appropriate documentation and that each entry has been reflected on the subsidiary ledger, if applicable; (4) Controls relating to inventory costing, including LIFO reserve calculations, manufacturing and overhead costs, and retention of records should be improved; and (5) Position vacancies should be filled in a timely manner with competent personnel. Documentation of job responsibilities, processes, etc. should be prepared to ensure efficient and accurate knowledge transfer. In addition, cross training of employees and functions should occur to strengthen the control environment and to minimize disruptions in the event of employee turnover.

- That the Audit Committee had discussed these matters with PwC and the Company had begun addressing these matters.

- That the Company had authorized PwC to respond fully to any inquiries concerning these matters from the auditor selected to replace PwC.

• That the Company had received a letter from PwC stating that PwC agreed with the statements reported above.

Subsequently, the Report of Independent Accountants on the financial statements of the Company for the year ended March 31, 2002 issued by PwC on January 6, 2003 included a going concern explanatory paragraph. Such explanatory paragraph expressed substantial doubt about the Company's ability to continue as a going concern due, in part, to AMERCO's default (either directly or indirectly as a result of cross-default) of approximately $1,175.4 million in current obligations.

On May 7, 2003 PwC notified the Company that the report referred to in the preceding paragraph, that is dual dated September 23, 2002, except notes 1, 21, and 22, which are dated January 6, 2003, should no longer be associated with the financial statements (a) of AMERCO and its subsidiaries, SAC Holding Corporation and its subsidiaries, and SAC Holding Corporation II and its subsidiaries at March 31, 2002, and the results of their operations and their cash flows for the year then ended and (b) of AMERCO and its subsidiaries and SAC Holding Corporation and its subsidiaries at March 31, 2001, and the results of their operations and their cash flows for each of the two years in the period ended March 31, 2001.

PART III

Item 10. *Directors and Executive Officers of the Registrants*

The Registrant's Directors and Executive Officers are:

Name	Age*	Office
Edward J. Shoen	54	Chairman of the Board, President, and Director
William E. Carty	76	Director
John M. Dodds	66	Director
Charles J. Bayer	63	Director
John P. Brogan	59	Director
James J. Grogan	49	Director
M. Frank Lyons	67	Director
James P. Shoen	43	Director
Gary B. Horton	59	Treasurer of AMERCO and Asst. Treasurer of U-Haul
Gary V. Klinefelter	55	Secretary & General Counsel of AMERCO and U-Haul
Rocky D. Wardrip	45	Assistant Treasurer of AMERCO
Mark V. Shoen	52	President of U-Haul Phoenix Operations
John C. Taylor	45	Director and Executive V.P. of U-Haul
Ronald C. Frank	62	Executive V.P. of U-Haul Field Operations
Mark A. Haydukovich	46	President of Oxford Life Insurance Company
Carlos Vizcarra	56	President of Amerco Real Estate Company
Richard M. Amoroso	44	President of Republic Western Insurance Company

* Ages are as of June 30, 2003

Class I (Term Expires at 2003 Meeting)

JOHN P. BROGAN has served as a Director of AMERCO since August 1998 and has served as the Chairman of Muench-Kreuzer Candle Company since 1980. He has been involved with various companies including a seven year association with Alamo Rent-A-Car that ended in 1986. He is a member of the American Institute of Certified Public Accountants and served as Chairman of the Board of Trustees, College of the Holy Cross, from 1988 to 1996.

JAMES J. GROGAN has served as a Director of AMERCO since August 1998 and is the CEO of Loreto Bay Company. He was President of G.W. Holdings, a diversified investment company, from 2001 to 2002. Throughout 1999 and 2000, he served as President and CEO of Sterling Financial Corporation, a Toronto Stock Exchange company focused on real estate investments. He was the Senior Executive Vice President of UDC Homes, a homebuilder, from 1996 to 1998. He serves on the Board of Directors of several charitable organizations.

Class II (Term Expires at 2004 Meeting)

EDWARD J. SHOEN has served as a Director and Chairman of the Board of AMERCO since 1986, as President since 1987, as a Director of U-Haul since 1990, and as the President of U-Haul since 1991. Mr. Shoen has been associated with the Company since 1971.

M. FRANK LYONS was elected to the Board of AMERCO on February 6, 2002 to fill the vacancy created by the resignation of Richard J. Herrera. Mr. Lyons served in various positions with the Company from 1959 until 1991, including 25 years as the president of Warrington Manufacturing. From 1991 until his retirement in 2000 he was president of Evergreen Realty, Inc.

Class III (Term Expires at 2005 Meeting)

JOHN M. DODDS has served as a Director of AMERCO since 1987 and Director of U-Haul since 1990. Mr. Dodds has been associated with the Company since 1963. He served in regional field operations until 1986 and served in national field operations until 1994. Mr. Dodds retired from the Company in 1994.

JAMES P. SHOEN has served as a director of AMERCO since 1986 and was Vice President of AMERCO from 1989 to November 2000. Mr. Shoen has been associated with the Company since 1976. He served from 1990 to November 2000 as Executive Vice President of U-Haul.

Class IV (Term Expires at 2006 Meeting)

WILLIAM E. CARTY has served as a Director of AMERCO since 1987 and as a Director of U-Haul since 1986. He has been associated with the Company since 1946. He has served in various executive positions in all areas of the Company. Mr. Carty retired from the Company in 1987.

CHARLES J. BAYER has served as a Director of AMERCO since 1990 and has been associated with the Company since 1967. He has served in various executive positions and served as President of Amerco Real Estate Company until his retirement in October 2000.

Other Executive Officers

GARY B. HORTON has served as Treasurer of AMERCO since 1982 and Assistant Treasurer of U-Haul since 1990. He has been associated with the Company since 1969.

GARY V. KLINEFELTER, Secretary of AMERCO since 1988 and Secretary of U-Haul since 1990, is licensed as an attorney in Arizona and has served as General Counsel of AMERCO and U-Haul since June 1988. He has been associated with the Company since 1978.

ROCKY D. WARDRIP, Assistant Treasurer of AMERCO since 1990, has been associated with the Company since 1978 in various capacities within accounting and treasury operations.

MARK V. SHOEN has served as a Director of AMERCO from 1990 until February 1997. He has served as a Director of U-Haul from 1990 until November 1997 and as President, Phoenix Operations, from 1994 to present.

JOHN C. TAYLOR, Director of U-Haul since 1990, has been associated with the Company since 1981. He is presently an Executive Vice President of U-Haul.

RONALD C. FRANK has been associated with the Company since 1959. He is presently Executive Vice President of U-Haul Field Operations.

MARK A. HAYDUKOVICH has served as President of Oxford since June 1997. From 1980 to 1997 he served as Vice President of Oxford.

CARLOS VIZCARRA has served as President of Amerco Real Estate Company since September 2000. He began his previous position as Vice President/ Storage Product Group for U-Haul in 1988.

RICHARD M. AMOROSO has served as President of RepWest since August 2000. He was Assistant General Counsel of U-Haul from 1993 until February 2000. He served as Assistant General Counsel of ON Semiconductor Corporation from February to August 2000.

Edward J., Mark V., and James P. Shoen are brothers. William E. Carty is the uncle of Edward J. and Mark V. Shoen. M. Frank Lyons was married to William E. Carty's sister and the aunt of Edward J. and Mark V. Shoen until her death in 1992. See Item 1. Business — Recent Developments for a discussion of AMERCO's Chapter 11 filing.

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's directors and executive officers, and persons who own more than 10% of a registered class of the Company's equity securities, to file reports of ownership of, and transactions in, the Company's securities with the Securities and Exchange Commission. Such directors, executive officers and 10% stockholders are also required to furnish the Company with copies of all Section 16(a) forms they file.

Based solely on a review of the copies of such forms received by it, the Company believes that during fiscal 2003, all Section 16(a) filing requirements applicable to its directors, officers and 10% stockholders were complied with.

Item 11. *Executive Compensation*

The following Summary Compensation Table shows the annual compensation paid to (1) the Company's chief executive officer; and (2) the four most highly compensated executive officers of the Company, other than the chief executive officer.

Summary Compensation Table

		Annual Compensation		
Name and Principal Position	Year	Salary ($)(1)	Bonus ($)	All Other Compensation ($)(2)
Edward J. Shoen	2003	503,708	—	334
Chairman of the Board and President of AMERCO	2002	503,708	—	1,311
and U-Haul	2001	503,708	—	2,311
Mark V. Shoen	2003	617,308	—	334
President of U-Haul Phoenix Operations	2002	623,077	—	1,311
	2001	623,077	—	2,311
Gary V. Klinefelter	2003	251,738	55,000	334
Secretary and General Counsel of AMERCO and U-Haul	2002	222,547	67,000	1,311
	2001	224,239	60,000	2,311
Gary B. Horton	2003	242,308	40,000	334
Treasurer of AMERCO and Assistant Treasurer	2002	233,655	40,000	1,311
of U-Haul	2001	234,539	110,000	2,192
Ronald C. Frank	2003	237,995	15,704	334
Executive V.P. U-Haul Field Operations	2002	188,471	—	1,311
	2001	188,471	—	2,311

(1) Includes annual fees paid to Directors of AMERCO and U-Haul.

(2) Represents the value of Common Stock allocated under the AMERCO Employee Savings, Profit Sharing and Employee Stock Ownership Plan.

The annual fee for all services as a director of AMERCO prior to June 4, 2003 was $26,400. Effective on that date, the annual fee was increased to $50,000. This amount is paid in equal monthly installments. Audit Committee members receive an additional $50,000 annual fee. Executive Finance Committee and Compensation Committee members each receive an additional $20,000 annual fee. Independent Governance Committee members receive an annual fee of $50,000.

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

To the best of the Company's knowledge, the following table lists, as of June 30, 2003 (1) the beneficial ownership of AMERCO's equity securities of each director and director nominee of AMERCO, of each executive officer named in Item 11, and of all directors and executive officers of AMERCO as a group; (2) the beneficial ownership of Common Stock of those persons who beneficially own more than five percent (5%) of AMERCO's Common Stock; and (3) the beneficial ownership of each director and director nominee of AMERCO, of each executive officer named in Item 11, and of all directors and executive officers of the Company as a group, of the percentage of net payments received by such persons during the 2003 fiscal year in respect of fleet-owner contracts issued by U-Haul.

Name and Address of Beneficial Owner	Shares of Common Stock Beneficially Owned	Percentage of Common Stock Class	Percentage of Net Fleet Owner Contract Payments
Edward J. Shoen(1) Chairman of the Board, President and Director 2727 N. Central Ave Phoenix, AZ 85004	3,487,645(2)	16.9	.001
Mark V. Shoen(1) President, U-Haul Phoenix Operations 2727 N. Central Ave Phoenix, AZ 85004	3,355,471(2)	16.3	N/A
James P. Shoen(1) Director 1325 Airmotive Way Reno, NV 89502	2,049,962(2)	9.9	N/A
Sophia M. Shoen 5104 N. 32nd Street Phoenix, AZ 85018	1,388,668(2)	6.7	N/A
Heartland Advisors, Inc. 789 North Water Street Milwaukee, WI 53202	1,143,500(3)	5.5	N/A
Paul F. Shoen P.O. Box 524 Glenbrook, NV 89413	1,110,442(2)	5.4	N/A
The ESOP Trust(2) 2727 N. Central Ave Phoenix, AZ 85004	2,402,456	11.7	N/A
John M. Dodds Director 2727 N. Central Ave Phoenix, AZ 85004	0	0	N/A
William E. Carty(1) Director 2727 N. Central Ave Phoenix, AZ 85004	0	0	N/A

Name and Address of Beneficial Owner	Shares of Common Stock Beneficially Owned	Percentage of Common Stock Class	Percentage of Net Fleet Owner Contract Payments
Charles J. Bayer Director 2727 N. Central Ave Phoenix, AZ 85004	2,186	**	.001
John P. Brogan Director and Director Nominee 2727 N. Central Ave Phoenix, AZ 85004	6,000	**	N/A
James J. Grogan Director and Director Nominee 2727 N. Central Ave Phoenix, AZ 85004	100	**	N/A
M. Frank Lyons Director 2727 N. Central Ave Phoenix, AZ 85004	300	**	N/A
Gary V. Klinefelter Secretary and General Counsel 2727 N. Central Ave Phoenix, AZ 85004	3,513	**	N/A
Ronald C. Frank Executive V.P. Field Operations of U-Haul 2727 N. Central Ave Phoenix, AZ 85004	2,592	**	.002
John C. Taylor Executive Vice President of U-Haul 2727 N. Central Ave Phoenix, AZ 85004	1,423	**	N/A
Officers and Directors as a group (17 persons)(1)	8,917,548	43.2	.004

** The percentage of the referenced class beneficially owned is less than one percent.

(1) Edward J. Shoen, Mark V. Shoen, James P. Shoen, and William E. Carty beneficially own 16,300 shares (0.26%), 16,700 shares (0.27%), 31,611 shares (0.51%), and 12,000 shares (0.19%) of AMERCO's Series A 8 1/2% Preferred Stock, respectively. The executive officers and directors as a group beneficially own 77,611 shares (1.27%) of AMERCO's Series A 8 1/2% Preferred Stock.

(2) The complete name of the ESOP Trust is the ESOP Trust Fund for the AMERCO Employee Savings and Employee Stock Ownership Trust. The ESOP Trustee, which consists of three individuals without a past or present employment history or business relationship with the Company, is appointed by the Company's Board of Directors. Under the ESOP, each participant (or such participant's beneficiary) in the ESOP directs the ESOP Trustee with respect to the voting of all Common Stock allocated to the participant's account. All shares in the ESOP Trust not allocated to participants are voted by the ESOP Trustee. As of June 30, 2003, of the 2,402,456 shares of Common Stock held by the ESOP Trust, 1,607,509 shares were allocated to participants and 794,947 shares remained unallocated. The number of shares reported as beneficially owned by Edward J. Shoen, Mark V. Shoen, James P. Shoen, Paul F. Shoen, and Sophia M. Shoen include Common Stock held directly by those individuals and 3,964, 3,690, 3,648, 779, and 196 shares of Common Stock, respectively, allocated by the ESOP Trust to those individuals. Those shares are also included in the number of shares held by the ESOP Trust.

(3) The ownership information set forth herein is based on material contained in a Schedule 13G, dated February 13, 2003, filed with the SEC by William Nasgovitz and Heartland Advisors, Inc. According to

the Schedule 13G, Heartland Advisors, Inc. has sole voting and sole dispositive power over 264,200 and 1,143,500 shares, respectively. According to the same Schedule 13G, Mr. Nasgovitz has sole voting and sole dispositive power over 788,000 and 0 shares, respectively.

To the best of the Company's knowledge, there are no arrangements giving any stockholder the right to acquire the beneficial ownership of any shares owned by any other stockholder.

Item 13. ***Certain Relationships and Related Transactions***

AMERCO has related party transactions with certain major stockholders, directors and officers of the consolidated group as disclosed in Notes 11 and 19 of Notes to Consolidated Financial Statements and below. Management believes that the transactions described in the related notes and below were consummated on terms equivalent to those that would prevail in arm's-length transactions.

On December 23, 2002, Mark V. Shoen, President, U-Haul Phoenix Operations and a significant stockholder of AMERCO, purchased a condominium in Phoenix, Arizona from Oxford Life Insurance Company. The purchase price was $279,573, which was in excess of the appraised value.

During fiscal 2003, U-Haul purchased $2.1 million of printing from Form Builders, Inc. Mark V. Shoen, his daughter and Edward J. Shoen's sons are major stockholders of Form Builders, Inc. Edward J. Shoen is Chairman of the Board of Directors and President of AMERCO and is a significant stockholder of AMERCO. Mark V. Shoen is President, U-Haul Phoenix Operations and is a significant stockholder of AMERCO. The Company ceased doing business with Form Builders, Inc. on April 18, 2003.

During fiscal 2003, Sam Shoen, a son of Edward J. Shoen, was employed by U-Haul as project group supervisor. Mr. Shoen was paid an aggregate salary and bonus of $77,327 for his services during the fiscal year.

During fiscal 2003, a subsidiary of the Company held various senior and junior unsecured notes of SAC Holdings. Substantially all of the equity interest of SAC Holdings is owned by Mark V. Shoen, a significant shareholder and executive officer of AMERCO. The Company does not have an equity ownership interest in SAC Holdings, except for minority investments made by RepWest and Oxford in a SAC Holdings-controlled limited partnership which holds Canadian self-storage properties. The senior unsecured notes of SAC Holdings that the Company holds rank equal in right of payment with the notes of certain senior mortgage holders, but junior to the extent of the collateral securing the applicable mortgages and junior to the extent of the cash flow waterfalls that favor the senior mortgage holders. The Company received cash interest payments of $26.6 million from SAC Holdings during fiscal year 2003. The notes receivable balance outstanding at March 31, 2003 was, in the aggregate, $394.2 million. The largest aggregate amount outstanding during the fiscal year ended March 31, 2003 was $407.4 million. At March 31, 2003, SAC Holdings' notes and loans payable to third parties totaled $589.0 million. Interest on the senior and junior notes accrues at rates ranging from 6.5% to 13%.

Interest accrues on the outstanding principal balance of senior notes of SAC Holdings that the Company holds at a fixed rate and is paid on a monthly basis.

Interest accrues on the outstanding principal balance of junior notes of SAC Holdings that the Company holds at a stated rate of basic interest. A fixed portion of that basic interest is paid on a monthly basis. Additional interest is paid on the same payment date based on the difference between the amount of remaining basic interest and an amount equal to a specified percentage of the net cash flow before interest expense generated by the underlying property *minus* the *sum of* the principal and interest due on the senior notes of SAC Holdings relating to that property *and* a multiple of the fixed portion of basic interest paid on that monthly payment date.

The latter amount is referred to as the "cash flow-based calculation."

To the extent that this cash flow-based calculation exceeds the amount of remaining basic interest, contingent interest equal to that excess and the amount of remaining basic interest are paid on the same monthly date as the fixed portion of basic interest. To the extent that the cash flow-based calculation is less than the amount of remaining basic interest, the additional interest payable on the applicable monthly date is

limited to the amount of that cash flow-based calculation. In such a case, the excess of the remaining basic interest over the cash flow-based calculation is deferred and all amounts so deferred bear the stated rate of basic interest until maturity of the junior note.

In addition, subject to certain contingencies, the junior notes provide that the holder of the note is entitled to receive 90% of the appreciation realized upon, among other things, the sale of such property by SAC Holdings. To date, no such properties have been sold by SAC Holdings.

The Company currently manages the self-storage properties owned by SAC Holdings pursuant to a standard form of management agreement with each SAC Holdings subsidiary, under which the Company receives a management fee equal to 6% of the gross receipts. The Company received management fees of $12.3 million during fiscal year 2003. This management fee is consistent with the fees received for other properties the Company manages for third parties.

RepWest and Oxford currently hold a 46% limited partnership interest in Securespace Limited Partnership (“Securespace”), a Nevada limited partnership. A SAC Holdings subsidiary serves as the general partner of Securespace and owns a 1% interest. Another SAC Holdings subsidiary owns the remaining 53% limited partnership interest in Securespace. Securespace was formed by SAC Holdings to be the owner of various Canadian self-storage properties.

During fiscal year 2003, the Company leased space for marketing company offices, vehicle repair shops and hitch installation centers in 35 locations owned by subsidiaries of SAC Holdings. Total lease payments pursuant to such leases were $2.1 million during fiscal year 2003. The terms of the leases are similar to the terms of leases for other properties owned by unrelated parties that are leased to the Company.

At March 31, 2003, subsidiaries of SAC Holdings acted as U-Haul independent dealers. The financial and other terms of the dealership contracts with subsidiaries of SAC Holdings are substantially identical to the terms of those with the Company’s other independent dealers. During fiscal 2003, the Company paid subsidiaries of SAC Holdings $27.7 million in commissions pursuant to such dealership contracts.

The transactions discussed above involving SAC Holdings have all been eliminated from the Company’s consolidated financial statements. Although these transactions have been eliminated for financial statement reporting purposes, except for minority investments made by RepWest and Oxford in Securespace, the Company has not had any equity ownership interest in SAC Holdings.

SAC Holdings were established in order to acquire self-storage properties which are being managed by the Company pursuant to management agreements. The sale of self-storage properties by the Company to SAC Holdings has in the past provided significant cash flows to the Company and the Company’s outstanding loans to SAC Holdings entitle the Company to participate in SAC Holdings’ excess cash flows (after senior debt service).

Management believes that its sales of self-storage properties to SAC Holdings over the past several years provided a unique structure for the Company to earn rental revenues from the SAC Holdings self-storage properties that the Company manages and participate in SAC Holdings’ excess cash flows as described above.

Although the Board of Directors of the appropriate subsidiary which was a party to each transaction with SAC Holdings approved such transaction at the time it was completed, the Company did not seek approval by AMERCO’s Board of Directors for such transactions. However, AMERCO’s Board of Directors, including the independent members, was made aware of and received periodic updates regarding such transactions from time to time. All future real estate transactions with SAC Holdings that involve the Company or any of its subsidiaries will have the prior approval of AMERCO’s Board of Directors, even if it is not legally required, including a majority of the independent members of AMERCO’s Board of Directors.

In connection with transactions described above regarding parts, tools and printing services, the Internal Audit Department of U-Haul periodically tests pricing against competitive third party bids for fairness.

Management believes that the foregoing transactions were consummated on terms equivalent to those that prevail in arm's-length transactions.

Item 14. *Controls and Procedures*

Evaluation of Controls and Procedures

We maintain disclosure control procedures, which are designed to ensure that material information related to AMERCO and its subsidiaries and SAC Holdings and their subsidiaries is disclosed in our public filings on a regular basis. In response to recent legislation and proposed regulations, we reviewed our internal control structure and our disclosure controls and procedures. Internal controls are procedures which are designed with the objective of providing reasonable assurance that 1) records are maintained that in reasonable detail accurately reflect the Company's transactions and dispositions of its assets; 2) assets are safeguarded against unauthorized or improper use; and 3) transactions are properly recorded and reported, all to permit the preparation of our financial statements in conformity with generally accepted accounting principles. Disclosure controls are designed with the objective of ensuring that information is accumulated and communicated to our management to allow timely decisions regarding required disclosure.

The Company's management does not expect that the internal controls and disclosure controls will prevent all error or fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, 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 the cost. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance 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. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls is also based in part upon 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. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Within 90 days prior to filing this Form 10-K, members of the Company's management, including the Company's principal executive officer and principal financial officer, evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based upon that evaluation, management has concluded that there were deficiencies in the design and operations of our internal controls that adversely affected our ability to record, process, summarize and report financial data. The deficiencies were considered to be material weaknesses under the standards established by the American Institute of Certified Public Accountants. As a result of the conclusions discussed above, under the direction of the Audit Committee and the Board of Directors, we have taken corrective action to strengthen our internal controls and procedures to ensure that information required to be disclosed in the reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and accurately reported, within the time periods specified in the SEC's rules and forms.

Changes in Controls and Procedures

There were significant changes in the Company's internal controls and other factors that could significantly affect these internal controls after the date of our most recent evaluation. They include, but are not limited to, the following:

a. We limited access to the general ledger (posting ability) to specifically identified individuals;

b. We require documentation for all journal postings;

c. We have hired a system administrator to document and map all accounting imports and exports to the various subledgers maintained throughout the organization;

d. We have initiated a formal cross training program to ensure that any unforeseen loss of personnel does not adversely affect the financial reporting and disclosure processes;

e. We have hired additional qualified accounting personnel; and

f. We are implementing control procedures to verify each inter company account is reconciled prior to each month end closing process.

PART IV, ITEM 16, EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) The following documents are filed as part of this Report:

All other schedules are omitted as the required information is not applicable or the information is presented in the financial statements or related notes thereto.

(b) No reports on Form 8-K were filed during the last quarter of the period covered by this report.

Exhibit No.	Description
2.1	Order Confirming Plan(1)
2.2	Second Amended and Restated Debtor's Plan of Reorganization Proposed by Edward J. Shoen(1)
3.1	Restated Articles of Incorporation of AMERCO(2)
3.2	Restated By-Laws of AMERCO(3)
3.3	Restated Articles of Incorporation of U-Haul International, Inc.
3.4	Bylaws of U-Haul International, Inc.
4.1	Debt Securities Indenture dated May 1, 1996(1)
4.2	First Supplemental Indenture, dated as of May 6, 1996(4)
4.3	Rights Agreement, dated as of August 7, 1998(13)
4.5	Second Supplemental Indenture, dated as of October 22, 1997(11)
4.6	Calculation Agency Agreement(11)
4.7	6.65% — AMERCO Series 1997 A Bond Backed Asset Trust Certificates ("BATs") due October 15, 2000(11)
4.8	Indenture dated September 10, 1996(9)
4.9	First Supplemental Indenture dated September 10, 1996(9)
4.10	Senior Indenture dated April 1, 1999(14)
4.11	First Supplemental Indenture dated April 5, 1999(14)
4.12	Second Supplemental Indenture dated February 4, 2000(15)
10.1*	AMERCO Employee Savings, Profit Sharing and Employee Stock Ownership Plan(5)
10.1A*	First Amendment to the AMERCO Employee Savings, Profit Sharing and Employee Stock Ownership Plan(16)
10.2	U-Haul Dealership Contract(5)
10.3	Share Repurchase and Registration Rights Agreement with Paul F. Shoen(5)
10.5	ESOP Loan Credit Agreement(6)
10.6	ESOP Loan Agreement(6)
10.7	Trust Agreement for the AMERCO Employee Savings, Profit Sharing and Employee Stock Ownership Plan(6)
10.8	Amended Indemnification Agreement(6)
10.9	Indemnification Trust Agreement(6)
10.10	Promissory Note between SAC Holding Corporation and a subsidiary of AMERCO(12)
10.10A	Addendum to Promissory Note between SAC Holding Corporation and a subsidiary of AMERCO(20)
10.11	Promissory Notes between Four SAC Self-Storage Corporation and a subsidiary of AMERCO(12)
10.11A	Amendment and Addendum to Promissory Note between Four SAC Self-Storage Corporation and Nationwide Commercial Co. (20)
10.12	Management Agreement between Three SAC Self-Storage Corporation and a subsidiary of AMERCO(12)
10.13	Management Agreement between Four SAC Self-Storage Corporation and a subsidiary of AMERCO(12)
10.14	Agreement, dated October 17, 1995, among AMERCO, Edward J. Shoen, James P. Shoen, Aubrey K. Johnson, John M. Dodds and William E. Carty(8)

Exhibit No.	Description
10.15	Directors' Release, dated October 17, 1995, executed by Edward J. Shoen, James P. Shoen, Aubrey K. Johnson, John M. Dodds and William E. Carty in favor of AMERCO(8)
10.16	AMERCO Release, dated October 17, 1995, executed by AMERCO in favor of Edward J. Shoen, James P. Shoen, Aubrey K. Johnson, John M. Dodds and William E. Carty(8)
10.21	Management Agreement between Five SAC Self-Storage Corporation and a subsidiary of AMERCO(10)
10.22	Management Agreement between Eight SAC Self-Storage Corporation and a subsidiary of AMERCO(10)
10.23	Management Agreement between Nine SAC Self-Storage Corporation and a subsidiary of AMERCO(10)
10.24	Management Agreement between Ten SAC Self-Storage Corporation and a subsidiary of AMERCO(10)
10.25	Management Agreement between Six-A SAC Self-Storage Corporation and a subsidiary of AMERCO(16)
10.26	Management Agreement between Six-B SAC Self-Storage Corporation and a subsidiary of AMERCO(16)
10.27	Management Agreement between Six-C SAC Self-Storage Corporation and a subsidiary of AMERCO(16)
10.28	Management Agreement between Eleven SAC Self-Storage Corporation and a subsidiary of AMERCO(16)
10.29	Management Agreement between Twelve SAC Self-Storage Corporation and a subsidiary of AMERCO(18)
10.30	Management Agreement between Thirteen SAC Self-Storage Corporation and a subsidiary of AMERCO(18)
10.31	Management Agreement between Fourteen SAC Self-Storage Corporation and a subsidiary of AMERCO(18)
10.32	Management Agreement between Fifteen SAC Self-Storage Corporation and a subsidiary of AMERCO(19)
10.33	Management Agreement between Sixteen SAC Self-Storage Corporation and a subsidiary of AMERCO(19)
10.34	Management Agreement between Seventeen SAC Self-Storage Corporation and a subsidiary of AMERCO(17)
10.35	Management Agreement between Eighteen SAC Self-Storage Corporation and U-Haul(20)
10.36	Management Agreement between Nineteen SAC Self-Storage Limited Partnership and U-Haul(20)
10.37	Management Agreement between Twenty SAC Self-Storage Corporation and U-Haul(20)
10.38	Management Agreement between Twenty-One SAC Self-Storage Corporation and U-Haul(20)
10.39	Management Agreement between Twenty-Two SAC Self-Storage Corporation and U-Haul(20)
10.40	Management Agreement between Twenty-Three SAC Self-Storage Corporation and U-Haul(20)
10.41	Management Agreement between Twenty-Four SAC Self Storage Limited Partnership and U-Haul(20)
10.42	Management Agreement between Twenty-Five SAC Self-Storage Limited Partnership and U-Haul(20)
10.43	Management Agreement between Twenty-Six SAC Self-Storage Limited Partnership and U-Haul(20)

Exhibit No.	Description
10.44	Management Agreement between Twenty-Seven SAC Self-Storage Limited Partnership and U-Haul(20)
10.45	3-Year Credit Agreement with certain lenders named therein(20)
10.46	Promissory Note between Four SAC Self-Storage Corporation and U-Haul International, Inc.(20)
10.46A	Amendment and Addendum to Promissory Note between Four SAC Self-Storage Corporation and U-Haul International, Inc.(20)
10.47	Promissory Note between SAC Holding Corporation and Nationwide Commercial Co.(20)
10.48	Promissory Note between SAC Holding Corporation and Nationwide Commercial Co.(20)
10.48A	Amendment and Addendum to Promissory Note between SAC Holding Corporation and Nationwide Commercial Co.(20)
10.49	Promissory Note between Five SAC Self-Storage Corporation and Nationwide Commercial Co.(20)
10.50	Promissory Note between Five SAC Self-Storage Corporation and Nationwide Commercial Co.(20)
10.50A	Amendment and Addendum to Promissory Note between Five SAC Self-Storage Corporation and Nationwide Commercial Co.(20)
10.51	Promissory Note between Five SAC Self-Storage Corporation and U-Haul International, Inc.(20)
10.52	Promissory Note between SAC Holding Corporation and Oxford Life Insurance Company(20)
10.52A	Amendment and Addendum to Promissory Note between SAC Holding Corporation and Oxford Life Insurance Company(20)
10.53	Promissory Note between SAC Holding Corporation and Nationwide Commercial Company(20)
10.53A	Amendment and Addendum to Promissory Note between SAC Holding Corporation and Nationwide Commercial Co.(20)
10.54	Promissory Note between SAC Holding Corporation and U-Haul International, Inc.(20)
10.54A	Amendment and Addendum to Promissory Note between SAC Holding Corporation and U-Haul International, Inc.(20)
10.55	Promissory Note between SAC Holding Corporation and U-Haul International, Inc.(20)
10.55A	Amendment and Addendum to Promissory Note between SAC Holding Corporation and U-Haul International, Inc.(20)
10.56	Promissory Note between SAC Holding Corporation and U-Haul International, Inc.(20)
10.56A	Amendment and Addendum to Promissory Note between SAC Holding Corporation and U-Haul International, Inc.(20)
10.57	Promissory Note between SAC Holding Corporation and Nationwide Commercial Co.(20)
10.57A	Amendment and Addendum to Promissory Note between SAC Holding Corporation and Nationwide Commercial Co.(20)
10.58	Promissory Note between SAC Holding Corporation and Nationwide Commercial Co.(20)
10.58A	Amendment and Addendum to Promissory Note between SAC Holding Corporation and Nationwide Commercial Co.(20)
10.59	Promissory Note between SAC Holding Corporation and Nationwide Commercial Co.(20)
10.60	Junior Promissory Note between SAC Holding Corporation and Nationwide Commercial Co.(20)
10.61	Promissory Note between SAC Holding Corporation and U-Haul International, Inc.(20)
10.62	Promissory Note between SAC Holding Corporation and U-Haul International, Inc.(20)
10.63	Promissory Note between SAC Financial Corporation and U-Haul International, Inc.(20)
10.64	1997 AMERCO Support Party Agreement

Exhibit No.	Description
10.65	Private Mini Storage Realty, L.P. Non-Exoneration Agreement
10.66	2003 AMERCO Support Party Agreement for the benefit of GMAC Commercial Holding Capital Corp.
10.67	Engagement Letter with Alvarez & Marsal, Inc. dated May 22, 2003
10.68	Wells Fargo Foothill, Inc. Commitment Letter dated June 19, 2003
10.69	State of Arizona Department of Insurance Notice of Determination, Order for Supervision and Consent Thereto
21	Subsidiaries of AMERCO
23.1	Consent of Independent Certified Public Accountants
23.2	Report of Independent Certified Public Accountants
99.1	Certificate of Edward J. Shoen, Chairman of the Board and President of AMERCO pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.2	Certificate of Gary B. Horton, Treasurer of AMERCO pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.3	Certificate of Edward J. Shoen, Chairman of the Board and President of U-Haul International, Inc. pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.4	Certificate of Gary B. Horton, Assistant Treasurer of U-Haul International, Inc. pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

* Indicates compensatory plan arrangement

(1) Incorporated by reference to AMERCO's Registration Statement on Form S-3, Registration no. 333-1195.

(2) Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended December 31, 1992, file no. 1-11255.

(3) Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended September 30, 1996, file no. 1-11255.

(4) Incorporated by reference to AMERCO's Current Report on Form 8-K, dated May 6, 1996, file no. 1-11255.

(5) Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 1993, file no. 1-11255.

(6) Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 1990, file no. 1-11255.

(8) Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended September 30, 1995, file no. 1-11255.

(9) Incorporated by reference to AMERCO's Current Report on Form 8-K dated September 6, 1996, file no. 1-11255.

(10) Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 1999, file no. 1-11255.

(11) Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended December 31, 1997, file no. 1-11255.

(12) Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 1997, file no. 1-11255.

(13) Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended June 30, 1998, file no. 1-11255.

(14) Incorporated by reference to AMERCO's Current Report on Form 8-K dated April 5, 1999, file no. 1-11255.

(15) Incorporated by reference to AMERCO's Current Report on Form 8-K dated February 4, 2000, file no. 1-11255.

(16) Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2000, file no. 1-11255.

(17) Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2001, file no. 1-11255.

(18) Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended September 30, 2001, file no. 1-11255.

(19) Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended December 31, 2000, file no. 1-11255.

(20) Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended September 30, 2002.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

The Board of Directors and Stockholders of AMERCO

We have audited the accompanying consolidated balance sheets of AMERCO and its subsidiaries, SAC Holding Corporation and its subsidiaries, and SAC Holding Corporation II and its subsidiaries (collectively, the "Company") as of March 31, 2003 and 2002, and the related consolidated statements of operations, changes in stockholders' equity, comprehensive income/ (loss), and cash flows for each of the three years in the period ended March 31, 2003. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of AMERCO and its subsidiaries, SAC Holding Corporation and its subsidiaries, and SAC Holding Corporation II and its subsidiaries as of March 31, 2003 and 2002 and the results of their operations and their cash flows for each of the three years in the period ended March 31, 2003, in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the continuity of the Company's operations and realization of its assets and payments of its liabilities in the ordinary course of business. As more fully described in Note 1 to the consolidated financial statements, on June 20, 2003, AMERCO, the parent corporation, filed a voluntary petition for reorganization under Chapter 11 of the United States Bankruptcy Code. Amerco Real Estate Company filed a voluntary petition for relief under Chapter 11 on August 13, 2003. The uncertainties inherent in the bankruptcy process raise substantial doubt about AMERCO's ability to continue as a going concern. AMERCO is currently operating its business as a debtor-in-possession under the jurisdiction of the bankruptcy court, and continuation of the Company as a going concern is contingent upon, among other things, the confirmation of a plan of reorganization, the Company's ability to comply with all debt covenants under the existing debtor-in-possession financing arrangement, and obtaining financing sources to meet its future obligations. If a reorganization plan is not approved, it is possible some assets of the Company may be liquidated. Management's plans in regards to these matters are also described in Note 1. The consolidated financial statements do not include any adjustments to reflect future effects on the recoverability and classification of assets or the amount and classification of liabilities that might result from the outcome of these uncertainties.

As discussed in Note 2 to the accompanying consolidated financial statements, the Company has restated the consolidated balance sheet as of March 31, 2002, and the related consolidated statements of operations, changes in stockholders' equity, comprehensive income/(loss), and cash flows for the years ended March 31, 2002 and 2001.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating balance sheets, statements of operations schedules, statements of cash flows schedules, and the summary of earnings of independent trailer fleets information included on pages 107 through 109 of this Form 10-K are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies or the earnings of the independent fleets. Accordingly, we do not express an opinion on the financial position, results of operations, and cash flows of the individual companies, or on the earnings of the

independent trailer fleets. However, such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

/s/ BDO Seidman, LLP

Los Angeles, California
August 18, 2003

AMERCO AND CONSOLIDATED SUBSIDIARIES AND SAC HOLDING CORPORATION, SAC HOLDING II CORPORATION AND CONSOLIDATED SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	March 31, 2003	Restated 2002
	(In thousands)	
ASSETS		
Cash and cash equivalents	$ 66,834	$ 41,446
Trade receivables, net	263,737	274,870
Notes and mortgage receivables, net	2,868	7,279
Inventories, net	53,270	65,776
Prepaid expenses	21,846	15,279
Investments, fixed maturities	860,600	988,397
Investments, other	389,252	240,912
Deferred policy acquisition costs, net	105,100	97,918
Deferred income taxes	32,242	6,045
Other assets	63,600	58,319
	1,859,349	1,796,241
Property, plant and equipment, at cost:		
Land	157,987	160,895
Buildings and improvements	747,853	725,214
Furniture and equipment	291,383	288,711
Rental trucks	1,140,294	1,071,604
Rental trailers and other rental equipment	149,707	162,768
SAC Holdings property plant and equipment	757,292	727,630
	3,244,516	3,136,822
Less accumulated depreciation	(1,298,199)	(1,200,746)
Total property, plant and equipment	1,946,317	1,936,076
Total assets	$ 3,805,666	3,732,317
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Accounts payable and accrued expenses	$ 387,017	233,874
AMERCO'S notes and loans payable	954,856	1,045,801
SAC Holdings' notes and loans payable, non-recourse to AMERCO	589,019	561,887
Policy benefits and losses, claims and loss expenses payable	836,632	819,583
Liabilities from investment contracts	639,998	572,793
Other policyholders' funds and liabilities	30,309	73,597
Deferred income	40,387	43,258
Total liabilities	3,478,218	3,350,793
Stockholders' equity:		
Serial 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 outstanding as of March 31, 2003 and 2002		
Series B preferred stock, with no par value, 100,000 shares authorized; none issued and outstanding as of March 31, 2003 and 2002.	—	—
Serial common stock, with or without par value, 150,000,000 shares authorized —		
Series A common stock of $0.25 par value, 10,000,000 shares		

authorized; 5,662,496 shares issued as of March 31, 2003 and 2002.	1,441	1,441
Common stock of $0.25 par value, 150,000,000 shares authorized; 35,664,367 and 35,919,281 issued as of March 31, 2003 and 2002.	9,122	9,122
Additional paid-in capital	238,983	239,492
Accumulated other comprehensive income/ (loss)	(55,765)	(40,580)
Retained earnings	568,222	606,171
Cost of common shares in treasury, net (20,969,663 and 20,850,763 shares as of March 31, 2003 and 2002, respectively)	(421,378)	(419,970)
Unearned employee stock ownership plan shares	(13,177)	(14,152)
Total stockholders' equity	327,448	381,524
Total liabilities and stockholders' equity	$ 3,805,666	$ 3,732,317

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

AMERCO AND CONSOLIDATED SUBSIDIARIES AND
SAC HOLDING CORPORATION, SAC HOLDING II CORPORATION
AND CONSOLIDATED SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

	Years Ended March 31,		
	2003	Restated 2002	Restated 2001
	(In thousands, except share and per share data)		
Revenues			
Rental revenue	$ 1,560,005	1,512,250	1,436,832
Net sales	222,889	222,816	212,243
Premiums	307,925	411,170	328,108
Net investment and interest income	41,568	47,343	52,297
Total revenues	2,132,387	2,193,579	2,029,480
Costs and expenses			
Operating expenses	1,134,460	1,146,305	1,076,307
Commission expenses	136,827	140,442	132,865
Cost of sales	115,115	122,694	126,506
Benefits and losses	281,868	423,709	331,079
Amortization of deferred acquisition costs	37,819	40,674	36,232
Lease expense	179,642	174,664	175,460
Depreciation, net	137,446	102,957	103,807
Total costs and expenses	2,023,177	2,151,445	1,982,256
Earnings from operations	109,210	42,134	47,224
Interest expense	148,131	109,465	111,878
Pretax earnings/(loss)	(38,921)	(67,331)	(64,654)
Income tax benefit/(expense)	13,935	19,891	22,544
Net earnings/(loss)	$ (24,986)	(47,440)	(42,110)
Less: Preferred stock dividends	(12,963)	(12,963)	(12,963)
Net earnings/(loss) available to common shareholders	$ (37,949)	(60,403)	(55,073)
Basic and diluted loss per common share:	$ (1.83)	(2.87)	(2.56)
Weighted average common shares outstanding:			
Basic and diluted	20,743,072	21,022,712	21,486,370

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

AMERCO AND CONSOLIDATED SUBSIDIARIES AND
SAC HOLDING CORPORATION, SAC HOLDING II CORPORATION
AND CONSOLIDATED SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

	Years Ended March 31,		
	2003	Restated 2002	Restated 2001
		(In thousands)	
Series A common stock of $0.25 par value:			
10,000,000 shares authorized; 5,662,496 shares issued in 2003, 2002 and 2001			
Beginning and end of year	$ 1,441	1,441	1,441
Common stock of $0.25 par value:			
150,000,000 shares authorized; 35,664,367, 35,919,281, and 35,919,281 shares issued in 2003, 2002 and 2001			
Beginning and end of year	9,122	9,122	9,122
Additional paid-in capital:			
Beginning of year	239,492	239,403	239,307
Issuance of common shares under leveraged employee stock ownership plan	(509)	89	96
End of year	238,983	239,492	239,403
Accumulated other comprehensive income:			
Beginning of year	(40,580)	(45,197)	(44,879)
Foreign currency translation	3,781	(25,031)	(7,253)
Fair market value of cash flow hedge	(6,318)	8,942	(1,186)
Unrealized gain (loss) on investments	(12,648)	20,706	8,121
End of year	(55,765)	(40,580)	(45,197)
Retained earnings:			
Beginning of year	606,171	666,574	721,647
Net earnings/(loss)	(24,986)	(47,440)	(42,110)
Preferred stock dividends:			
Series A ($2.13 per share for 2003, 2002 and 2001)	(12,963)	(12,963)	(12,963)
End of year	568,222	606,171	666,574
Less treasury stock:			
Beginning of year	(419,970)	(409,816)	(400,199)
Net increase	(1,408)	(10,154)	(9,617)
End of year	(421,378)	(419,970)	(409,816)
Less Unearned employee stock ownership plan shares:			
Beginning of year	(14,152)	(15,173)	(16,366)
Purchase of shares		(72)	(46)
Shares allocated to participants	975	1,093	1,239
End of year	(13,177)	(14,152)	(15,173)
Total stockholders' equity	$ 327,448	381,524	446,354

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

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CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME/(LOSS)

	Years Ended March 31,		
	2003	Restated 2002	Restated 2001
		(In thousands)	
Comprehensive income/(loss):			
Net earnings/(loss)	$(24,986)	(47,440)	(42,110)
Other comprehensive income/(loss) net of tax			
Foreign currency translation	3,781	(25,031)	(7,253)
Fair market value of cash flow hedges	(6,318)	8,942	(1,186)
Unrealized gain (loss) on investments, net	(12,648)	20,706	8,121
Total comprehensive income/(loss)	$(40,171)	(42,823)	(42,428)

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

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CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended March 31,		
	2003	Restated 2002	Restated 2001
		(In thousands)	
Cash flows from operating activities:			
Net earnings/(loss)	$ (24,986)	(47,440)	(42,110)
Depreciation and amortization	185,833	149,058	148,026
Provision for losses on accounts receivable	3,903	5,682	4,311
Net gain on sale of real and personal property	(10,515)	(3,526)	(13,302)
Loss on sale of investments	9,497	5,923	6,738
Changes in policy liabilities and accruals	(78,314)	(6,561)	62,673
Additions to deferred policy acquisition costs	(42,663)	(39,252)	(42,535)
Net change in other operating assets and liabilities	31,775	(83,515)	48,829
Net cash provided(used)by operating activities	74,530	(19,631)	172,630
Cash flows from investing activities:			
Purchases of investments:			
Property, plant and equipment	(243,161)	(381,483)	(617,274)
Fixed maturities	(278,357)	(257,559)	(122,864)
Common stock	—	(418)	(31,773)
Preferred stock	—	(2,072)	—
Other asset investment	(1,410)	(2,259)	(5,915)
Real estate	(21,759)	4,277	(26)
Mortgage loans	—	(1,351)	(22,563)
Proceeds from sales of investments:			
Property, plant and equipment	96,889	229,375	354,240
Fixed maturities	364,114	233,716	152,761
Common stock	—	—	6,194
Preferred stock	2,885	4,400	372
Real estate	22,043	3,700	—
Mortgage loans	18,173	18,690	17,224
Changes in other investments	4,481	2,897	—
Net cash (used) by investing activities	(36,102)	(148,087)	(269,624)
Cash flows from financing activities:			
Net change in short-term borrowings	21,900	(9,277)	156,070
Proceeds from notes	349,836	247,893	94,077
Debt issuance costs	(3,010)	(390)	(694)
Leveraged Employee Stock Ownership Plan:			
Purchase of shares	—	(72)	(46)
Payments on loan	975	1,093	1,239
Principal payments on notes	(442,112)	(107,181)	(143,594)
Treasury stock acquisitions, net	(1,408)	(10,154)	(9,617)
Preferred stock dividends paid	(6,480)	(12,963)	(12,963)
Investment contract deposits	165,281	150,432	86,657
Investment contract withdrawals	(98,022)	(99,845)	(72,953)
Net cash provided (used) by financing activities	(13,040)	159,536	98,176
Increase (decrease) in cash and cash equivalents	25,388	(8,182)	1,182
Cash and cash equivalents at beginning of year	41,446	49,628	48,446
Cash and cash equivalents at end of year	$ 66,834	41,446	49,628

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

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Organization

AMERCO, a Nevada corporation ("AMERCO"), is the holding company for U-Haul International, Inc. ("U-Haul"), which conducts moving and storage operations; Amerco Real Estate Company ("Real Estate"), which conducts real estate operations; Republic Western Insurance Company ("RepWest"), which conducts property and casualty insurance operations; and Oxford Life Insurance Company ("Oxford"), which conducts life insurance operations. Unless the context otherwise requires, the term "Company" refers to AMERCO and all of its legal subsidiaries. All references to a fiscal year refer to AMERCO's fiscal year ended March 31 of that year.

SAC Holding Corporation and SAC Holding II Corporation and their consolidated subsidiaries (collectively referred to as SAC Holdings) are majority owned by Mark V. Shoen. Mark V. Shoen is the beneficial owner of 16.3% of AMERCO's common stock and is an executive officer of U-Haul.

Going Concern Basis

On June 20, 2003 (the "Petition Date"), AMERCO filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code") in the United States Bankruptcy Court, District of Nevada (the "Bankruptcy Court") (Case No. 0352103). AMERCO will continue to manage its properties and operate its businesses as "debtor-in-possession" under the jurisdiction of the Bankruptcy Court and in accordance with the applicable provisions of the Bankruptcy Code. In general, as debtor-in-possession, AMERCO is authorized under Chapter 11 to continue to operate as an ongoing business, but may not engage in transactions outside the ordinary course of business without the prior approval of the Bankruptcy Court. Specific information pertaining to the bankruptcy filing may be obtained from the website www.amerco.com.

The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the continuity of the Company's operations and realization of its assets and payments of its liabilities in the ordinary course of business. The uncertainties inherent in the bankruptcy process raise substantial doubt about AMERCO's ability to continue as a going concern. AMERCO is currently operating its business as a debtor-in-possession under the jurisdiction of the bankruptcy court, and continuation of the Company as a going concern is contingent upon, among other things, the confirmation of a plan of reorganization, the Company's ability to comply with all debt covenants under the existing debtor-in-possession financing arrangement, and obtaining financing sources to meet its future obligations. If a reorganization plan is not approved, it is possible some assets of the Company may be liquidated. The consolidated financial statements do not include any adjustments to reflect future effects on the recoverability and classification of assets or the amount and classification of liabilities that might result from the outcome of these uncertainties.

The Chapter 11 filing was undertaken to facilitate a restructuring of AMERCO's debt in response to liquidity issues which developed during the second half of 2002. In February 2002, the Company's prior independent auditor advised the Company that its financial statements would have to be consolidated for reporting purposes with those of SAC Holdings. This consolidation, and the resulting lack of clarity regarding AMERCO's operating results and financial condition, contributed substantially and directly to a series of significant developments adversely impacting the Company's access to capital. The consolidation of SAC Holdings resulted in a material decrease in the Company's reported net earnings and net worth and a corresponding increase in its consolidated leverage ratios. Consolidating SAC Holdings also required a costly and time-consuming restatement of prior period results that led to the untimely filing of quarterly and annual reports with the Securities and Exchange Commission.

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As the situation was occurring, AMERCO was attempting to negotiate the replacement of its $400 million credit facility with JP Morgan Chase. On June 28, 2002, AMERCO entered into a new credit facility with JP Morgan Chase, which reduced AMERCO's line of credit to $205 million. The terms of the new JP Morgan Chase facility required that AMERCO raise $150 million through a capital markets transaction prior to October 15, 2002. Additionally AMERCO had payments for principal and related swap arrangements under AMERCO's Series 1997-C Bond Backed Asset Trust ("BBAT") maturing October 15, 2002. In response to these requirements, AMERCO undertook a $275 million bond offering. The bond offering was ultimately unsuccessful, exemplifying AMERCO's significantly reduced access to the capital markets to meet its financial needs due to, among other things, the confusion and adverse perception resulting from the SAC Holdings consolidation. On October 15, 2002, AMERCO defaulted on the repayment of the BBATs, which led to cross-defaults and an acceleration of substantially all of the other outstanding instruments in the Company's debt structure.

Since that time, AMERCO has continuously negotiated with its creditor groups to attempt to reach a consensual restructuring arrangement that would provide for the repayment of all creditors and the maintenance of AMERCO's existing equity. However, while substantial progress has been made in negotiations with certain key creditor constituencies, the complexity of AMERCO's capital structure and the diversity of interests of the creditor groups has made an equitable and consensual restructuring, outside of formal reorganization proceedings, exceedingly difficult. Accordingly, AMERCO filed its Chapter 11 proceeding to provide the structure and framework to finalize and implement a restructuring of all of its debt.

We have secured from Wells Fargo Foothill a $300 million debtor-in-possession financing facility (the "DIP Facility"), and a commitment for a $650 million bankruptcy emergence facility. These financing arrangements provide the basic foundation upon which AMERCO plans to build its reorganization plan. On August 13, 2003, Amerco Real Estate Company ("Real Estate") was filed into Chapter 11 proceedings in order to facilitate granting security to the lending group in real estate assets. Real Estate administers all of the Company's real property and owns approximately 90 percent of the Company's real estate assets.

The exit or emergence financing facility will be used to fund cash payments to AMERCO's creditors, with the balance of the creditor claims being paid through the issuance of new, restructured debt securities at market interest rates. Notwithstanding AMERCO's default on the BBATs in October 2002, and the resulting cross-defaults under AMERCO's other debt facilities, until the Petition Date AMERCO has remained current in interest payments on all of its debt obligations, in many cases at default interest rates.

In order to exit Chapter 11 successfully, AMERCO will need to propose, and obtain confirmation by the Bankruptcy Court of, a plan of reorganization that satisfies the requirements of the Bankruptcy Code. A plan of reorganization would resolve, among other things, AMERCO's pre-petition obligations and set forth the revised capital structure. The timing of filing a plan of reorganization by AMERCO will depend on the timing and outcome of numerous other ongoing matters in the Chapter 11 case. Although AMERCO expects to file a "full-value" plan of reorganization that provides creditors with a combination of cash and new debt securities equal to the full amount of their allowed claims as well as AMERCO's emergence from bankruptcy as a going concern, there can be no assurance at this time that a plan of reorganization will be confirmed by the Bankruptcy Court or that any such plan will be implemented successfully.

Under Section 362 of the Bankruptcy Code, the filing of a bankruptcy petition automatically stays most actions against a debtor, including most actions to collect pre-petition indebtedness or to exercise control over the property of the debtor's estate. Absent an order of the Bankruptcy Court, substantially all pre-petition liabilities are subject to settlement under the plan of reorganization.

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Under Section 365 of the Bankruptcy Code, AMERCO may assume, assume and assign, or reject certain executory contracts and unexpired leases, subject to the approval of the Bankruptcy Court and certain other conditions. In general, rejection of an unexpired lease or executory contract is treated as a pre-petition breach of the lease or contract in question. Subject to certain exceptions, this rejection relieves AMERCO of performing its future obligations under that lease or contract but entitles the lessor or contract counterparty to a pre-petition general unsecured claim for damages caused by the deemed breach.

Counterparties to these rejected contracts or leases may file proofs of claim against AMERCO's estate for such damages. Generally, the assumption of an executory contract or unexpired lease requires a debtor to cure most existing defaults under such executory contract or unexpired lease.

The United States Trustee for the District of Nevada (the "U.S. Trustee") has appointed an official committee of unsecured creditors (the "Creditors' Committee") and an Equity Committee. The Creditors' Committee and Equity Committee and their respective legal representatives have a right to be heard on certain matters that come before the Bankruptcy Court. There can be no assurance that the Creditors' Committee and Equity Committee will support AMERCO's positions or AMERCO's ultimate plan of reorganization, once proposed, and disagreements between AMERCO and the Creditors' Committee and Equity Committee could protract the Chapter 11 case, could negatively impact AMERCO's ability to operate during the Chapter 11 case, and could prevent AMERCO's emergence from Chapter 11. At this time, it is not possible to predict accurately the effect of the Chapter 11 reorganization process on the Company's business or when AMERCO may emerge from Chapter 11. The Company's future results depend on the timely and successful confirmation and implementation of a plan of reorganization. The rights and claims of various creditors and security holders will be determined by the plan as well. Although AMERCO expects to file and consummate a "full value" plan of reorganization that provides creditors with a combination of cash and new debt securities equal to the full amount of their allowed claims and also preserves the value of AMERCO's common and preferred stock, no assurance can be given as to what values, if any, will be ascribed in the bankruptcy proceedings to each of these constituencies. Accordingly, the Company urges that appropriate caution be exercised with respect to existing and future investments in any of such securities and claims.

Reclassifications

Certain reclassifications have been made to the 2002 and 2001 financial statements to conform to the 2003 presentation.

Principles of Consolidation

The consolidated financial statements include the accounts of AMERCO and its wholly-owned subsidiaries and SAC Holdings and their subsidiaries. All material intercompany accounts and transactions have been eliminated in consolidation. Except for minority investments made by RepWest and Oxford in a SAC Holdings-controlled limited partnership, which holds Canadian self-storage properties, the Company has not had any equity ownership interest in SAC Holdings.

RepWest, which consists of Republic Western Insurance Company and its wholly-owned subsidiary North American Fire & Casualty Insurance Company ("NAFCIC"), and Oxford, which consists of Oxford Life Insurance company and its wholly-owned subsidiaries North American Insurance Company ("NAI") and Christian Fidelity Life Insurance Company ("CFLIC"), have been consolidated on the basis of calendar years ended December 31. Accordingly, all references to the years 2002, 2001 and 2000 correspond to AMERCO's fiscal years 2003, 2002, and 2001, respectively.

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The operating results and financial position of AMERCO's consolidated insurance operations are determined as of December 31 of each year. There were no effects related to intervening events between January 1 and March 31 of 2003, 2002, or 2001 that would materially affect the consolidated financial position or results of operations for the financial statements presented herein.

See Note 22 for additional information regarding the insurance subsidiaries and for financial information regarding the industry segments.

Description of Operating Segment

U-Haul moving and self-storage operations consist of the rental of trucks and trailers, sales of moving supplies, sales of trailer hitches, sales of propane, and the rental of self-storage spaces to the do-it-yourself mover. Operations are conducted under the registered tradename U-Haul® throughout the United States and Canada.

SAC moving and self-storage operations consist of the rental of self-storage spaces, sales of moving supplies, sales of trailer hitches, and sales of propane. In addition, SAC functions as an independent dealer and earns commissions from the rental of U-Haul trucks and trailers. Operations are conducted under the registered tradename U-Haul® throughout the United States and Canada.

Real Estate owns approximately 90% of the Company's real estate assets, including U-Haul Center and Storage locations. The remainder of the real estate assets are owned by various U-Haul entities. Real Estate is responsible for overseeing property acquisitions, dispositions and managing environmental risks of the properties.

RepWest originates and reinsures property and casualty insurance products for various market participants, including independent third parties, U-Haul's customers, and the Company.

Oxford originates and reinsures annuities, credit life and disability, life insurance, and supplemental health products. Oxford also administers the self-insured employee health and dental plans for the Company.

Foreign Currency

The consolidated financial statements include the accounts of U-Haul Co. (Canada) Ltd., a subsidiary of U-Haul. The assets and liabilities, denominated in foreign currency, are translated into U.S. dollars at the exchange rate as of the balance sheet date. Revenue and expense amounts are translated at average monthly exchange rates. The related translation gains or losses are included in the Consolidated Statements of Changes in Stockholders' Equity and Consolidated Statements of Comprehensive Income/(Loss).

Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company and SAC Holdings consider liquid investments with an original maturity of three months or less to be cash equivalents.

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Revenue Recognition Policies

Rental revenue is recognized over the period trucks and equipment are rented. Sales are recognized at the time title passes and the customer accepts delivery. Premium revenues are recognized over the policy periods. Interest and investment income are recognized as earned.

Receivables

Accounts receivable include trade accounts from customers and dealers. RepWest and Oxford receivables include premiums and agents' balances due, net of commissions payable and amounts due from ceding reinsurers. Accounts receivable are reduced by amounts considered by management to be uncollectible based on historical collection loss experience and a review of the current status of existing receivables.

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

Inventories

Inventories are valued at the lower of cost or market. Cost is primarily determined using the LIFO (last-in, first-out) method.

Investments

Fixed maturities consist of bonds and redeemable preferred stocks. Fair values for investments are based on quoted market prices, dealer quotes or discounted cash flows. Fixed maturities are classified as follows:

- Held-to-maturity — recorded at cost adjusted for the amortization of premiums or accretion of discounts.

- Available-for-sale — recorded at fair value with unrealized gains or losses reported on a net basis in the Consolidated Statements of Changes in Stockholders' Equity unless such changes are deemed to be other than temporary. Gains and losses on the sale of these securities are reported as a component of revenues using the specific identification method.

Mortgage loans & notes on real estate — at unpaid balances, net of allowance for possible losses and any unamortized premium or discount.

Real estate — at cost less accumulated depreciation.

Policy loans — at their unpaid balance.

Investment income is recognized as follows:

- Interest on bonds and mortgage loans & notes — recognized when earned.

- Dividends on common and redeemable preferred stocks — recognized on ex-dividend dates.

- Realized gains and losses on the sale of investments — recognized at the trade date and included in revenues using the specific identification method.

- Short-term investments consist of other securities scheduled to mature within one year of their acquisition date. See Note 5 of Notes to Consolidated Financial Statements.

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Deferred Policy Acquisition Costs

Commissions and other costs, which vary with and are primarily related to the production of new business have been deferred.

For Oxford, costs are amortized in relation to revenue such that costs are realized as a constant percentage of revenue.

For RepWest, costs are amortized over the related contract period which generally do not exceed one year.

Property, Plant and Equipment

Property, plant and equipment are carried at cost and are depreciated on the straight-line and accelerated methods over the estimated useful lives of the assets. Building and non-rental equipment have estimated lives ranging from three to fifty-five years, while rental equipment have estimated lives ranging from two to twenty years. Maintenance is charged to operating expenses as incurred, while renewals and betterments are capitalized. Major overhaul costs are amortized over the estimated period benefited. Gains and losses on dispositions are netted against depreciation expense when realized. Interest costs incurred as part of the initial construction of assets are capitalized. Interest of $732 thousand, $2.0 million and $2.5 million was capitalized during fiscal years 2003, 2002 and 2001, respectively.

During fiscal year 2002, based on an in-depth market analysis, U-Haul decreased the estimated salvage value and increased the useful lives of certain rental trucks. The effect of the change reduced net losses for fiscal year 2002 by $3.1 million ($0.15 per share) net of taxes. The in-house analysis of sales of trucks was completed for the fiscal years ending March 31, 1996 through March 31, 2001. The study compared the truck model, size, age and average residual value of units sold for each fiscal year indicated. The analysis revealed that average residual values (as computed) when compared to sales prices were not reflective of the values that the Company was receiving upon disposition. Based on the analysis, the estimated residual values were decreased to approximately 25% of historic cost. In addition, this analysis revealed that our estimates of useful lives were not reflective of the economic lives of our trucks, which ultimately were being utilized by the Company for longer periods of time. Thus the useful lives for certain of our trucks were increased by approximately 3 years. The adjustment reflects management’s best estimate, based on information available, of the estimated salvage value and useful lives of these rental trucks.

The Company reviews property, plant and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be fully recoverable through expected undiscounted future operating cash flows.

The carrying value of the Company’s real estate that is no longer necessary for use in its current operations, and available for sale/lease, at March 31, 2003 and 2002, was approximately $13.0 million and $18.4 million respectively. Such properties available for sale are carried at cost, less accumulated depreciation, which is less than fair market value and is included in investments, other.

Environmental Costs

Liabilities for future remediation costs are recorded when environmental assessments and remedial efforts, if applicable, are probable and the costs can be reasonably estimated. The liability is based on the Company’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 depreciated over the

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estimated useful lives of the properties. The capitalized costs improve the safety or efficiency of the property as compared to when the property was originally acquired or are incurred in preparing the property for sale.

Financial Instruments

Historically AMERCO has entered into interest rate swap agreements to reduce its floating interest rate exposure and does not use the agreements for trading purposes. Although the counterparties to the agreements expose AMERCO to credit loss for the interest rate differential in the event of nonperformance, it does not anticipate nonperformance by the counterparties.

For the years ended March 31, 2003, 2002 and 2001, AMERCO recognized $0 thousand, $16 thousand and $16 thousand as interest income, respectively, representing the ineffectiveness of the cash flow hedging activity.

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

Fair Value Summary of Note and Mortgage Receivables

Note and mortgage receivables are carried at $14.1 million and $14.6 million in 2003 and 2002, fair value of these receivables approximates carrying value.

Other financial instruments that are subject to fair value disclosure requirements are carried in the financial statements at amounts that approximate fair value, unless elsewhere disclosed. See below, as well as Notes 5 and 6 of Notes to Consolidated Financial Statements.

The Company’s financial instruments that are exposed to concentrations of credit risk consist primarily of temporary cash investments, trade receivables and notes receivable. The Company places its temporary cash investments with financial institutions and limits the amount of credit exposure to any one financial institution. Concentrations of credit risk with respect to trade receivables are limited due to the large number of customers and their dispersion across many different industries and geographic areas.

Policy Benefits and Losses, Claims and Loss Expenses Payable

Liabilities for policy benefits payable on traditional life and certain annuity policies are established in amounts adequate to meet estimated future obligations on policies in force. These liabilities are computed using mortality and withdrawal assumptions, which are based upon recognized actuarial tables and contain margins for adverse deviation. At December 31, 2002, interest assumptions used to compute policy benefits payable range from 2.5% to 9.25%.

The liability for annuity contracts, which are accounted for as investment contract deposits, consists of contract account balances that accrue to the benefit of the policyholders, excluding surrender charges. Carrying value of investment contract deposits were $640.0 million and $572.8 million at December 31, 2002 and 2001, respectively.

Liabilities for health and disability and other policy claims and benefits payable represent estimates of payments to be made on insurance claims for reported losses and estimates of losses incurred but not yet reported. These estimates are based on past claims experience and consider current claim trends.

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RepWest's liability for reported and unreported losses is based on RepWest's historical and 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 reinsurers on unpaid losses are estimated in a manner consistent with the claim liability associated with the reinsured policy. Adjustments to the liability for unpaid losses and loss expenses as well as amounts recoverable from reinsurers on unpaid losses are charged or credited to expense in periods in which they are made.

Income Taxes

AMERCO files a consolidated federal income tax return with its subsidiaries, except for NAI and CFLIC, which file on a stand alone basis. SAC Holdings files a consolidated return with its subsidiaries. SAC Holdings II files a consolidated return with its subsidiaries. For tax purposes AMERCO and SAC returns are not consolidated with one another. 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 in accordance with SFAS No. 109.

Advertising Costs

The Company expenses advertising costs as incurred. Advertising expense of $39.9 million, $37.8 million and $37.9 million was charged to operations for fiscal years 2003, 2002 and 2001, respectively.

New Accounting Standards

Statement of Financial Accounting Standards No. 143, Accounting for Asset Retirement Obligations, requires recognition of the fair value of liabilities associated with the retirement of long-lived assets when a legal obligation to incur such costs arises as a result of the acquisition, construction, development and/or the normal operation of a long-lived asset. Upon recognition of the liability, a corresponding asset is recorded at present value and accreted over the life of the asset and depreciated over the remaining life of the long-lived asset. SFAS 143 defines a legal obligation as one that a party is required to settle as a result of an existing or enacted law, statute, ordinance, or written or oral contract or by legal construction of a contract under the doctrine of promissory estoppel. SFAS 143 is effective for fiscal years beginning after June 15, 2002. We have adopted this statement effective April 1, 2003 and we do not expect it to have a material effect on the Company's financial position, results of operation or cash flows.

In October 2001, the FASB issued SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets. SFAS 144 requires that long-lived assets be measured at the lower of carrying amount or fair value less cost to sell, whether reported in continuing operations or in discontinued operations. Therefore, discontinued operations will no longer be measured at net realizable value or include amounts for operating losses that have not yet occurred. SFAS 144 is effective for financial statements issued for fiscal years beginning after December 15, 2001 and, generally, are to be applied prospectively. We have adopted this statement effective April 1, 2002 and it did not affect our consolidated financial position or results of operations.

In April 2002, the FASB issued SFAS No. 145, Rescission of No. 4, (Reporting Gains and Losses from Extinguishment of Debt), No. 44 (Accounting for Intangible Assets of Motor Carriers), No. 64, (Extinguishments of Debt Made to Satisfy Sinking-Fund Requirements), Amendment of FASB Statement No. 13 (Accounting for Leases) and Technical Corrections. This statement eliminates the current requirement that gains and losses on debt extinguishment must be classified as extraordinary items in the income statement. Instead, such gains and losses will be classified as extraordinary items only if they are deemed to be unusual and infrequent, in accordance with the current GAAP criteria for extraordinary classification. In addition,

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SFAS 145 eliminates an inconsistency in lease accounting by requiring that modification of capital leases that result in reclassification as operating leases be accounted for consistent with sale-leaseback accounting rules. The statement also contains other nonsubstantive corrections to authoritative accounting literature. The changes related to debt extinguishment will be effective for fiscal years beginning after May 15, 2002, and the changes related to lease accounting will be effective for transactions occurring after May 15, 2002. We have to reclassify debt extinguishments expense net of taxes, previously reported as extraordinary to interest expense. The effect was to increase interest expense by $3.3 million and $0.5 million and the benefit for income taxes by $1.2 million and $0.2 million for the fiscal years 2001 and 2000 respectively.

In April 2003, the FASB issued SFAS No. 149, “Amendment of Statement 133 on Derivative Instruments and Hedging Activities.” This Statement amends and clarifies the accounting for derivative instruments, including certain derivative instruments embedded in other contracts and for hedging activities under SFAS No. 133. In particular, SFAS No. 149 (1) clarifies under what circumstances a contract with an initial net investment meets the characteristic of a derivative as discussed in SFAS No. 133, (2) clarifies when a derivative contains a financing component, (3) amends the definition of an underlying derivative to conform it to the language used in FASB Interpretation No. 45, Guarantor Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others, and (4) amends certain other existing pronouncements. SFAS No. 149 is generally effective for contracts entered into or modified after June 30, 2003. The Company does not believe the adoption of SFAS No. 149 will have a material impact on the Company’s financial position, results of operations or cash flows.

In May 2003, the FASB issued SFAS No. 150, “Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity.” This Statement establishes standards for classifying and measuring as liabilities certain financial instruments that embody obligations of the issuer and have characteristics of both liabilities and equity. SFAS No. 150 is effective at the beginning of the first interim period beginning after June 15, 2003; including all financial instruments created or modified after May 31, 2003. SFAS No. 150 currently has no impact on the Company.

In June 2002, the FASB issued Statement of Financial Accounting Standards No. 146, (SFAS 146) Accounting for Costs Associated with Exit or Disposal Activities, which addresses accounting for restructuring and similar costs. SFAS 146 supersedes previous accounting guidance, principally Emerging Issues Task Force (EITF) Issue No. 94-3. SFAS 146 requires that the liability for costs associated with an exit or disposal activity be recognized when the liability is incurred. Under EITF No. 94-3, a liability for an exit cost was recognized at the date of a company’s commitment to an exit plan. SFAS 146 also establishes that the liability should initially be measured and recorded at fair value. Accordingly, SFAS 146 may affect the timing of recognizing future restructuring costs as well as the amount recognized. The provisions of this Statement are effective for exit or disposal activities that are initiated after December 31, 2002. We have adopted this statement effective January 1, 2003, and it did not effect our consolidated financial position or results of operations.

In November 2002, the FASB issued FASB Interpretation No. 45, Guarantor’s Accounting for Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others, an interpretation of FASB Statements No. 5, 57, and 107 and rescission of FASB Interpretation No. 34, Disclosure of Indirect Guarantees of Indebtedness of Others (“FIN 45”). FIN 45 clarifies the requirements for a guarantor’s accounting for and disclosure of certain guarantees issued and outstanding. It also requires a guarantor to recognize, at the inception of a guarantee, a liability for the fair value of the obligation undertaken in issuing the guarantee. This Interpretation also incorporates without reconsideration the guidance in FASB Interpretation No. 34, which is being superseded. The Company entered into a support party agreement for

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$70 million of indebtedness of an affiliate. Under the terms of FIN 45, the Company recognized a liability in the amount of $70 million, which management estimated to be the fair value of the guarantee.

In December 2002, the FASB issued Statement of Financial Accounting Standards No. 148, "Accounting for Stock-Based Compensation — Transition and Disclosure" ("FAS 148"), which amends Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" ("FAS 123"). FAS 148 provides alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, FAS 148 amends the disclosure requirement of FAS 123 to require more prominent and more frequent disclosures in financial statements of the effects of stock-based compensation. The transition guidance and annual disclosure provisions of FAS 148 are effective for fiscal years ending after December 15, 2002. The interim disclosure provisions are effective for financial reports containing condensed financial statements for interim periods beginning after December 15, 2002. The Company does not have any stock based compensation plans and the adoption of FAS 148 is not expected to have a material impact on the Company's consolidated balance sheet or results of operations.

In January 2003, the FASB issued FASB Interpretation No. 46, Consolidation of Variable Interest Entities, an interpretation of Accounting Research Bulletins ("ARB") No. 51, Consolidated Financial Statements ("FIN 46"). FIN 46 applies immediately to variable interest entities created after January 31, 2003, and in the first interim period beginning after June 15, 2003 for variable interest entities created prior to January 31, 2003. The interpretation explains how to identify variable interest entities and how an enterprise assesses its interests in a variable interest entity to decide whether to consolidate that entity. The interpretation requires existing unconsolidated variable interest entities to be consolidated by their primary beneficiaries if the entities do not effectively disperse risks among parties involved. Variable interest entities that effectively disperse risks will not be consolidated unless a single party holds an interest or combination of interests that effectively recombines risks that were previously dispersed. The Company has determined that Private Mini is a Variable Interest Entity and will need to be consolidated beginning in July 2003. The impact of this on the consolidated financial statements is to increase assets by approximately $320.0 million and increase debt by approximately $308.0 million. AMERCO also determined that SAC qualifies as a Variable Interest Entity and will continue to be consolidated.

Earnings Per Share

Basic earnings per common share are computed based on the weighted average number of shares outstanding for the year and quarterly periods, excluding shares of the employee stock ownership plan that have not been committed to be released. Preferred dividends include undeclared (i.e. contractual) or unpaid dividends of AMERCO. Net income is reduced for preferred dividends for the purpose of the calculation. For the purpose of calculating earnings per share, the Company aggregates both the Series A Common and the Common Stock.

Comprehensive Income/(Loss)

Comprehensive income/(loss) consists of net income, foreign currency translation adjustment, unrealized gains and losses on investments and fair market value of cash flow hedges, net of the related tax effects.

2. Restatements and Reclassifications

The Company has identified various adjustments to its previously issued consolidated financial statements. The following table highlights the effects of the restatement adjustments on the previously reported

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consolidated statement of operations for fiscal 2002 and 2001, and 2001 beginning retained earnings. All notes and schedules have been restated as appropriate.

	Net Income/(Loss) Fiscal 2002	Net Income/(Loss) Fiscal 2001	April 1, 2000 Retained Earnings
		(In thousands)	
As previously reported	$ 2,721	1,012	738,805
Adjustments to net income/(loss):			
Insurance reserves(a)	(55,570)	(56,255)	(13,320)
Investments in Private Mini(b)	(9,729)	(8,392)	(8,132)
Capitalized G&A costs(c)	(900)	—	(31,749)
Accrued property taxes(d)	—	—	(3,600)
Fixed assets(e)	3,846	(4,829)	—
Cash surrender value(f)	(3,943)	636	3,307
Impairment of real estate investments(g)	(2,366)	—	—
Other(h)	(860)	800	(5,156)
Pretax adjustments	(69,522)	(68,040)	(58,650)
Income tax benefit(i)	19,361	24,918	41,492
As restated:	$(47,440)	(42,110)	721,647

2002 net income, 2001 net income, and beginning retained earnings were adjusted by $50.2 million, $43.1 million, and $17.2 million, respectively, after tax as a result of the following restatement adjustments:

(a) To accrue for fully-developed actuarial estimates of the Company’s insurance reserves.

(b) To recognize equity-method losses relating to the Company’s investments in Private Mini Storage Realty, L.P.

(c) To write-down unamortized capitalized G&A costs.

(d) To adjust property tax under-accruals.

(e) To correct net depreciation expense and gains and losses on the disposition of fixed assets.

(f) To record changes in the cash surrender value of life insurance in the proper periods.

(g) To record impairment of real estate in the proper period.

(h) Other miscellaneous adjustments.

(i) To record the income tax effects of the restatement adjustments.

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3. Trade Receivables, Notes and Mortgage Receivables, Net

A summary of trade receivables follows:

	March 31,	
	2003	2002
	(In thousands)	
Trade accounts receivable	$ 14,082	24,778
Premiums and agents' balances	40,401	54,630
Reinsurance recoverable	165,464	155,176
Accrued investment income	10,405	11,827
Independent dealer receivable	1,349	1,718
Other receivables	34,319	29,369
	266,020	277,498
Less allowance for doubtful accounts	(2,283)	(2,628)
	$263,737	274,870

A small portion of the independent dealer receivables set forth in the table above originates from transactions with related parties. See also Note 19.

A summary of notes and mortgage receivables follows:

	March 31,	
	2003	2002
	(In thousands)	
Notes, mortgage receivables and other, net of discount	$2,938	7,349
Less allowance for doubtful accounts	(70)	(70)
	$2,868	7,279

4. Inventories, Net

A summary of inventory components follows:

	March 31,	
	2003	2002
	(In thousands)	
Truck and trailer parts and accessories	$33,256	43,075
Hitches and towing components	10,389	12,033
Moving supplies and promotional items	9,625	10,668
	$53,270	65,776

Inventories are stated net of reserve for obsolescence of $4.9 million and $2.7 million at March 31, 2003 and 2002, respectively.

LIFO inventories, which represent approximately 99% and 96% of total inventories at March 31, 2003 and 2002, respectively, would have been $4.9 million greater at March 31, 2003 and 2002, if the consolidated group had used the FIFO (first-in, first-out) method.

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5. Investments, Fixed Maturities & Other

A comparison of amortized cost to estimated market value for fixed maturities is as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
		(In thousands)		
DECEMBER 31, 2002				
CONSOLIDATED HELD-TO-MATURITY				
U.S. treasury securities and government obligations	$ 500	170	—	670
U.S. government agency mortgage-backed securities				
Corporate securities				
Mortgage-backed securities	15,683	583	—	16,266
Redeemable preferred stocks				
	16,183	753	—	16,936
DECEMBER 31, 2002				
CONSOLIDATED AVAILABLE-FOR-SALE				
U.S. treasury securities and government obligations	$ 31,697	3,405	(49)	35,053
U.S. government agency mortgage-backed securities	10,182	201	(13)	10,370
Obligations of states and political subdivisions	3,974	232		4,206
Corporate securities	574,334	25,996	(25,392)	574,938
Mortgage-backed securities	95,893	2,206	(4,316)	93,783
Redeemable preferred stocks	126,301	1,558	(2,962)	124,897
Redeemable common stocks	1,101	304	(235)	1,170
	843,482	33,902	(32,967)	844,417
Total	$859,665	34,655	(32,967)	861,353
DECEMBER 31, 2001				
CONSOLIDATED HELD-TO-MATURITY				
U.S. treasury securities and government obligations	$ 3,289	219	—	3,508
U.S. government agency mortgage-backed securities	15,155	554	(35)	15,674
Corporate securities	42,625	1,219	(97)	43,747
Mortgage-backed securities	20,648	705	(1)	21,352
Redeemable preferred stocks	112,350	502	(2,122)	110,730
	194,067	3,199	(2,255)	195,011

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	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
		(In thousands)		
DECEMBER 31, 2001				
CONSOLIDATED AVAILABLE-FOR-SALE				
U.S. treasury securities and government obligations	$ 40,656	2,223	(128)	42,751
U.S. government agency mortgage-backed securities	20,001	843	(3)	20,841
Obligations of states and political subdivisions	10,035	344	(2)	10,377
Corporate securities	651,125	24,635	(14,792)	660,968
Mortgage-backed securities	26,520	2,128	(865)	27,783
Redeemable preferred stocks	29,976	314	(422)	29,868
Redeemable common stocks	2,434	—	(692)	1,742
	780,747	30,487	(16,904)	794,330
Total	$974,814	33,686	(19,159)	989,341

Fixed maturities estimated market values are based on publicly quoted market prices at the close of trading on December 31, 2002 or December 31, 2001, as appropriate.

The amortized cost and estimated market value of debt securities by contractual maturity are shown below. Expected maturities will differ from contractual maturities as borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	December 31, 2002		December 31, 2001	
	Amortized Cost	Estimated Market Value	Amortized Cost	Estimated Market Value
		(In thousands)		
CONSOLIDATED HELD-TO-MATURITY				
Due in one year or less	$ 19	20	20,652	21,154
Due after one year through five years	204	252	19,457	20,159
Due after five years through ten years	205	287	1,358	1,461
After ten years	72	111	4,447	4,481
	500	670	45,914	47,255
Mortgage-backed securities	15,683	16,266	35,803	37,026
Redeemable preferred stock	—	—	112,350	110,730
	$ 16,183	16,936	194,067	195,011
CONSOLIDATED AVAILABLE-FOR-SALE				
Due in one year or less	$ 53,240	53,985	52,290	53,309
Due after one year through five years	210,765	215,996	259,659	266,002
Due after five years through ten years	181,425	176,645	251,413	254,002
After ten years	164,575	167,571	138,454	140,783
	610,005	614,197	701,816	714,096

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	December 31, 2002		December 31, 2001	
	Amortized Cost	Estimated Market Value	Amortized Cost	Estimated Market Value
	(In thousands)			
Mortgage-backed securities	106,075	104,153	46,521	48,624
Redeemable preferred stock	126,301	124,897	29,976	29,868
Redeemable common stock	1,101	1,170	2,434	1,742
	843,482	844,417	780,747	794,330
Total	$859,665	861,353	974,814	989,341

Proceeds from sales of investments in debt securities for the years ended December 31, 2002, 2001 and 2000 were $248.0 million, $175.9 million and $52.8 million respectively. Gross gains of $6.0 million, $3.8 million and $733 thousand and gross losses of $2.4 million, $256 thousand and $646 thousand were realized on those sales for the years ended December 31, 2002, 2001 and 2000, respectively. The Company realized a write-down of investments due to other than temporary declines approximating $9.8 million, $6.7 million, and $6.5 million for the years ended December 31, 2002, 2001 and 2000, respectively.

At December 31, 2002 and 2001 fixed maturities include bonds with an amortized cost of $11.7 million and $18.5 million respectively, on deposit with insurance regulatory authorities to meet statutory requirements.

Investments, other consists of the following:

	March 31,	
	2003	2002
	(In thousands)	
Short-term investments	$111,377	65,934
Mortgage loans	67,513	85,455
Real estate	75,014	74,829
Policy loans	5,784	6,205
Receivable from Private Mini	125,000	—
Other	4,564	8,489
	$389,252	240,912

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A summary of net investment and interest income follows:

	Year Ended March 31,		
	2003	2002	2001
		(In thousands)	
Fixed maturities	$ 60,855	67,945	57,379
Real estate	2,438	(1,518)	12
Policy loans	368	1,092	250
Mortgage loans	8,007	8,796	7,262
Short-term, amounts held by ceding reinsurers, net and other investments	(2,176)	(1,575)	4,199
Investment income	69,492	74,740	69,102
Less investment expenses	(32,388)	(30,914)	(21,973)
Net investment income	37,104	43,826	47,129
Interest income	4,464	3,517	5,168
Net investment and interest income	$ 41,568	47,343	52,297

Short-term investments consist primarily of fixed maturities of three months to one year from acquisition date. Mortgage loans, representing first lien mortgages held by the insurance subsidiaries, are carried at unpaid balances, less allowance for possible losses and any unamortized premium or discount. Equity investments and real estate obtained through foreclosures and held for sale are carried at the lower of cost or fair value. Policy loans are carried at their unpaid balance. Investment expenses include costs incurred in the management of the investment portfolio and interest credited on annuity policies.

At December 31, 2002 and 2001, mortgage loans held as investments with a carrying value of $68.0 million, and $85.5 million, respectively, were outstanding. The estimated fair value of the mortgage loans at December 31, 2002 and 2001 aggregated $68.0 million and $86.4 million, respectively. The estimated fair values were determined using the discounted cash flow method, using interest rates currently offered for similar loans to borrowers with similar credit ratings. Investments in mortgage loans, included as a component of investments, are reported net of allowance for possible losses of $527 thousand and $323 thousand in 2002 and 2001, respectively.

In February 1997, AMERCO, through its insurance subsidiaries, invested in the equity of Private Mini Storage Realty, L.P. (Private Mini), a Texas-based self-storage operator. RepWest invested $13.5 million and has a direct 30.6% interest and an indirect 13.2% interest. Oxford invested $11 million and has a direct 24.9% interest and an indirect 10.8% interest. U-Haul is a 50% owner of Storage Realty L.L.C., which serves as the general partner and has a direct 1% interest in Private Mini. AMERCO does not maintain operating control of Private Mini and the minority holders have substantial participation rights. During 1997, Private Mini secured a line of credit in the amount of $225.0 million with a financing institution, which was subsequently reduced in accordance with its terms to $125.0 million in December 2001. Under the terms of this credit facility, AMERCO entered into a support party agreement with Private Mini whereby upon default or noncompliance with debt covenants by Private Mini, AMERCO assumes responsibility in fulfilling all obligations related to this credit facility.

At March 31, 2003 AMERCO had become contingently liable for the $55.0 million under the terms of the support agreement. This resulted in increasing other liabilities by $55.0 million and our investment in a receivable from Private Mini by $55.0 million. Under the terms of FIN 45, the Company recognized a liability

in the amount of $70.0 million, which is management's estimate on the liability associated with the guarantee. This resulted in increasing other liabilities by $70.0 million and our investment in Private Mini by $70.0 million.

On June 30, 2003, RepWest and Oxford exchanged their respective interests in Private Mini for certain real property owned by certain SAC Holding's entities. The exchanges were non-monetary and were recorded on the basis of the book values of the assets exchanged. Private Mini has been determined to be a variable interest entity as defined by FIN 46. Since the entity was created before January 31, 2003, it will be consolidated effective July 1, 2003. By virtue of the non-monetary exchange of assets discussed above, SAC Holdings became the primary beneficiary of the Private Mini variable interests. SAC Holdings will initially measure the assets and liabilities at their carrying amounts, which is the amounts at which they would have been recorded in the consolidated financial statements if FIN 46 had been effective at the inception of Private Mini. Accordingly, on July 1, 2003 SAC Holding's assets will increase by approximately $320.0 million, liabilities will increase by approximately $308.0 million, and shareholders' equity will increase by approximately $12.0 million. The consolidation of this VIE will not have a material effect on results of operations. For the year ended December 31, 2002 Private Mini had revenue of approximately $39.0 million and a net loss of $4.0 million.

6. Notes and Loans Payable

At March 31, 2003 the Company was in default under substantially all of its borrowings due to the cross default provisions in the agreements. As a result of this default, all amounts in the following charts are currently due and payable other than borrowings against the cash surrender values of life insurance policies.

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AMERCO's notes and loans payable consist of the following:

	March 31,	
	2003	2002
	(In thousands)	
Short-term borrowings, 2.85% interest rate	$ —	12,500
Notes payable to banks under revolving lines of credit, unsecured, 7.00% interest rates	205,000	283,000
Notes payable to insurance companies, 9.0% to 11.0%	100,000	—
Medium-term notes payable, unsecured, 7.23% to 8.08% interest rates, due through 2027	109,500	109,500
Notes payable under Bond Backed Asset Trust, unsecured, 7.14% interest rate, due through 2002	100,000	100,000
Notes payable to public, unsecured, 7.85% interest rate, due through 2003	175,000	175,000
Senior Note, unsecured, 7.20% interest rate, due through 2002	—	150,000
Senior Note, unsecured, 8.80% interest rate, due through 2005	200,000	200,000
BBAT option termination	26,550	—
Loan against cash surrender value of insurance policy	18,229	—
Fair market value SWAP	—	775
Debt related to SWAP termination	5,590	—
Other notes payable, secured and unsecured, 7.00% to 11.25% interest rate, due through 2005	194	234
	940,063	1,031,009
Financed lease obligations	14,793	14,792
	$954,856	1,045,801

Other notes payable are secured by land and buildings at various locations with a net carrying value of $6.0 million and $5.5 million at March 31, 2003 and 2002, respectively.

At March 31, 2003, AMERCO had a revolving credit loan (long-term) available from participating banks under an agreement, which provided for a credit line of $205 million through June 30, 2005. Depending on the form of borrowing elected, interest will be based on the London Interbank Offering Rate (LIBOR), prime rate, the federal funds effective rate, or rates determined by a competitive bid. LIBOR loans include a spread based upon the senior debt rates of AMERCO. Facility fees paid are based upon the amount of credit line. As of March 31, 2003, loans outstanding under the revolving credit line totaled $205 million.

At March 31, 2003, AMERCO had short-term borrowings, from its total uncommitted lines of credit of $59.7 million.

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	Revolving Credit Activity Year Ended			Short-Term Borrowing Year Ended		
	2003	2002	2001	2003	2002	2001
	(In thousands, except interest rates)					
Weighted average interest rate during the year	4.6%	3.53%	6.36%	N/A	3.59%	6.67%
Interest rate at year end	7.0%	2.44%	5.68%	N/A	2.63%	5.96%
Maximum amount outstanding during the year	$400,000	283,000	258,000	N/A	33,553	41,500
Average amount outstanding during the year	$248,847	224,667	86,000	N/A	23,531	18,458
Facility fees	$ 1,537	507	507	N/A	N/A	N/A

AMERCO has entered into interest rate swap agreements (SWAPS) to potentially mitigate the impact of changes in interest rates on its floating rate debt. These agreements effectively change AMERCO's interest rate exposure on $45.0 million of floating rate notes to a weighted average fixed rate of 8.63%. The SWAPS mature at the time the related notes mature. Incremental interest expense associated with SWAP activity was $1.5 million, $2.4 million and $1.0 million during 2003, 2002 and 2001, respectively.

As of March 31, 2003, the Company no longer has interest rate swap agreements. All interest rate swap agreements at March 31, 2002 expired during the year ended March 31, 2003, except for two (2), which were converted to debt in the amount of $5.6 million.

During fiscal year 2002, AMERCO paid down $102.5 million of 7.44% to 7.52% Medium Term Notes.

During fiscal year 2001, AMERCO extinguished $100.0 million of BBATs with interest of 6.89% originally due in fiscal year 2011, and $25.0 million of 6.71% Medium-Term notes originally due in fiscal year 2009. This resulted in an extraordinary loss of $2.1 million, net of tax of $1.2 million ($0.10 per share).

Certain of AMERCO's credit agreements contain restrictive financial and other covenants, including, among others, covenants with respect to incurring additional indebtedness, maintaining certain financial ratios and placing certain additional liens on its properties and assets.

Interest paid in cash amounted to $76.6 million, $77.9 million and $92.6 million for fiscal years 2003, 2002 and 2001, respectively.

SAC Holdings' notes and loans payable, non-recourse to AMERCO consist of the following:

	March 31,	
	2003	2002
	(In thousands)	
Notes payable, secured, bearing interest rates ranging from 7.50% to 8.82%, due between 2004 and 2032	$590,813	563,922
Less discounts on notes payable	$ (1,794)	(2,035)
	$589,019	561,887

Secured notes payable are secured by deeds of trusts on the collateralized land and buildings. Principal and interest payments on notes payable to third-party lenders are due monthly. Certain notes payable contain provisions whereby the loans may not be prepaid at any time prior to the maturity date without payment to the lender of a Yield Maintenance Premium, as defined in the loan agreements. The loans on a portfolio of sixteen properties are cross-collateralized and cross-defaulted.

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The annual maturities of long-term debt for the next five years adjusted for subsequent activity are presented in the table below:

	Year Ended					
	2004	2005	2006	2007	2008	Thereafter
	(In thousands)					
Notes payable, secured	79,971	88,236	8,212	8,918	10,323	393,359

Interest paid in cash amounted to $20.1 million, $33.8 million and $23.7 million for fiscal years 2003, 2002 and 2001, respectively.

7. Stockholders' Equity

AMERCO has authorized capital stock consisting of 150,000,000 shares of common stock, 150,000,000 shares of Serial common stock and 50,000,000 shares of Serial preferred stock. The Board of Directors may authorize the Serial common stock to be issued in such series and on such terms as the Board shall determine. Serial preferred stock issuance may be with or without par value.

AMERCO has issued 6,100,000 shares of 8 1/2% cumulative, no par, non-voting Series A preferred stock ("Series A"). The Series A is not convertible into, or exchangeable for, shares of any other class or classes of stock of AMERCO. Dividends are payable quarterly in arrears and have priority as to dividends over AMERCO's common stock. On or after December 1, 2000, AMERCO, at its option, may redeem all or part of the Series A, for cash at $25.00 per share plus accrued and unpaid dividends to the redemption date. Due to the Chapter 11 filing, AMERCO does not expect to make any dividend payments on the Series A for the duration of such proceedings. As of March 31, 2003, AMERCO has accrued unpaid dividends of $6.5 million.

8. Accumulated Other Comprehensive Income/ (Loss)

A summary of accumulated comprehensive income/ (loss) components follows:

	Foreign Currency Translation	Unrealized Gain/(Loss) on Investments	Fair Market Value of Cash Flow Hedge	Accumulated Other Comprehensive Income
		(In thousands)		
Balance at March 31, 2001	$(35,450)	(7,123)	(2,624)	(45,197)
Foreign currency translation	(25,031)	—	—	(25,031)
Fair market value of cash flow hedge	—	—	8,942	8,942
Unrealized gain on investments	—	20,706	—	20,706
Balance at March 31, 2002	$(60,481)	13,583	6,318	(40,580)
Foreign currency translation	3,781	—	—	3,781
Fair market value of cash flow hedge	—	—	(6,318)	(6,318)
Unrealized (loss) on investments	—	(12,648)	—	(12,648)
Balance at March 31, 2003	$(56,700)	935	—	(55,765)

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9. Earnings Per Share

As of March 31, 2003, 2002 and 2001, 6,100,000 shares of preferred stock have been excluded from the weighted average shares outstanding calculation because they are not common stock equivalents

10. Income Taxes

The components of the consolidated expense/ (benefit) for income taxes applicable to operations are as follows:

	Year Ended		
	2003	2002	2001
	(In thousands)		
Current:			
Federal	$ 4,440	3,831	2,252
State and local	2,127	3,591	1,072
Foreign	840	923	1,042
Deferred:			
Federal	(19,631)	(25,136)	(24,659)
State and local	(1,711)	(3,100)	(2,251)
Foreign	—	—	—
	$(13,935)	(19,891)	(22,544)

Income taxes paid in cash amounted to $12.8 million, $7.2 million and $6.3 million for fiscal years 2003, 2002 and 2001, respectively.

Actual tax expense reported on earnings from operations differs from the “expected” tax expense amount (computed by applying the United States federal corporate tax rate of 35% in 2003, 2002 and 2001) as follows:

	Year Ended		
	2003	2002	2001
	(In thousands)		
Computed “expected” tax expense (benefit)	(13,622)	(23,566)	(22,629)
Increases (reductions) in taxes resulting from:			
Tax-exempt interest income/ (loss)	630	755	—
Dividends received deduction	—	914	—
Canadian subsidiary income/ (loss)	(1,130)	(1,202)	(361)
Federal tax expense/ (benefit) of state and local taxes	(1,027)	(511)	(746)
Other	(42)	2,305	1,329
Actual federal tax expense/ (benefit	(15,191)	(21,305)	(22,407)
State and local income tax expense/ (benefit)	1,256	1,414	(137)
Actual tax expense/ (benefit) of operations	$(13,935)	(19,891)	(22,544)

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Deferred tax assets and liabilities are comprised as follows:

	March 31,	
	2003	2002
	(In thousands)	
Deferred tax assets		
Tax net operating loss and credit carryforwards	$ 99,375	88,212
Accrued expenses/ (benefit)	127,675	111,301
Deferred revenue from sale/ leaseback	5,137	9,893
Policy benefits and losses, claims and loss expenses payable, net	26,596	30,987
Unrealized gains/ (losses)	2,043	(4,992)
Total deferred tax assets	260,826	235,401
Deferred tax liabilities Property, plant and equipment	196,525	194,270
Deferred policy acquisition costs	26,127	24,217
Other	5,932	10,869
Total deferred tax liabilities	228,584	229,356
Net deferred tax assets	$ 32,242	6,045

Prior to the restatements, AMERCO had a history of profitable operations and management has concluded that it is more likely than not that AMERCO will ultimately realize the full benefit of its deferred tax assets. Management has determined it has tax strategies which could be implemented sufficient to recover all of its deferred tax assets. Accordingly, AMERCO believes that a valuation allowance is not required at March 31, 2003 and 2002. See also Note 15 of Notes to Consolidated Financial Statements.

Under the provisions of the Tax Reform Act of 1984 (the Act), the balance in Oxford's account designated "Policyholders' Surplus Account" is frozen at its December 31, 1983 balance of $19.3 million. Federal income taxes (Phase III) will be payable thereon at applicable current rates if amounts in this account are distributed to the stockholder or to the extent the account exceeds a prescribed maximum. Oxford did not incur a Phase III liability for the years ended December 31, 2002, 2001 and 2000.

In connection with the resolution of litigation with certain members of the Shoen family and their corporations, AMERCO has deducted for income tax purposes approximately $372.0 million of the payments made to plaintiffs in a lawsuit. While AMERCO believes that such income tax deductions are appropriate, there can be no assurance that such deductions ultimately will be allowed in full. The IRS has proposed adjustments to the Company's 1997 and 1996 tax returns. Nearly all of the adjustments are attributable to denials of deductions claimed for such payments. We believe these income tax deductions are appropriate and are vigorously contesting the IRS adjustments. No additional taxes have been provided in the accompanying financial statements, as management believes that none will result.

At March 31, 2003 and March 31, 2002, AMERCO and RepWest have non-life net operating loss carryforwards available to offset federal taxable income in future years of $181.6 million and $181.4 million, respectively. These carryforwards expire in 2011 through 2020. At March 31, 2003 and March 31, 2002, AMERCO has alternative minimum tax credit carryforwards of $5.4 million and $5.3 million, respectively, which do not have an expiration date, and may only be utilized in years in which regular tax exceeds alternative minimum tax.

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The SAC consolidated group consists of two separate affiliated groups for tax purposes. The SAC Holdings affiliated group has net operating losses of $61.6 million and $42.2 million in fiscal years ending March 31, 2003 and March 31, 2002 respectively, to offset federal taxable income in future years. The SAC Holding II group, which began to file tax returns in fiscal year ending March 31, 2003 has a net operating loss carryforward of $7.6 million to offset federal taxable income in future years. These carryforwards expire in 2013 through 2023.

During 1994, Oxford distributed its investment in RepWest common stock as a dividend to its parent at book value. As a result of such dividend, a deferred intercompany gain arose due to the difference between the book value and fair value of such common stock. However, such gain can only be triggered if certain events occur. If the DOI places RepWest under conservatorship, that event might be deemed to trigger the deferred gain. The current tax payable as result of that deferred gain could be as much as $18 million. However, the same hypothetical action by the DOI would most likely lead to an offsetting current tax loss to AMERCO resulting in future recovery of that same tax. To date, no events have occurred which would trigger such gain recognition. No deferred taxes have been provided in the accompanying consolidated financial statements as management believes that no events have occurred to trigger such gain.

Under certain circumstances and sections of the Internal Revenue Code a change in ownership for tax purposes will limit the amount of net operating loss carryforwards that can be used to offset future taxable income.

11. Transactions with Fleet Owners and Other Rental Equipment Owners

Independent rental equipment owners (fleet owners) own approximately 4% of all U-Haul rental trailers and 0.01% of certain other rental equipment. There are approximately 1,290 fleet owners, including certain officers, directors, employees and stockholders of AMERCO. Such AMERCO officers, directors, employees and stockholders owned approximately 0.07%, 0.09% and 0.10% of all U-Haul rental trailers during the fiscal years 2003, 2002 and 2001, respectively. All rental equipment is operated under contract with U-Haul whereby U-Haul administers the operations and marketing of such equipment and in return receives a percentage of rental fees paid by customers. Based on the terms of various contracts, rental fees are distributed to U-Haul (for services as operators), to the fleet owners (including certain subsidiaries and related parties of U-Haul) and to Rental Dealers (including Company-operated U-Haul Centers).

See also note 19.

12. Employee Benefit Plans

AMERCO employees participate in the AMERCO Employee Savings, Profit Sharing and Employee Stock Ownership Plan (the “Plan”) which is designed to provide all eligible employees with savings for their retirement and to acquire a proprietary interest in AMERCO.

The Plan has three separate features: a profit sharing feature under which the Employer may make contributions on behalf of participants; a savings feature which allows participants to defer income under Section 401(k) of the Internal Revenue Code of 1986; and an employee stock ownership feature under which AMERCO may make contributions of AMERCO common stock or cash to acquire such stock on behalf of participants. Generally, employees of AMERCO are eligible to participate in the Plan upon completion of a one year service requirement.

No contributions were made to the profit sharing plan in fiscal year 2003, 2002, or 2001.

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AMERCO has arranged financing to fund the ESOP trust (ESOT) and to enable the ESOT to purchase shares. Below is a summary of the financing arrangements:

Financing Date	Amount Outstanding as of March 31, 2003	Interest Payments		
		2003	2002	2001
		(In thousands)		
May 1990	—	—	—	8
June 1991	14,398	978	1,210	1,113
March 1999	140	11	14	16
February 2000	885	62	74	—
April, 2001	144	5	—	—

Shares are released from collateral and allocated to active employees based on the proportion of debt service paid in the plan year. Contributions to the ESOT charged to expense were $2.2 million, $2.1 million and $2.2 million for fiscal years 2003, 2002 and 2001, respectively.

The shares held by ESOP as of March 31 were as follows:

	March 31, 1992	
	2003	2002
	(In thousands)	
Allocated shares	1,639	1,674
Shares committed to be released	—	—
Unreleased shares	795	860
Fair value of unreleased shares	$3,212	14,973

For purposes of the schedule, fair value of unreleased shares issued prior to December 31, 1992 is defined as the historical cost of such shares. Fair value of unreleased shares issued subsequent to December 31, 1992 is defined as the March 31 trading value of such shares for 2002 and 2001.

Oxford insures various group life and group disability insurance plans covering employees of the consolidated group. Premiums earned were $2.7 million, $2.0 million and $1.4 million during the years ended December 31, 2002, 2001 and 2000, respectively, and were eliminated in consolidation.

13. Postretirement and Postemployment Benefits

AMERCO provides medical and life insurance benefits to retired employees and eligible dependents over age 65 if the employee meets specified age and service requirements.

AMERCO uses the accrual method of accounting for postretirement benefits. AMERCO continues to fund medical and life insurance benefit costs as claims are incurred.

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The components of net periodic postretirement benefit cost for 2003, 2002 and 2001 are as follows:

	Year Ended		
	2003	2002	2001
	(In thousands)		
Service cost for benefits earned during the period	$ 299	259	228
Interest cost on accumulated postretirement benefit	355	302	276
Other components	(279)	(315)	(340)
Net periodic postretirement benefit cost	$ 375	246	164

The 2003 and 2002 postretirement benefit liability included the following components:

	Year Ended	
	2003	2002
	(In thousands)	
Beginning of year	$4,982	4,097
Service cost	299	259
Interest cost	355	302
Benefit payments and expense	(122)	(81)
Actuarial (gain) loss	(536)	405
Accumulated postretirement benefit obligation	4,978	4,982
Unrecognized net gain	4,364	4,107
	$9,342	9,089

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

	2003	2002	2001
Accumulated postretirement benefit obligation	6.75%	7.25%	7.50%

The year-to-year fluctuations in the discount rate assumptions primarily reflect changes in U.S. interest rates. The discount rate represents the expected yield on a portfolio of high-grade (AA-AAA rated or equivalent) fixed-income investments with cash flow streams sufficient to satisfy benefit obligations under the plans when due.

The assumed health care cost trend rate used in measuring the accumulated postretirement benefit obligation was 5.6% in 2003, declining annually to an ultimate rate of 4.20% in 2016.

If the health care cost trend rate assumptions were increased by 1.00%, the accumulated postretirement benefit obligation as of March 31, 2003 would be increased by approximately $270 thousand and a decrease of 1.00% would reduce the accumulated postretirement benefit obligation by $294 thousand.

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

14. Reinsurance

In the normal course of business, RepWest and Oxford assume and cede reinsurance on both a coinsurance and risk premium basis. RepWest and Oxford obtain reinsurance for that portion of risks exceeding retention limits. The maximum amount of life insurance retained on any one life is $150,000.

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A summary of reinsurance transactions by business segment is as follows:

	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, 2002 Life insurance in force	$2,036,998	1,045,011	1,613,812	2,605,789	62%
Premiums earned:					
Life	22,973	10,078	15,111	28,006	54%
Accident and health	114,526	15,274	26,581	125,833	21%
Annuity	1,272	—	3,609	4,881	74%
Property and casualty	166,677	69,374	51,902	149,205	34%
Total	$ 305,448	94,726	97,203	307,925	—

	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, 2001 Life insurance in force	$2,088,898	925,608	1,732,122	2,895,412	60%
Premiums earned:					
Life	$ 21,437	8,889	14,083	26,631	53%
Accident and health	115,364	18,265	28,051	125,150	23%
Annuity	1,651	—	3,939	5,590	70%
Property and casualty	217,401	55,301	91,699	253,799	37%
Total	$ 355,853	82,455	137,772	411,170	—

	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, 2000 Life insurance in force	$1,736,332	923,472	1,812,548	2,625,408	69%
Premiums earned:					
Life	$ 23,666	2,493	8,232	29,405	28%
Accident and health	72,593	15,195	16,884	74,282	23%
Annuity	574	—	6,932	7,506	92%
Property and casualty	153,816	33,182	96,281	216,915	44%
Total	$ 250,649	50,870	128,329	328,108	—

(a) Balances are reported net of intersegment transactions. Premiums eliminated in consolidation total $3.4 million, $8.2 million and $9.2 million for RepWest, and $2.7 million, $2.0 million and $1.4 million for Oxford for the years ended December 31, 2002, 2001 and 2000, respectively.

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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 of $7.6 million from reinsurers and has issued letters of credit of approximately $15.7 million in favor of certain ceding companies as of December 31, 2002.

RepWest is a reinsurer of municipal bond insurance through an agreement with MBIA, Inc. Premiums generated through this agreement are recognized on a pro rata basis over the contract coverage period. On December 1, 2002, MBIA, Inc. and RepWest entered into a termination agreement to terminate the agreement on a cut-off basis. In conjunction with the Termination Agreement, RepWest paid MBIA, Inc. $3.4 million in December of 2002 for reimbursement of unearned premiums.

The following is a summary of balances related to the agreement with MBIA, Inc as of December 31, 2001:

	(In thousands)
Unearned premiums	$4,300
Case loss reserves	$ 702
Aggregate exposure for Class I municipal bond insurance	$5,200

15. Contingent Liabilities and Commitments

The Company uses certain equipment and occupies certain facilities under operating lease commitments with terms expiring through 2079. Lease expense was $163.8 million, $170.0 million and $173.0 million for the years ended 2003, 2002 and 2001, respectively. During the year ended March 31, 2003, a subsidiary of U-Haul entered into two transactions, whereby AMERCO sold rental trucks, which were subsequently leased back. AMERCO has guaranteed $192.0 million of residual values at March 31, 2003, for these 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 similar to covenants disclosed in Note 6 of Notes to Consolidated Financial Statements for notes payable and loan agreements.

Following are the lease commitments for leases having terms of more than one year:

	March 31, 2003		
Year Ended	Property, Plant and Other Equipment	Rental Fleet	Total
	(In thousands)		
2004	$120,334	117,514	237,848
2005	2,837	107,408	110,245
2006	2,692	84,891	87,583
2007	2,178	71,436	73,614
2008	1,379	25,690	27,069
Thereafter	5,699	10,107	15,806
	$135,119	417,046	552,165

The Company, at the expiration of the lease, has the option to renew the lease, purchase for fair market value, or sell to a third party on behalf of the lessor.

The Company maintains credit facilities and leasing agreements, collectively the Lease Facilities. Under these Lease Facilities, the lessor acquires land to be developed for storage locations with advances of funds (the Advances) made by certain parties to the facilities. AMERCO separately leases the land and

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improvements, including completed locations (the Properties) under the facilities and respective lease supplements.

In December of 1996, AMERCO executed a $100.0 million Lease Facility with a number of financial institutions, which was amended and restated in July 1999 to $170.0 million. This credit facility related to this Lease Facility terminated in July of 2001, however the leasing agreement under which AMERCO leases the Properties does not terminate until July of 2004. In September 1999, and April of 2001, AMERCO entered into additional Lease Facilities for available credit of $115.5 million and $49.0 million, respectively. Both the Credit Facility and the Leasing Agreement for the respective facilities expire in September 2004 and April 2004, respectively. There was no available credit under the Lease Facilities at March 31, 2003 and 2002.

As of March 31, 2003 the Company had obligations outstanding of $254.0 million under the Lease Facilities, of this, $117.0 million represents properties qualifying as operating leases.

The facilities contain certain restrictions similar to those contained in Note 6. Upon occurrence of any event of default, the lessor may rescind or terminate any or all leases and, among other things, require AMERCO to repurchase any or all of the properties. The facilities have a three-year term, with options for successive one-year renewal terms subject to consent of other parties.

Upon the expiration of the facilities, AMERCO may either purchase all of the properties based on a purchase price equal to all amounts outstanding under the Advances, including the interest and yield thereon, or remarket all of the properties to a third party purchaser.

In the normal course of business, AMERCO is a defendant in a number of suits and claims. AMERCO is also a party to several administrative proceedings arising from state and local provisions that regulate the removal and/or cleanup of underground fuel storage tanks. It is the opinion of management that none of such suits, claims or proceedings involving AMERCO, individually or in the aggregate, are expected to result in a material loss. Also see Note 16.

Compliance with environmental requirements of federal, state and local governments significantly affects Real Estate’s business operations. Among other things, these requirements regulate the discharge of materials into the water, air and land 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. Under this program we have spent $43.7 million.

Based upon the information currently available to AREC, compliance with the environmental laws and its share of the costs of investigation and cleanup of known hazardous waste sites are not expected to have a material adverse effect on AMERCO’s financial position or operating results.

16. Legal Proceedings

Pursuant to the $7.5 million settlement of a class action lawsuit relating to overtime compensation and brought on behalf of current and former Moving Center General Managers in California, Sarah Saunders, et al. vs. U-Haul Company of California, Inc., final payment was made on April 5, 2002.

On July 20, 2000, Charles Kocher (“Kocher”) filed suit in Wetzel County, West Virginia, Civil Action No. 00-C-51-K, entitled Charles Kocher v. Oxford Life Insurance Co. (“Oxford”) seeking compensatory and punitive damages for breach of contract, bad faith and unfair claims settlement practices arising from an alleged failure of Oxford to properly and timely pay a claim under a disability and dismemberment policy. On March 22, 2002, the jury returned a verdict of $5 million in compensatory damages and $34 million in punitive

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damages. On November 5, 2002, the trial court entered an Order ("Order") affirming the $39 million jury verdict and denying Oxford's motion for New Trial Or, in The Alternative, Remittitur. Oxford has perfected its appeal to the West Virginia Supreme Court. Oral argument on the appeal petition is set for September 9, 2003. Management does not believe that the Order is sustainable and expects the Order to be overturned by the West Virginia Supreme Court, in part because the jury award has no reasonable nexus to the actual harm suffered by Kocher. The Company has accrued $725,000, which represents management's best estimate of the costs associated with legal fees to appeal and re-try the case and the Company's uninsured exposure to an unfavorable outcome.

As previously discussed, on June 20, 2003, AMERCO filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code. As debtor-in-possession, AMERCO is authorized under Chapter 11 to continue to operate as an ongoing business, but may not engage in transactions outside the ordinary course of business without the prior approval of the Bankruptcy Court. As of the Petition Date, all pending litigation against AMERCO is stayed, and absent further order of the Bankruptcy Court, no party, subject to certain exceptions, may take any action, again subject to certain exceptions, to recover on pre-petition claims against AMERCO. The automatic stay, however, does not apply to AMERCO's subsidiaries, other than Amerco Real Estate Company, which filed for protection under Chapter 11, on August 13, 2003.

On September 24, 2002, Paul F. Shoen filed a derivative action in the Second Judicial District Court of the State of Nevada, Washoe County, captioned Paul F. Shoen vs. SAC Holding Corporation et al, CV02-05602, seeking damages and equitable relief on behalf of AMERCO from SAC Holdings and certain current and former members of the AMERCO Board of Directors, including Edward J. Shoen, Mark V. Shoen and James P. Shoen as defendants. AMERCO is named a nominal defendant for purposes of the derivative action. The complaint alleges breach of fiduciary duty, self-dealing, usurpation of corporate opportunities, wrongful interference with prospective economic advantage and unjust enrichment and seeks the unwinding of sales of self-storage properties by subsidiaries of AMERCO to SAC Holdings over the last several years. The complaint seeks a declaration that such transfers are void as well as unspecified damages. On October 28, 2002, AMERCO, the Shoen directors, the non-Shoen directors and SAC Holdings filed Motions to Dismiss the complaint. In addition, on October 28, 2002, Ron Belec filed a derivative action in the Second Judicial District Court of the State of Nevada, Washoe County, captioned Ron Belec vs. William E. Carty, et al, CV 02-06331 and on January 16, 2003, M.S. Management Company, Inc. filed a derivative action in the Second Judicial District Court of the State of Nevada, Washoe County, captioned M.S. Management Company, Inc. vs. William E. Carty, et. al, CV 03-00386. Two additional derivative suits were also filed against these parties. These additional suits are substantially similar to the Paul F. Shoen derivative action. The five suits assert virtually identical claims. In fact, three of the five plaintiffs are parties who are working closely together and chose to file the same claims multiple times. The court consolidated all five complaints before dismissing them on May 8, 2003. Plaintiffs have filed a notice of appeal. These lawsuits falsely alleged that the AMERCO Board lacked independence. In reaching its decision to dismiss these claims, the court determined that the AMERCO Board of Directors had the requisite level of independence required in order to have these claims resolved by the Board.

A subsidiary of U-Haul, INW Company ("INW"), owns one property located within two different state hazardous substance sites in the State of Washington. The sites are referred to as the "Yakima Valley Spray Site" and the "Yakima Railroad Area." INW has been named as a "potentially liable party" under state law with respect to this property as it relates to both sites. As a result of the cleanup costs of approximately $5.0 million required by the State of Washington, INW filed for reorganization under the federal bankruptcy laws in May of 2001. A successful mediation with other liable parties has occurred and future liability to INW will be in the range of $750,000 to $1.25 million.

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The Securities and Exchange Commission ("SEC") has issued a formal order of investigation to determine whether the Company has violated the Federal securities laws. On January 7, 2003, the Company received the first of four subpoenas issued by the SEC. SAC Holdings, the Company's current and former auditors, and others have also received one or more subpoenas relating to this matter. The Company is cooperating fully with the SEC and is facilitating the expeditious review of its financial statements and any other issues that may arise. The Company has produced a large volume of documents and other materials in response to the subpoenas, and the Company is continuing to assemble and produce additional documents and materials for the SEC. Although the Company has fully cooperated with the SEC in this matter and intends to continue to fully cooperate, the SEC may determine that the Company has violated Federal securities laws. We cannot predict when this investigation will be completed or its outcome. If the SEC makes a determination that we have violated Federal securities laws, we may face sanctions, including, but not limited to, significant monetary penalties and injunctive relief.

AMERCO is a defendant in four putative class action lawsuits. *Article Four Trust v. AMERCO, et al.* , District of Nevada, United States District Court, Case No. CV-N-03-0050-DWH-VPC. Article Four Trust, a purported AMERCO shareholder, commenced this action on January 28, 2003 on behalf of all persons and entities who purchased or acquired AMERCO securities between February 12, 1998 and September 26, 2002. *The Article Four Trust* action alleges one claim for violation of Section 10(b) of the Securities Exchange Act and Rule 10b-5 thereunder. *Mates v. AMERCO, et al.* , United States District Court, District of Nevada, Case No. CV-N-03-0107. Maxine Mates, an AMERCO shareholder, commenced this putative class action on behalf of all persons and entities who purchased or acquired AMERCO securities between February 12, 1998 and September 26, 2002. The *Mates* action asserts claims under section 10(b) and Rule 10b-5, and section 20(a) of the Securities Exchange Act. *Klug v. AMERCO, et al.* , United States District Court of Nevada, Case No. CV-S-03-0380. Edward Klug, an AMERCO shareholder, commenced this putative class action on behalf of all persons and entities who purchased or acquired AMERCO securities between February 12, 1998 and September 26, 2002. The *Klug* action asserts claims under section 10(b) and Rule 10b-5 and section 20(a) of the Securities Exchange Act. *IG Holdings* v. *AMERCO, et al.* , United States District Court, District of Nevada, Case No. CV-N-03-0199. IG Holdings, an AMERCO bondholder, commenced this putative class action on behalf of all persons and entities who purchased, acquired, or traded AMERCO bonds between February 12, 1998 and September 26, 2002, alleging claims under section 11 and section 12 of the Securities Act of 1933 and section 10(b) and Rule 10b-5, and section 20(a) of the Securities Exchange Act. Each of these four securities class actions allege that AMERCO engaged in transactions with SAC entities that falsely improved AMERCO's financial statements, and that AMERCO failed to disclose the transactions properly. The actions are at a very early stage. The *Klug* action has not been served. In the other three actions, AMERCO does not currently have a deadline by which it must respond to the complaints. Management has stated that it intends to defend these cases vigorously. We have filed a notice of AMERCO's bankruptcy petition and the automatic stay in each of the Courts where these cases are pending.

The United States Department of Labor ("DOL") is presently investigating whether there were violations of the Employee Retirement Income Security Act of 1974 ("ERISA") involving the AMERCO Employee Savings, Profit Sharing, and Employee Stock Ownership Plan (the "Plan"). The DOL has interviewed a number of Company representatives as well as the Plan fiduciaries and has issued a subpoena to the Company and a subpoena to SAC Holdings. At the present time, the Company is unable to determine whether the DOL will assert any claims against the Company, SAC Holdings, or the Plan fiduciaries. The DOL has asked AMERCO and its current directors as well as the Plan Trustees to sign an agreement tolling the statute of limitations until December 31, 2003 with respect to any claims arising out of certain transactions between AMERCO or any affiliate of AMERCO and SAC Holdings or any of its affiliates and such persons have done so. The DOL recently asked such parties to extend the tolling agreement. The DOL has not advised

the Company that it believes that any violations of ERISA have in fact occurred. Instead, the DOL is simply investigating potential violations. The Company intends to take any corrective action that may be needed in light of the DOL's ultimate findings. Although the Company has fully cooperated with the DOL in this matter and intends to continue to fully cooperate, the DOL may determine that the Company has violated ERISA. In that event, the Company may face sanctions, including, but not limited to, significant monetary penalties and injunctive relief.

17. Preferred Stock Purchase Rights

AMERCO's Board of Directors adopted a stockholder-rights plan in July 1998. The rights were declared as a dividend of one preferred share purchase right for each outstanding share of AMERCO's common stock. The dividend distribution was payable on August 17, 1998 to the stockholders of record on that date. When exercisable, each right will entitle its holder to purchase from AMERCO one one-hundredth of a share of Series C Junior Participating Preferred Stock (Series C), no par value per share of AMERCO, at a price of $132.00 per one one-hundredth of a share of Series C, subject to adjustment. AMERCO has created a series of 3,000,000 shares of authorized but unissued preferred stock for the Series C stock authorized in this stockholder-rights plan.

The rights will become exercisable if a person or group of affiliated or associated persons acquire or obtain the right to acquire beneficial ownership of 10% or more of the common stock without approval of a majority of the Board of Directors of AMERCO. The rights will expire on August 7, 2008 unless earlier redeemed or exchanged by AMERCO.

In the event AMERCO is acquired in a merger or other business combination transaction after the rights become exercisable, each holder of a right would be entitled to receive that number of shares of the acquiring company's common stock equal to the result obtained by multiplying the then current Purchase Price by the number one one-hundredths of a share of Series C for which a right is then exercisable and dividing that product by 50% of the then current market price per share of the acquiring company.

18. Stock Option Plan

AMERCO's stockholders approved a ten year incentive plan entitled the AMERCO Stock Option and Incentive Plan (the Plan) for officers and key employees in October 1992. No stock options or awards were granted under this plan, the plan has terminated during fiscal year 2003.

19. Related Party Transactions

AMERCO has related party transactions with certain major stockholders, directors and officers of the consolidated group as disclosed in Notes 3 and 11 of Notes to Consolidated Financial Statements and below. Management believes that the transactions described in the related notes and below were consummated on terms equivalent to those that would prevail in arm's-length transactions.

On December 23, 2002, Mark V. Shoen, a significant shareholder purchased a condominium in Phoenix, Arizona from Oxford Life Insurance Company. The purchase price was $279,573, which was in excess of the appraised value.

During fiscal 2003, U-Haul purchased $2.1 million of printing from Form Builders, Inc. Mark V. Shoen, his daughter and Edward J. Shoen's sons are major stockholders of Form Builders, Inc. Edward J. Shoen is Chairman of the Board of Directors and President of AMERCO and is a significant stockholder of AMERCO. Mark V. Shoen is President, U-Haul Phoenix Operations and is a significant stockholder of AMERCO. The Company ceased doing business with Form Builders, Inc. on April 18, 2003.

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During fiscal 2003, Sam Shoen, a son of Edward J. Shoen, was employed by U-Haul as project group supervisor. Mr. Shoen was paid an aggregate salary and bonus of $77,327 for his services during the fiscal year.

During fiscal 2003, a subsidiary of the Company held various senior and junior unsecured notes of SAC Holdings. Substantially all of the equity interest of SAC Holdings is owned by Mark V. Shoen, a significant shareholder and executive officer of AMERCO. The Company does not have an equity ownership interest in SAC Holdings, except for minority investments made by RepWest and Oxford in a SAC Holdings-controlled limited partnership which holds Canadian self-storage properties. The senior unsecured notes of SAC Holdings that the Company holds rank equal in right of payment with the notes of certain senior mortgage holders, but junior to the extent of the collateral securing the applicable mortgages and junior to the extent of the cash flow waterfalls that favor the senior mortgage holders. The Company received cash interest payments of $26.6 million from SAC Holdings during fiscal year 2003. The notes receivable balance outstanding at March 31, 2003 was, in the aggregate, $394.2 million. The largest aggregate amount outstanding during the fiscal year ended March 31, 2003 was $407.4 million. At March 31, 2003, SAC Holdings' notes and loans payable to third parties totaled $589.0 million. Interest on the senior and junior notes accrues at rates ranging from 6.5% to 13%.

Interest accrues on the outstanding principal balance of senior notes of SAC Holdings that the Company holds at a fixed rate and is paid on a monthly basis.

Interest accrues on the outstanding principal balance of junior notes of SAC Holdings that the Company holds at a stated rate of basic interest. A fixed portion of that basic interest is paid on a monthly basis. Additional interest is paid on the same payment date based on the difference between the amount of remaining basic interest and an amount equal to a specified percentage of the net cash flow before interest expense generated by the underlying property *minus* the *sum of* the principal and interest due on the senior notes of SAC Holdings relating to that property *and* a multiple of the fixed portion of basic interest paid on that monthly payment date.

The latter amount is referred to as the "cash flow-based calculation."

To the extent that this cash flow-based calculation exceeds the amount of remaining basic interest, contingent interest equal to that excess and the amount of remaining basic interest are paid on the same monthly date as the fixed portion of basic interest. To the extent that the cash flow-based calculation is less than the amount of remaining basic interest, the additional interest payable on the applicable monthly date is limited to the amount of that cash flow-based calculation. In such a case, the excess of the remaining basic interest over the cash flow-based calculation is deferred and all amounts so deferred bear the stated rate of basic interest until maturity of the junior note.

In addition, subject to certain contingencies, the junior notes provide that the holder of the note is entitled to receive 90% of the appreciation realized upon, among other things, the sale of such property by SAC Holdings. To date, no such properties have been sold by SAC Holdings.

The Company currently manages the self-storage properties owned by SAC Holdings pursuant to a standard form of management agreement with each SAC Holdings subsidiary, under which the Company receives a management fee equal to 6% of the gross receipts. The Company received management fees of $12.3 million during fiscal year 2003. This management fee is consistent with the fees received for other properties the Company manages.

RepWest and Oxford currently hold a 46% limited partnership interest in Securespace Limited Partnership ("Securespace"), a Nevada limited partnership. A SAC Holdings subsidiary serves as the general partner of Securespace and owns a 1% interest. Another SAC Holdings subsidiary owns the remaining 53%

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limited partnership interest in Securespace. Securespace was formed by SAC Holdings to be the owner of various Canadian self-storage properties.

During fiscal year 2003, the Company leased space for marketing company offices, vehicle repair shops and hitch installation centers in 35 locations owned by subsidiaries of SAC Holdings. Total lease payments pursuant to such leases were $2,051,858 during fiscal year 2003. The terms of the leases are similar to the terms of leases for other properties owned by unrelated parties that are leased to the Company.

At March 31, 2003, subsidiaries of SAC Holdings acted as U-Haul independent dealers. The financial and other terms of the dealership contracts with subsidiaries of SAC Holdings are substantially identical to the terms of those with the Company's other independent dealers. During fiscal 2003, the Company paid subsidiaries of SAC Holdings $27,658,641 in commissions pursuant to such dealership contracts.

The transactions discussed above involving SAC Holdings have all been eliminated from the Company's consolidated financial statements. Although these transactions have been eliminated for financial statement reporting purposes, except for minority investments made by RepWest and Oxford in Securespace, the Company has not had any equity ownership interest in SAC Holdings.

SAC Holdings were established in order to acquire self-storage properties which are being managed by the Company pursuant to management agreements. The sale of self-storage properties by the Company to SAC Holdings has in the past provided significant cash flows to the Company and the Company's outstanding loans to SAC Holdings entitle the Company to participate in SAC Holdings' excess cash flows (after senior debt service).

Management believes that its sales of self-storage properties to SAC Holdings over the past several years provided a unique structure for the Company to earn rental revenues from the SAC Holdings self-storage properties that the Company manages and participate in SAC Holdings' excess cash flows as described above.

Although the Board of Directors of the appropriate subsidiary which was a party to each transaction with SAC Holdings approved such transaction at the time it was completed, the Company did not seek approval by AMERCO's Board of Directors for such transactions. However, AMERCO's Board of Directors, including the independent members, was made aware of and received periodic updates regarding such transactions from time to time. All future real estate transactions with SAC Holdings that involve the Company or any of its subsidiaries will have the prior approval of AMERCO's Board of Directors, even if it is not legally required, including a majority of the independent members of AMERCO's Board of Directors.

During the fiscal year ended 2001, AMERCO sold $10.5 million of remanufactured engines and small automotive parts and purchased $53.7 million of automotive parts and tools from a company wherein a major stockholder, director and officer of AMERCO formerly had a beneficial minority ownership interest. The related party interest ceased to exist as of December 31, 2000.

During the fiscal year ended 2001, AMERCO purchased $1.1 million of rebuilt torque converters and other related transmission parts from a company wherein an owner was a family member of a major stockholder, director and officer of AMERCO. The related party interest ceased to exist as of December 31, 2000.

During the years ended 2003, 2002 and 2001, AMERCO purchased $2.1 million, $3.2 million and $3.5 million, respectively, of printing services from a company wherein an owner is related to a major

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stockholder, director and officer of AMERCO. The Company ceased doing business with this entity on April 18, 2003.

In connection with transactions described above regarding parts, tools and printing services, the Internal Audit Department of U-Haul periodically tests pricing against competitive third party bids for fairness.

Management believes that the foregoing transactions were consummated on terms equivalent to those that prevail in arm's-length transactions.

20. Supplemental Cash Flow Information

The (increase) decrease in receivables, and inventories and increase (decrease) in accounts payable and accrued expenses net of other operating and investing activities follows:

	Year Ended		
	2003	2002	2001
		(In thousands)	
Trade receivables, net	11,133	(26,778)	(57,520)
Inventories	12,506	8,643	9,534
Prepaid expenses	(6,567)	(6,577)	17,958
Deferred income taxes	(26,197)	(26,303)	(4,643)
Accounts payable and accrued expenses	28,143	5,473	68,543
Deferred income	(2,871)	(4,771)	6,572

21. Summarized Consolidated Financial Information of Insurance Subsidiaries

Applicable laws and regulations of the State of Arizona require Oxford and RepWest to maintain minimum capital and surplus determined in accordance with statutory accounting practices. 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. At December 31, 2002, Oxford cannot distribute any of their statutory surplus as dividends without regulatory approval. At December 31, 2002, RepWest had $6.5 million of statutory surplus available for distribution. However, as discussed above, as a result of the Order of Supervision issued by the DOI, RepWest must obtain approval from the DOI prior to any dividend payments to AMERCO.

Audited statutory net income (loss) for RepWest for the years ended December 31, 2002, 2001 and 2000 was $4.1 million, $(36.6 million) and $(28.1 million), respectively; audited statutory capital and surplus was $65.4 million and $151.6 million at December 31, 2002 and 2001, respectively. Audited statutory net income (loss) for NAFCIC for the years ended December 31, 2002, 2001 and 2000 was $(346,000), $558,000 and $298,000, respectively; audited statutory capital and surplus was $3.8 million and $4.2 million at December 31, 2002 and 2001, respectively.

Audited statutory net income (loss) for Oxford for the years ended December 31, 2002, 2001 and 2000 was $(11.6 million), $(1.3 million) and $6.6 million, respectively; audited statutory capital and surplus was $39.1 million and $77.9 million at December 31, 2002 and 2001, respectively. Audited statutory net income for CFLIC for the years ended December 31, 2002, 2001 and 2000 was $3.2 million, $3.6 million and $4.7 million, respectively; audited statutory capital and surplus was $17.2 million and $20.0 million at

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December 31, 2002 and 2001, respectively. Audited statutory net income (loss) for NAI for the years ended December 31, 2002, 2001 and 2000 was $3.1 million, $0.7 million and $43,000, respectively; audited statutory capital and surplus was $25.9 million and $40.5 million at December 31, 2002 and 2001, respectively.

On November 13, 2000, Oxford acquired all of the issued and outstanding shares of Christian Fidelity Life Insurance Company (“CFLIC”), for $37.6 million. CFLIC’s premium volume is primarily from the sale of Medicare Supplement products.

On May 20, 2003, RepWest consented to an Order for Supervision issued by the Arizona Department of Insurance (“DOI”). The DOI determined that RepWest’s level of risk based capital (“RBC”) allowed for regulatory control. Pursuant to this order and Arizona law, during the period of supervision, RepWest may not engage in certain activities without the prior approval of the DOI.

If RepWest fails to satisfy the requirements to abate the DOI’s concerns, the DOI may take further action, including, but not limited to, commencing a conservatorship.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

22. Consolidating Industry Segment and Geographic Area Data

AMERCO has four industry segments represented by moving and storage operations (AMERCO and U-Haul), real estate (AREC), property and casualty insurance (RepWest) and life insurance (Oxford). SAC Holdings consist of one moving and storage industry segment. Moving and Storage. Management tracks revenues separately, but does not report any separate measure of the profitability for rental of vehicles, rental 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 operating segments. Deferred income taxes are shown as liabilities on the consolidating statements. This differs from the consolidated balance sheet where deferred income taxes are presented as assets. This presentation differs because in total the deferred tax asset is due to the inclusion of SAC.

Information concerning operations by industry segment follows:

Consolidating balance sheets by industry segment as of March 31, 2003 are as follows

	AMERCO	U-Haul Moving and Storage Operations	Real Estate	Property and Casualty Insurance(1)	Life Insurance(1)
			(In thousands)		
ASSETS					
Cash and cash equivalents	18,524	30,046	174	4,108	9,320
Receivables	—	22,444	1,558	224,427	23,062
Notes and Mortgage receivables, net	—	10,462	17,285	—	—
Inventories, net	—	49,229	4	—	—
Prepaid expenses	87	27,400	11	—	—
Investments, fixed maturities	—	—		253,871	613,206
Investments, other	135,000	170,886	217,619	120,372	224,604
Deferred policy acquisition costs	—	—	—	13,206	91,894
Other assets	471,884	161,825	3,991	88,660	2,289
	625,495	472,292	240,642	704,644	964,375
Investment in Subsidiaries	1,037,756	—	—	—	—
Investment in SACH	(41,938)	—	—	—	—
Property, plant and equipment, at cost:					
Land	—	18,849	139,138	—	—
Buildings and improvements	—	145,177	602,676	—	—
Other property, plant and equipment	459	272,884	18,040	—	—
Rental trailers and other rental equipment	—	149,707	—	—	—
Rental trucks	—	1,140,294	—	—	—
SAC Holdings property, plant and equipment(2)	—	—	—	—	—
	459	1,726,911	759,854	—	—
Less accumulated depreciation	(315)	(990,412)	(254,409)	—	—
Total property, plant and equipment	144	736,499	505,445	—	—

TOTAL ASSETS	$1,621,457	1,208,791	746,087	704,644	964,375

[Additional columns below]

[Continued from above table, first column(s) repeated]

	Eliminations	AMERCO Consolidated	SAC Moving and Storage Operations	Eliminations	Total Consolidated
			(In thousands)		
ASSETS					
Cash and cash equivalents	—	62,172	4,662	—	66,834
Receivables	—	271,491	—	(7,754)b	263,737
Notes and Mortgage receivables, net	—	27,747	—	(24,879)b	2,868
Inventories, net	—	49,233	4,037	—	53,270
Prepaid expenses	—	27,498	811	(6,463)b	21,846
Investments, fixed maturities	—	867,077	—	(6,477)b	860,600
Investments, other	(79,707)b	788,774	—	(399,522)b	389,252
Deferred policy acquisition costs	—	105,100	—	—	105,100
Other assets	(689,684)b	38,965	24,635	—	63,600
	(769,391)	2,238,057	34,145	(445,095)a	1,827,107
Investment in Subsidiaries	(1,037,756)a	—	—	—	—
Investment in SACH	—	(41,938)	—	41,938a	—
Property, plant and equipment, at cost:					
Land	—	157,987	—	—	157,987
Buildings and improvements	—	747,853	—	—	747,853
Other property, plant and equipment	—	291,383	—	—	291,383
Rental trailers and other rental equipment	—	149,707	—	—	149,707
Rental trucks	—	1,140,294	—	—	1,140,294
SAC Holdings property, plant and equipment (2)	—	—	1,015,563	(258,271)	757,292
	—	2,487,224	1,015,563	(258,271)	3,244,516
Less accumulated depreciation	—	(1,245,136)	(59,679)	6,616	(1,298,199)
Total property, plant and equipment	—	1,242,088	955,884	(251,655)	1,946,317
TOTAL ASSETS	(1,807,147)	3,438,207	990,029	(654,812)	3,773,424

(1) Balances as of December 31, 2002

(2) Included in this caption is land of $273,470, buildings and improvements of $739,534 and furniture and equipment of $2,559

(a) Eliminate investment in subsidiaries

(b) Eliminate intercompany receivables and payables

(c) Eliminate intercompany lease income

(d) Eliminate intercompany premiums

(e) Eliminate intercompany interest on debt

(f) Eliminate gain on sale of surplus property from AMERCO to SAC

AMERCO AND CONSOLIDATED SUBSIDIARIES AND SAC HOLDING CORPORATIONS AND CONSOLIDATED SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Consolidating balance sheets by industry segment as of March 31, 2003 are as follows:

	AMERCO	U-Haul Moving and Storage Operations	Real Estate	Property and Casualty Insurance(1)	Life Insurance(1)
			(In thousands)		
LIABILITIES					
Accounts payable and accrued expenses	139,496	263,394	7,892	—	570
AMERCO's notes and loans payable	861,158	31,693	101,505	—	—
SAC Holdings notes and loans payable	—	—	—	—	—
Policy benefits and losses, claims and loss expenses payable	—	168,666	—	485,383	182,583
Liabilities from investment contracts	—	—	—	—	639,998
Other policyholder's funds and liabilities	—	—	—	20,164	10,145
Deferred income	2,863	30,943	1,011	—	—
Deferred income taxes	120,446	214,715	94,914	—	8,664
Other liabilities	—	—	325,783	—	11,315
Total liabilities	1,123,963	709,411	531,105	505,547	853,275
Minority Interest	—	—	—	—	—
STOCKHOLDERS' EQUITY					
Serial preferred stock —	—	—	—	—	—
Series A preferred stock	—	—	—	—	—
Series B preferred stock	—	—	—	—	—
Serial common stock —	—	—	—	—	—
Series A common stock	1,441	—	—	—	—
Common stock	9,122	540	1	3,300	2,500
Additional paid-in- capital	396,050	121,230	147,481	70,023	16,435
Additional paid-in-capital — SACH	3,199	—	—	—	—
Accumulated other comprehensive loss	(54,278)	(39,849)	—	13,589	4,166
Accumulated other comprehensive loss — SACH	(1,487)	—	—	—	—
Retained earnings/accumulated deficit	561,606	430,656	67,500	112,185	87,999
Cost of common shares in treasury	(418,179)	—	—	—	—
Unearned ESOP shares	20	(13,197)	—	—	—
Total stockholder's equity	497,494	499,380	214,982	199,097	111,100
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$1,621,457	1,208,791	746,087	704,644	964,375

[Additional columns below]

[Continued from above table, first column(s) repeated]

	Eliminations	AMERCO Consolidated	SAC Moving and Storage Operations	Eliminations	Total Consolidated
			(In thousands)		
LIABILITIES					
Accounts payable and accrued expenses	(39,735)a	371,617	48,033	(32,633)b	387,017
AMERCO's notes and loans payable	(39,500)b	954,856	—	—	954,856
SAC Holdings notes and loans payable	—	—	983,190	(394,171)b	589,019
Policy benefits and losses, claims and loss expenses payable	—	836,632	—	—	836,632
Liabilities from investment contracts	—	639,998	—	—	639,998
Other policyholder's funds and liabilities	—	30,309	—	—	30,309
Deferred income	—	34,817	12,033	(6,463)b	40,387
Deferred income taxes	(353,058)b	85,681	(19,918)	(98,005)f	(32,242)
Other liabilities	(337,098)b	—	—	—	—
Total liabilities	(769,391)	2,953,910	1,023,338	(531,272)	3,445,976
Minority Interest	—	—	11,828	(11,828)	—
STOCKHOLDERS' EQUITY					
Serial preferred stock —	—	—	—	—	—
Series A preferred stock	—	—	—	—	—
Series B preferred stock	—	—	—	—	—
Serial common stock —	—	—	—	—	—
Series A common stock	—	1,441	—	—	1,441
Common stock	(6,341)a	9,122	—	—	9,122
Additional paid-in-capital	(355,169)a	396,050	—	(160,266)f	235,784
Additional paid-in-capital — SACH	—	3,199	3,199	(3,199)a	3,199
Accumulated other comprehensive loss	22,094a	(54,278)		—	(54,278)
Accumulated other comprehensive loss — SACH	—	(1,487)	(1,487)	1,487a	(1,487)
Retained earnings/accumulated deficit	698,340a	561,606	(43,650)	50,266a	568,222
Cost of common shares in treasury	—	(418,179)	(3,199)	—	(421,378)
Unearned ESOP shares	—	(13,177)	—	—	(13,177)
Total stockholder's equity	(1,037,756)	484,297	(45,137)	(111,712)a	327,448
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	(1,807,147)	3,438,207	990,029	(654,812)	3,773,424

(1) Balances as of December 31, 2002
(a) Eliminate investment in subsidiaries
(b) Eliminate intercompany receivables and payables
(c) Eliminate intercompany lease income
(d) Eliminate intercompany premiums
(e) Eliminate intercompany interest on debt
(f) Eliminate gain on sale of surplus property from AMERCO to SAC

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Consolidating balance sheets by industry segment as of March 31, 2002 (Restated) are as follows:

	AMERCO	U-Haul Moving and Storage Operations	Real Estate	Property and Casualty Insurance(1)	Life Insurance(1)
			(In thousands)		
ASSETS					
Cash and cash equivalents	$ 71	25,719	576	5,912	9,158
Receivables	—	40,069	(50)	227,046	24,593
Notes and mortgage receivables, net	—	16,925	4,892	—	—
Inventories, net	—	62,480	4	—	—
Prepaid expenses	112	24,581	10	—	—
Investments, fixed maturities	—	—	—	362,569	632,306
Investments, other	10,000	170,468	227,960	95,717	174,087
Deferred policy acquisition costs	—	—	—	15,946	81,972
Other assets	809,536	8,174	3,715	103,932	1,736
	819,719	348,416	237,107	811,122	923,852
Investment in subsidiaries	991,269	—	—	—	—
Investment in SAC	(34,532)	—	—	—	—
Property, plant and equipment, at cost:					
Land	—	18,355	142,540	—	—
Buildings and improvements	—	145,432	579,782	—	—
Furniture and equipment	395	270,075	18,241	—	—
Rental trucks	—	1,071,604	—	—	—
Rental trailers and other rental equipment	—	162,768	—		—
SAC Holdings property, plant and equipment(2)	—	—	—	—	—
	395	1,668,234	740,563	—	—
Less accumulated depreciation	(300)	(917,455)	(248,525)	—	—
Total property, plant and equipment	95	750,779	492,038	—	—
TOTAL ASSETS	$1,776,551	1,099,195	729,145	811,122	923,852

[Additional columns below]

[Continued from above table, first column(s) repeated]

Eliminations	AMERCO Consolidated	SAC Moving and Storage Operations	Eliminations	Total Consolidated

			(In thousands)		
ASSETS					
Cash and cash equivalents	—	41,436	10	—	41,446
Receivables	—	291,658	—	(16,788)	274,870
Notes and mortgage receivables, net	—	21,817	—	(14,538)	7,279
Inventories, net	—	62,484	3,292	—	65,776
Prepaid expenses	—	24,703	1,023	(10,447)	15,279
Investments, fixed maturities	—	994,875	—	(6,478)	988,397
Investments, other	(32,845)	645,387	—	(404,475)	240,912
Deferred policy acquisition costs	—	97,918	—	—	97,918
Other assets	(890,392)	36,701	21,618	—	58,319
	(923,237)	2,216,979	25,943	(452,726)	1,790,196
Investment in subsidiaries	(991,269)	—	—	—	—
Investment in SAC	—	(34,532)	—	34,532	—
Property, plant and equipment, at cost:					
Land	—	160,895	—	—	160,895
Buildings and improvements	—	725,214	—	—	725,214
Furniture and equipment	—	288,711	—	—	288,711
Rental trucks	—	1,071,604	—	—	1,071,604
Rental trailers and other rental equipment	—	162,768	—	—	162,768
SAC Holdings property, plant and equipment (2)	—	—	985,901	(258,271)	727,630
	—	2,409,192	985,901	(258,271)	3,136,822
Less accumulated depreciation	—	(1,166,280)	(39,156)	4,690	(1,200,746)
Total property, plant and equipment	—	1,242,912	946,745	(253,581)	1,936,076
TOTAL ASSETS	(1,914,506)	3,425,359	972,688	(671,775)	3,726,272

(1) Balances as of December 31, 2001

(2) Included in this caption is land of $264,410, buildings and improvements of $719,728 and furniture and equipment of $1,763.

AMERCO AND CONSOLIDATED SUBSIDIARIES AND SAC HOLDING CORPORATION, SAC HOLDING II CORPORATION AND CONSOLIDATED SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Consolidating balance sheets by industry segment as of March 31, 2002 (Restated) are as follows:

	AMERCO	U-Haul Moving and Storage Operations	Real Estate	Property and Casualty Insurance(1)	Life Insurance(1)
			(In thousands)		
LIABILITIES					
Accounts payable and accrual expenses	$ 37,876	203,606	10,088	—	9,353
AMERCO's notes and loans payable	1,030,805	14,793	203	—	—
SAC Holdings notes and loans payable	—	—	—	—	—
Policy benefits and losses, claims and loss expenses payable	—	90,239	—	551,592	177,752
Liabilities from investment contracts	—	—	—	—	572,793
Other policyholders' funds and liabilities	—	—	—	54,254	19,343
Deferred income	3,434	33,725	996	—	—
Deferred income taxes	149,965	228,900	93,196	—	16,082
Other liabilities	—	69,293	429,202	—	10,807
Total liabilities	1,222,080	640,556	533,685	605,846	806,130
Minority Interest	—	—	—	—	—
STOCKHOLDERS' EQUITY					
Serial preferred stock — Series A preferred stock	—	—	—	—	—
Series B preferred stock	—	—	—	—	—
Serial common stock — Series A common stock	1,441	—	—	—	—
Common stock	9,122	540	1	3,300	2,500
Additional paid- in-capital	396,559	121,230	147,347	69,626	16,442
Additional paid- in-capital – SAC	3,199	—	—	—	—
Accumulated other comprehensive loss	(37,802)	(39,804)	—	14,794	9,904
Accumulated other comprehensive loss — SAC	(2,778)	—	—	—	—
Retained earnings/ accumulated deficit	601,481	390,845	48,112	117,556	88,876
Cost of common shares in treasury	(416,771)	—	—	—	—
Unearned ESOP shares	20	(14,172)	—	—	—
Total stockholders' equity	554,471	458,639	195,460	205,276	117,722
TOTAL LIABILITIES AND STOCKHOLDERS'					

EQUITY	$1,776,551	1,099,195	729,145	811,122	923,852

[Additional columns below]

[Continued from above table, first column(s) repeated]

	Eliminations	AMERCO Consolidated	SAC Moving and Storage Operations	Eliminations	Total Consolidated
			(In thousands)		
LIABILITIES					
Accounts payable and accrual expenses	(32,614)	228,309	36,891	(31,326)	233,874
AMERCO's notes and loans payable	—	1,045,801	—	—	1,045,801
SAC Holdings notes and loans payable	—	—	961,499	(399,612)	561,887
Policy benefits and losses, claims and loss expenses payable	—	819,583	—	—	819,583
Liabilities from investment contracts	—	572,793	—	—	572,793
Other policyholders' funds and liabilities	—	73,597	—	—	73,597
Deferred income	—	38,155	15,550	(10,447)	43,258
Deferred income taxes	(381,321)	106,822	(14,862)	(98,005)	(6,045)
Other liabilities	(509,302)	—	—	—	—
Total liabilities	(923,237)	2,885,060	999,078	(539,390)	3,344,748
Minority Interest	—	—	11,341	(11,341)	—
STOCKHOLDERS' EQUITY					
Serial preferred stock —					
Series A preferred stock	—	—	—	—	—
Series B preferred stock	—	—	—	—	—
Serial common stock —					
Series A common stock	—	1,441	—	—	1,441
Common stock	(6,341)	9,122	—	—	9,122
Additional paid- in-capital	(354,645)	396,559	—	(160,266)	236,293
Additional paid- in-capital – SAC	—	3,199	3,199	(3,199)	3,199
Accumulated other comprehensive loss	15,106	(37,802)	—	—	(37,802)
Accumulated other comprehensive loss — SAC	—	(2,778)	(2,778)	2,778	(2,778)
Retained earnings/ accumulated deficit	(645,389)	601,481	(34,953)	39,643	606,171
Cost of common shares in treasury	—	(416,771)	(3,199)	—	(419,970)
Unearned ESOP shares	—	(14,152)	—	—	(14,152)
Total stockholders' equity	(991,269)	540,299	(37,731)	(121,044)	381,524
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	(1,914,506)	3,425,359	972,688	(671,775)	3,726,272

(1) Balances as of December 31, 2001

AMERCO AND CONSOLIDATED SUBSIDIARIES AND SAC HOLDING CORPORATIONS AND CONSOLIDATED SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Consolidating income statements by industry segment for the year ended March 31, 2003 are as follows:

	AMERCO	U-Haul Moving and Storage Operations	Real Estate	Property and Casualty Insurance(1)	Life Insurance(1)
			(In thousands)		
Revenues					
Rental revenue	—	1,433,442	59,162	—	—
Net sales	—	174,065	56	—	—
Premiums	—	—	—	152,618	161,398
Net investment and interest income	1,195	29,358	10,695	22,318	13,891
Total revenues	1,195	1,636,865	69,913	174,936	175,289
Costs and expenses					
Operating expenses	43,502	992,214	(5,501)	36,958	40,549
Commission expense	—	164,508	—	—	—
Cost of sales	—	93,735	21	—	—
Benefits and losses		37,560	—	128,680	115,628
Amortization of deferred policy acquisition costs	—	—	—	17,281	20,538
Lease expense	927	165,020	14,182	—	—
Depreciation, net	15	112,815	5,169	—	—
Total costs and expenses	44,444	1,565,852	13,871	182,919	176,715
Equity in Earnings of Subsidiary	52,951	—	—	—	—
Equity in Earning of SAC	(8,697)	—	—	—	—
Earnings (loss) from operations	1,005	71,013	56,042	(7,983)	(1,426)
Interest expense	69,213	9,991	23,652	—	—
Pretax earnings (loss)	(68,208)	61,022	32,390	(7,983)	(1,426)
Income tax (expense)/ benefit	41,296	(21,211)	(13,002)	2,612	549
Net earnings/ (loss)	(26,912)	39,811	19,388	(5,371)	(877)
Less: preferred stock dividends	(12,963)	—	—	—	—
Earnings (loss) available to common shareholders	$(39,875)	39,811	19,388	(5,371)	(877)

[Additional columns below]

[Continued from above table, first column(s) repeated]

Eliminations	AMERCO Consolidated	SAC Moving and Storage Operations	Eliminations	Total Consolidated

		(In thousands)			
Revenues					
Rental revenue	(60,116)c	1,432,488	168,027	(40,510)c	1,560,005
Net sales	—	174,121	48,768	—	222,889
Premiums	(6,091)d	307,925	—	—	307,925
Net investment and interest income	—__	77,457	—	(35,889)e	41,568
Total revenues	(66,207)	1,991,991	216,795	(76,399)	2,132,387
Costs and expenses					
Operating expenses	(66,207)c	1,041,515	105,287	(12,342)c	1,134,460
Commission expense	—	164,508	—	(27,681)c	136,827
Cost of sales	—	93,756	21,359	—	115,115
Benefits and losses	—	281,868	—	—	281,868
Amortization of deferred policy acquisition costs	—	37,819	—	—	37,819
Lease expense	—	180,129	—	(487)	179,642
Depreciation, net	—	117,999	21,373	(1,926)	137,446
Total costs and expenses	(66,207)	1,917,594	148,019	(42,436)	2,023,177
Equity in Earnings of Subsidiary	(52,951)	—	—	—	—
Equity in Earning of SAC	—	(8,697)	—	8,697	—
Earnings (loss) from operations	(52,951)	65,700	68,776	(25,266)	109,210
Interest expense	—	102,856	81,164	(35,889)	148,131
Pretax earnings (loss)	(52,951)	(37,156)	(12,388)	10,623	(38,921)
Income tax (expense)/ benefit	—	10,244	3,691	—	13,935
Net earnings/ (loss)	(52,951)	(26,912)	(8,697)	10,623	(24,986)
Less: preferred stock dividends	—	(12,963)	—	—	(12,963)
Earnings (loss) available to common shareholders	(52,951)	(39,875)	(8,697)	10,623	(37,949)

(1) Balances as of December 31, 2002

(a) Eliminate investment in subsidiaries

(b) Eliminate intercompany receivables and payables

(c) Eliminate intercompany lease income

(d) Eliminate intercompany premiums

(e) Eliminate intercompany interest on debt

(f) Eliminate gain on sale of surplus property from AMERCO to SAC

AMERCO AND CONSOLIDATED SUBSIDIARIES AND SAC HOLDING CORPORATIONS AND CONSOLIDATED SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Consolidating income statements by industry segment for the year ended March 31, 2002 (Restated) are as follows:

	AMERCO	U-Haul Moving and Storage Operations	Real Estate	Property and Casualty Insurance(1)	Life Insurance(1)
			(In thousands)		
Revenues					
Rental revenue	$ —	1,425,685	68,245	—	—
Net sales	—	198,312	55	—	—
Premiums	—	—	—	261,975	159,380
Net investment and interest income	873	22,686	8,321	20,651	23,175
Total revenues	873	1,646,683	76,621	282,626	182,555
Costs and expenses					
Operating expenses	8,945	1,041,354	(4,442)	77,210	37,473
Commission expense	—	153,465	—	—	—
Cost of sales	—	110,449	24	—	—
Benefits and losses	—	47,036	—	255,756	120,917
Amortization of deferred policy acquisition costs	—	—	—	22,091	18,583
Lease expense	918	171,656	11,221	—	—
Depreciation, net	(500)	92,351	(2,039)	—	—
Total costs and expenses	9,363	1,616,311	4,764	355,057	176,973
Equity in Earnings of Subsidiary	(10,495)	—	—	—	—
Equity in Earnings of SAC	(14,025)	—	—	—	—
Earnings (loss) from operations	(33,010)	30,372	71,857	(72,431)	5,582
Interest expense	30,773	11,675	34,299	—	—
Pretax earnings (loss)	(63,783)	18,697	37,558	(72,431)	5,582
Income tax (expense)/ benefit	14,417	(6,117)	(15,102)	23,736	(2,418)
Net earnings (loss)	(49,366)	12,580	22,456	(48,695)	3,164
Less: preferred stock dividends	(12,963)	—	—	—	—
Earnings (loss) available to common shareholders	$(62,329)	12,580	22,456	(48,695)	3,164

[Additional columns below]

[Continued from above table, first column(s) repeated]

Eliminations	AMERCO Consolidated	SAC Moving and Storage Operations	Eliminations	Total Consolidated

			(In thousands)		
Revenues					
Rental revenue	(64,325)	1,429,605	112,747	(30,102)	1,512,250
Net sales	—	198,367	24,449	—	222,816
Premiums	(10,185)	411,170	—	—	411,170
Net investment and interest income	—	75,706	—	(28,363)	47,343
Total revenues	(74,510)	2,114,848	137,196	(58,465)	2,193,579
Costs and expenses					
Operating expenses	(74,510)	1,086,030	68,223	(7,948)	1,146,305
Commission expense	—	153,465	—	(13,023)	140,442
Cost of sales	—	110,473	12,221	—	122,694
Benefits and losses	—	423,709	—	—	423,709
Amortization of deferred policy acquisition costs	—	40,674	—	—	40,674
Lease expense	—	183,795	—	(9,131)	174,664
Depreciation, net	—	89,812	15,071	(1,926)	102,957
Total costs and expenses	(74,510)	2,087,958	95,515	(32,028)	2,151,445
Equity in Earnings of Subsidiary	10,495	—	—	—	—
Equity in Earnings of SAC	—	(14,025)	—	14,025	—
Earnings (loss) from operations	10,495	12,865	41,681	(12,412)	42,134
Interest expense	—	76,747	61,081	(28,363)	109,465
Pretax earnings (loss)	10,495	(63,882)	(19,400)	15,951	(67,331)
Income tax (expense)/ benefit	—	14,516	5,375	—	19,891
Net earnings (loss)	10,495	(49,366)	(14,025)	15,951	(47,440)
Less: preferred stock dividends	—	(12,963)	—	—	(12,963)
Earnings (loss) available to common shareholders	10,495	(62,329)	(14,025)	15,951	(60,403)

(1) Balances as of December 31, 2001

AMERCO AND CONSOLIDATED SUBSIDIARIES AND
SAC HOLDING CORPORATIONS AND CONSOLIDATED SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Consolidating income statements by industry segment for the year ended March 31, 2001 (Restated) are as follows:

	AMERCO	U-Haul Moving and Storage Operations	Real Estate	Property and Casualty Insurance(1)	Life Insurance(1)
			(In thousands)		
Revenues					
Rental revenue	(2)	1,364,504	72,041	—	—
Net sales	—	194,270	50	—	—
Premiums	—	—	—	226,088	112,616
Net investment and interest income	963	24,346	10,962	25,479	19,001
Total revenues	961	1,583,120	83,053	251,567	131,617
Costs and expenses					
Operating expenses	7,113	1,021,576	467	56,509	29,352
Commission expenses	—	143,588	—	—	—
Cost of sales	—	116,601	28	—	—
Benefits and losses	—	40,521	—	211,325	79,233
Amortization of deferred policy acquisition costs	—	—	—	16,594	19,638
Lease expense	688	167,290	11,576	—	—
Depreciation, net	123	87,539	5,258	—	—
Total costs and expenses	7,924	1,577,115	17,329	284,428	128,223
Equity in earnings of Amerco subsidiaries	(13,652)	—	—	—	—
Equity in earnings of SACH	(9,400)	—	—	—	—
Earnings (loss) from operations	(30,015)	6,005	65,724	(32,861)	3,394
Interest expense	25,522	17,094	44,265	—	—
Pretax earnings/ (loss)	(55,537)	(11,089)	21,459	(32,861)	3,394
Income tax (expense)/ benefit	11,929	4,921	(8,198)	9,880	(1,158)
Net earnings (loss)	(43,608)	(6,168)	13,261	(22,981)	2,236
Less: preferred stock dividends	(12,963)	—	—	—	—
Earnings available to common shareholders	$(56,571)	(6,168)	13,261	(22,981)	2,236

[Additional columns below]

[Continued from above table, first column(s) repeated]

Eliminations	AMERCO Consolidated	SAC Moving and Storage Operations	Eliminations	Total Consolidated
		(In thousands)		

Revenues					
Rental revenue	(71,108)	1,365,435	92,457	(21,060)	1,436,832
Net sales	—	194,320	17,923	—	212,243
Premiums	(10,596)	328,108	—	—	328,108
Net investment and interest income	—	80,751	—	(28,454)	52,297
Total revenues	(81,704)	1,968,614	110,380	(49,514)	2,029,480
Costs and expenses					
Operating expenses	(81,704)	1,033,313	49,237	(6,243)	1,076,307
Commission expenses	—	143,588	—	(10,723)	132,865
Cost of sales	—	116,629	9,877	—	126,506
Benefits and losses	—	331,079	—	—	331,079
Amortization of deferred policy acquisition costs	—	36,232	—	—	36,232
Lease expense	—	179,554	—	(4,094)	175,460
Depreciation, net	—	92,920	12,385	(1,498)	103,807
Total costs and expenses	(81,704)	1,933,315	71,499	(22,558)	1,982,256
Equity in earnings of Amerco subsidiaries	13,652	—	—	—	—
Equity in earnings of SACH	—	(9,400)	—	9,400	—
Earnings (loss) from operations	13,652	25,899	38,881	(17,556)	47,224
Interest expense	—	86,881	53,451	(28,454)	111,878
Pretax earnings/ (loss)	13,652	(60,982)	(14,570)	10,898	(64,654)
Income tax (expense)/ benefit	—	17,374	5,170	—	22,544
Net earnings (loss)	13,652	(43,608)	(9,400)	10,898	(42,110)
Less: preferred stock dividends	—	(12,963)	—	—	(12,963)
Earnings available to common shareholders	13,652	(56,571)	(9,400)	10,898	(55,073)

(1) Balances as of December 31, 2000

AMERCO AND CONSOLIDATED SUBSIDIARIES AND SAC HOLDING CORPORATIONS AND CONSOLIDATED SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Consolidating cash flow statements by industry segment for the year ended March 31, 2003 are as follows:

	AMERCO	U-Haul Moving and Storage Operations	Real Estate	Property and Casualty Insurance(1)	Life Insurance(1)
			(In thousands)		
Net cash flows provided (used) by operating activities	$ 200,516	83,499	(87,059)	(75,133)	(17,982)
Cash flows from investing activities:					
Purchases of investments:					
Property, plant and equipment	(64)	(182,409)	(30,176)	—	—
Fixed maturities	—	—	—	(10,408)	(267,949)
Common Stock	—	—	—	—	—
Preferred Stock	—	—	—	—	—
Other asset investment	—	—	—	—	(18,910)
Real estate	—	—	—	—	(21,759)
Mortgage loans	—	—	—	—	(22,000)
Proceeds from sale of investments:					
Property, plant and equipment	—	85,289	11,600	—	—
Fixed maturities	—	—	—	101,373	262,741
Common Stock	—	—	—	—	—
Preferred Stock	—	—	—	—	2,885
Real estate	—	—	—	—	22,043
Mortgage loans	—	73	130	561	17,409
Changes in other investments	—	—	4,481	(18,197)	(23,575)
Net cash provided (used) by investing activities	(64)	(97,047)	(13,965)	73,329	(49,115)
Cash flows from financing activities:					
Net change in short-term borrowings	5,000	16,900	—	—	—
Proceeds from notes	257,007	—	101,329	—	—
Debt issuance costs	(2,330)	—	(680)	—	—
Leveraged ESOP:					
Repayment on loan	—	—	—	—	—
Purchase of shares	—	—	—	—	—
Payments on loan	—	975	—	—	—
Principal payments on notes	(433,788)	—	(27)	—	—
Treasury stock acquisitions, net	(1,408)	—	—	—	—
Preferred stock dividends paid	(6,480)	—	—	—	—
Investment contract deposits	—	—	—	—	165,281
Investment contract withdrawals	—	—	—	—	(98,022)

Net cash provided (used) by financing activities	(181,999)	17,875	100,622	—	67,259
Increase (decrease) in cash and cash equivalents	18,453	4,327	(402)	(1,804)	162
Cash and cash equivalents at the beginning of period	71	25,719	576	5,912	9,158
Cash and cash equivalents at the end of period	$ 18,524	30,046	174	4,108	9,320

[Additional columns below]

[Continued from above table, first column(s) repeated]

	Eliminations	AMERCO Consolidated	SAC Moving and Storage Operations	Eliminations	Total Consolidated
			(In thousands)		
Net cash flows provided (used) by operating activities	(41,772)	62,069	13,472	(1,011)	74,530
Cash flows from investing activities:					
Purchases of investments:					
Property, plant and equipment	—	(212,649)	(30,512)	—	(243,161)
Fixed maturities	—	(278,357)	—	—	(278,357)
Common Stock	—	—	—	—	—
Preferred Stock	—	—	—	—	—
Other asset investment	17,500	(1,410)	—	—	(1,410)
Real estate	—	(21,759)	—	—	(21,759)
Mortgage loans	22,000		—	—	—
Proceeds from sale of investments:					
Property, plant and equipment	—	96,889	—	—	96,889
Fixed maturities	—	364,114	—	—	364,114
Common Stock	—	—	—	—	—
Preferred Stock	—	2,885	—	—	2,885
Real estate	—	22,043	—	—	22,043
Mortgage loans	—	18,173	—	—	18,173
Changes in other investments	41,772	4,481	—	—	4,481
Net cash provided (used) by investing activities	81,272	207,059	(30,512)	—	(36,102)
Cash flows from financing activities:					
Net change in short-term borrowings	—	21,900	—	—	21,900
Proceeds from notes	(39,500)	318,836	58,827	(27,827)	349,836
Debt issuance costs	—	(3,010)	—	—	(3,010)
Leveraged ESOP:					
Repayment on loan	—	—	—	—	—
Purchase of shares	—	—	—	—	—
Payments on loan	—	975	—	—	975

Principal payments on notes	—	(433,815)	(37,135)	28,838	(442,112)
Treasury stock acquisitions, net	—	(1,408)	—	—	(1,408)
Preferred stock dividends paid	—	(6,480)	—	—	(6,480)
Investment contract deposits	—	165,281	—	—	165,281
Investment contract withdrawals	—	(98,022)	—	—	(98,022)
Net cash provided (used) by financing activities	(39,500)	(35,743)	21,692	1,011	(13,040)
Increase (decrease) in cash and cash equivalents	—	20,736	4,652	—	25,388
Cash and cash equivalents at the beginning of period	—	41,436	10	—	41,446
Cash and cash equivalents at the end of period	—	62,172	4,662	—	66,834

(1) Balances as of December 31, 2002

AMERCO AND CONSOLIDATED SUBSIDIARIES AND
SAC HOLDING CORPORATIONS AND CONSOLIDATED SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Consolidating cash flow statements by industry segment for the year ended March 31, 2002 (Restated) are as follows:

	AMERCO	U-Haul Moving and Storage Operations	Real Estate	Life Insurance(1)	Property and Casualty Insurance(1)
			(In Thousands)		
Net cash flows provided (used) by operating activities	$ 148,589	96,245	(144,082)	(5,150)	(61,537)
Cash flows from investing activities:					
Purchases of investments:					
Property, plant and equipment	(12)	(248,670)	(32,327)	—	—
Fixed maturities	—	—	—	(248,671)	(8,888)
Common stock	—	—	—	(418)	—
Preferred stock	—	—	—	(2,072)	—
Other asset investment	—	—	—	(2,259)	—
Real estate	—	—	—	(35)	4,312
Mortgage loans	—	—	(561)	(790)	—
Proceeds from sales of investments:					
Property, plant and equipment	695	143,317	173,184	—	—
Fixed maturities	—	—	—	168,984	64,732
Common stock	—	—	—	—	—
Preferred stock	—	—	—	4,400	—
Real estate	—	—	—	1,038	2,662
Mortgage loans	—	268	510	17,910	2
Changes in other investments	—	—	2,897	(8,575)	1,566
Net cash (used) by investing activities	683	(105,085)	143,703	(70,488)	64,386
Cash flows from financing activities:					
Net change in short-term borrowings	(24,070)	14,793	—	—	—

Proceeds from notes	—	—	—	—	—
Debt issuance cost	(390)	—	—	—	—
Leverage Employee Stock Ownership plan:					
Purchase of shares	—	(72)	—	—	—
Payments on loan	—	1,093	—	—	—
Principal payments on notes	(101,738)	—	(33)	—	—
Preferred stock dividends paid	(12,963)	—	—	—	—
Treasury stock acquisitions, net	(10,154)	—	—	—	—
Dividends paid	—	—	—	7,501	—
Investment contract deposits	—	—	—	150,432	—
Investment contract withdrawals	—	—	—	(99,845)	—
Net cash provided by financing activities	(149,315)	15,814	(33)	58,088	—
Increase (decrease) in cash and cash equivalents	(43)	6,974	(412)	(17,550)	2,849
Cash and cash equivalents at the beginning of year	114	18,745	988	26,708	3,063
Cash and cash equivalents at the end of year	$ 71	25,719	576	9,158	5,912

[Additional columns below]

[Continued from above table, first column(s) repeated]

	Eliminations	AMERCO Consolidated	SAC Moving and Storage Operations	Eliminations	Total Consolidated
			(In Thousands)		
Net cash flows provided (used) by operating activities	492	34,557	(1,346)	(52,842)	(19,631)
Cash flows from investing activities:					
Purchases of investments:					
Property, plant and equipment	—	(281,009)	(378,873)	278,399	(381,483)
Fixed maturities	—	(257,559)	—	—	(257,559)
Common stock	—	(418)	—	—	(418)
Preferred stock	—	(2,072)	—	—	(2,072)
Other asset investment	—	(2,259)	—	—	(2,259)

Real estate	—	4,277	—	—	4,277
Mortgage loans	—	(1,351)	—	—	(1,351)
Proceeds from sales of investments:					
Property, plant and equipment	—	317,196	53,214	(141,035)	229,375
Fixed maturities	—	233,716	—	—	233,716
Common stock	—	—	—	—	—
Preferred stock	—	4,400	—	—	4,400
Real estate	—	3,700	—	—	3,700
Mortgage loans	—	18,690	—	—	18,690
Changes in other investments	7,009	2,897	—	—	2,897
Net cash (used) by investing activities	7,009	40,208	(325,659)	137,364	(148,087)
Cash flows from financing activities:					
Net change in short-term borrowings	—	(9,277)	—	—	(9,277)
Proceeds from notes	—	—	526,292	(278,399)	247,893
Debt issuance cost	—	(390)	—	—	(390)
Leverage Employee Stock Ownership plan:					
Purchase of shares	—	(72)	—	—	(72)
Payments on loan	—	1,093	—	—	1,093
Principal payments on notes	—	(101,771)	(199,287)	193,877	(107,181)
Preferred stock dividends paid	—	(12,963)	—	—	(12,963)
Treasury stock acquisitions, net	—	(10,154)	—	—	(10,154)
Dividends paid	(7,501)	—	—	—	—
Investment contract deposits	—	150,432	—	—	150,432
Investment contract withdrawals	—	(99,845)	—	—	(99,845)
Net cash provided by financing activities	(7,501)	(82,947)	327,005	(84,522)	159,536
Increase (decrease) in cash and cash equivalents	—	(8,182)	—	—	(8,182)
Cash and cash equivalents at the beginning of year	—	49,618	10	—	49,628
Cash and cash equivalents at the end of year	—	41,436	10	—	41,446

AMERCO AND CONSOLIDATED SUBSIDIARIES AND SAC HOLDING CORPORATIONS AND CONSOLIDATED SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Consolidating cash flow statements by industry segment for the year ended March 31, 2001 are as follows:

	AMERCO	U-Haul Moving and Storage Operations	Real Estate	Life Insurance(1)	Property and Casualty Insurance(1)
			(In Thousands)		
Net cash flows provided (used) by operating activities	$ 3,840	106,946	68,698	3,456	15,208
Cash flows from investing activities:					
Purchases of investments:					
Property, plant and equipment	(16)	(411,910)	(53,063)	—	—
Fixed maturities	—	—	—	(67,733)	(55,131)
Common stock	—	—	—	(31,773)	—
Preferred stock	—	—	—	—	—
Other asset investment	—	—	—	(5,915)	—
Real estate	—	—	—	—	(26)
Mortgage loans	—	(102)	—	(22,461)	—
Proceeds from sales of investments:					
Property, plant and equipment	—	303,570	42,197	—	—
Fixed maturities	—	—	—	101,780	50,981
Common stock	—	—	—	6,194	—
Preferred stock	—	—	—	372	—
Real estate	—	—	—	—	
Mortgage loans	—	3,342	268	13,607	7
Changes in other investments	—	—	—	(14,232)	(9,345)
Net cash (used) by investing activities	(16)	(105,100)	(10,598)	(20,161)	(13,514)
Cash flows from financing activities:					
Net change in short-term					

borrowings	156,070	—	—	—	—
Proceeds from notes	—	(446)	—	—	—
Debt issuance cost	(435)	—	(259)	—	—
Leverage Employee Stock Ownership plan:					
Purchase of shares	—	(46)	—	—	—
Payments on loan	137	1,102	—	—	—
Principal payments on notes	(137,010)	—	(51)	—	—
Net change in cash overdraft	—	—	—	—	—
Preferred stock dividends paid		—	—	—	—
Treasury stock acquisitions, net	(9,617)	—	—	—	—
Dividends paid	(12,963)	—	(57,763)	—	—
Investment contract deposits	—	—	—	86,657	—
Investment contract withdrawals	—	—	—	(72,953)	—
Net cash provided by financing activities	(3,818)	610	(58,073)	13,704	—
Increase (decrease) in cash and cash equivalents	6	2,456	27	(3,001)	1,694
Cash and cash equivalents at the beginning of year	108	16,289	961	29,709	1,369
Cash and cash equivalents at the end of year	$ 114	18,745	988	26,708	3,063

[Additional columns below]

[Continued from above table, first column(s) repeated]

	Eliminations	AMERCO Consolidated	SAC Moving and Storage Operations	Eliminations	Total Consolidated
			(In Thousands)		
Net cash flows provided (used) by operating activities	(81,340)	116,808	15,124	40,698	172,630
Cash flows from investing activities:					
Purchases of investments:					
Property, plant and equipment	—	(464,989)	(369,673)	217,388	(617,274)
Fixed maturities	—	(122,864)	—	—	(122,864)
Common stock	—	(31,773)	—	—	(31,773)
Preferred stock	—	—	—	—	—

Other asset investment	—	(5,915)	—	—	(5,915)
Real estate	—	(26)	—	—	(26)
Mortgage loans	—	(22,563)	—	—	(22,563)
Proceeds from sales of investments:					
Property, plant and equipment	—	345,767	46,952	(38,479)	354,240
Fixed maturities	—	152,761	—	—	152,761
Common stock	—	6,194	—	—	6,194
Preferred stock	—	372	—	—	372
Real estate	—	—	—	—	—
Mortgage loans	—	17,224	—	—	17,224
Changes in other investments	23,577		—	—	—
Net cash (used) by investing activities	23,577	(125,812)	(322,721)	178,909	(269,624)
Cash flows from financing activities:					
Net change in short-term borrowings	—	156,070	—	—	156,070
Proceeds from notes	—	(446)	460,537	(366,014)	94,077
Debt issuance cost	—	(694)	—	—	(694)
Leverage Employee Stock Ownership plan:					
Purchase of shares	—	(46)	—	—	(46)
Payments on loan	—	1,239	—	—	1,239
Principal payments on notes	—	(137,061)	(152,940)	146,407	(143,594)
Net change in cash overdraft	—	—	—	—	—
Preferred stock dividends paid	—	—	—	—	—
Treasury stock acquisitions, net	—	(9,617)	—	—	(9,617)
Dividends paid	57,763	(12,963)	—	—	(12,963)
Investment contract deposits	—	86,657	—	—	86,657
Investment contract withdrawals	—	(72,953)	—	—	(72,953)
Net cash provided by financing activities	57,763	10,186	307,597	(219,607)	98,176
Increase (decrease) in cash and cash equivalents	—	1,182	—	—	1,182
Cash and cash equivalents at the beginning of year	—	48,436	10	—	48,446
Cash and cash equivalents at the end of year	—	49,618	10	—	49,628

**AMERCO AND CONSOLIDATED SUBSIDIARIES AND
SAC HOLDING CORPORATION, SAC HOLDING II CORPORATION
AND CONSOLIDATED SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Financial information by geographic area are as follows

Year Ended	United States	Canada	Consolidated
	(All amounts are in thousands U.S. $'s)		
March 31, 2003			
Total revenues	$2,077,333	55,054	2,132,387
Depreciation/ amortization net	169,799	5,466	175,265
Interest expense/ (benefit)	146,144	1,987	148,131
Pretax earnings/ (loss)	(45,628)	6,707	(38,921)
Income tax expense/ (benefit)	16,282	(2,347)	13,935
Identifiable assets	3,673,738	131,928	3,805,666
March 31, 2002			
Total revenues	$2,141,229	52,350	2,193,579
Depreciation/ amortization net	138,401	5,230	143,631
Interest expense/ (benefit)	107,370	2,095	109,465
Pretax earnings/ (loss)	(74,828)	7,497	(67,331)
Income tax expense/ (benefit)	22,515	(2,624)	19,891
Identifiable assets	3,615,108	117,209	3,732,317

23. Subsequent Events

On April 18, 2003, AMERCO filed suit against its former auditors, PricewaterhouseCoopers (PwC). The complaint seeks actual and punitive damages in excess of $2.5 billion dollars as a result of the alleged negligent, fraudulent and tortious conduct of PwC during the last seven years of its audit engagement.

On June 20, 2003, AMERCO filed a voluntary petition for protection under Chapter 11 of the U.S. Bankruptcy Code. AMERCO has taken this action in order to expedite the financial restructuring of its debt. On August 13, 2003, Amerco Real Estate Company filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code with joint administration under BK-03-52103-GWZ. Not included in the Chapter 11 filing are the following AMERCO subsidiaries: U-Haul, Oxford Life Insurance Company and its subsidiaries, and Republic Western Insurance Company, among others. The Chapter 11 filing by AMERCO is not expected to impact the operations of these subsidiaries, and their business will continue uninterrupted. Additionally, since the Company is solvent, with asset value in excess of its debt, AMERCO intends to repay its creditors in full pursuant to a full-value plan of reorganization, without diluting the interest of its shareholders.

On June 30, 2003, RepWest and Oxford exchanged their respective interests in Private Mini for certain real property owned by certain SAC Holdings entities. The exchanges were non-monetary and were recorded on the basis of the book values of the assets exchanged.

On May 20, 2003, RepWest consented to an Order for Supervision issued by the Arizona Department of Insurance ("DOI"). The DOI determined that RepWest's level of risk based capital ("RBC") allowed for regulatory control. Pursuant to this order and Arizona law, during the period of supervision, RepWest may not engage in any of the following activities without the prior approval of the DOI. If RepWest fails to satisfy the requirements to abate DOI's concerns, the DOI may take further action, including, but not limited to, commencing a conservatorship.

In April 2003, the Company determined that in connection with overall restructuring efforts, RepWest is exiting non-U-Haul related lines of business.

ADDITIONAL INFORMATION

SUMMARY OF EARNINGS OF INDEPENDENT TRAILER FLEETS
Unaudited

The following Summary of Earnings of Independent Trailer Fleets is presented for purposes of analysis and is not a required part of the basic financial statements.

	Years Ended March 31,				
	2003	2002	2001	2000	1999
	(In thousands, except earnings per $100 of average investment)				
Earnings data (Note A):					
Fleet owner income:					
Credited to fleet owner gross rental income	$ 823	1,028	1,350	1,977	2,191
Credited to trailer accident fund (Notes D and E)	49	61	79	114	144
Total fleet owner income	872	1,089	1,429	2,091	2,335
Fleet owner operation expenses:					
Charged to fleet owner (Note C)	422	532	719	999	873
Charged to trailer accident fund (Notes D and F)	9	15	18	23	27
Total fleet owner operation expenses	431	547	737	1,022	900
Fleet owner earnings before trailer accident fund credit, depreciation and income taxes	402	496	631	978	1,318
Trailer accident fund credit (Note D)	39	46	61	91	117
Net fleet owner earnings before depreciation and income taxes	$ 441	542	692	1,069	1,435
Investment data (Note A):					
Amount at end of year	$1,389	1,663	2,046	2,654	3,272
Average amount during year	$1,526	1,855	2,350	3,574	3,574
Net fleet owner earnings before depreciation and income taxes per $100 of average investment (Note B) (unaudited)	$19.95	20.06	23.38	28.12	29.56

The accompanying notes are an integral part of this Summary of Earnings of Independent Trailer Fleets.

ADDITIONAL INFORMATION

NOTES TO SUMMARY OF EARNINGS OF INDEPENDENT TRAILER FLEETS

(A) The accompanying Summary of Earnings of Independent Trailer Fleets includes the operations of trailers under the brand name of "U-Haul" owned by independent fleet owners. Earnings data represent the aggregate results of operations before depreciation and taxes. Investment data represent the cost of trailers and investments before accumulated depreciation.

Fleet owner income is based on Independent Rental Dealer reports of rentals transacted through the day preceding the last Monday of each month and received by U-Haul International, Inc. by the end of the month and U-Haul Center reports of rentals transacted through the last day of each month. Payments to fleet owners for trailers lost or retired from rental service as a result of damage by accident have not been reflected in this summary because such payments do not relate to earnings before depreciation and income taxes but, rather, investment (depreciation).

The investment data is based upon the cost of trailers to the fleet owners as reflected by sales records of the U-Haul manufacturing facilities.

(B) The summary of earnings data stated in terms of amount per $100 of average investment represents the aggregate results of operations (earnings data) divided by the average amount of investment during the periods. The average amount of investment is based upon a simple average of the month-end investment during each period. Average earnings data is not necessarily representative of an individual fleet owner's earnings.

(C) A summary of operations expenses charged directly to independent fleet owners follows:

	Year Ended March 31,				
	2003	2002	2001	2000	1999
	(In thousands)				
Licenses	$ 52	86	124	150	159
Public liability insurance	53	65	87	126	134
Repairs and maintenance	317	381	508	723	580
	$422	532	719	999	873

(D) The fleet owners and subsidiary U-Haul Rental Companies forego normal commissions on a portion of gross rental fees designated for transfer to the Trailer Accident Fund. Trailer accident repair expenses, otherwise chargeable to fleet owners, are paid from this Fund to the extent of the financial resources of the Fund. The amounts designated "Trailer Accident Fund credit" in the accompanying summary of earnings represents independent fleet owner commissions foregone, which exceed expenses borne by the Fund.

(E) Commissions foregone for transfer to the Trailer Accident Fund follow:

	Fleet Owners			
	Subsidiary U-Haul Companies	Subsidiary Companies	Independent	Total
	(In thousands)			
Year ended:				
March 31, 2003	$6,845	3,637	49	10,531
March 31, 2002	6,385	3,377	61	9,823
March 31, 2001	6,073	3,191	79	9,343
March 31, 2000	6,061	3,150	114	9,325
March 31, 1999	6,081	3,131	144	9,356

ADDITIONAL INFORMATION

NOTES TO SUMMARY OF EARNINGS OF INDEPENDENT TRAILER FLEETS — (Continued)

(F) A summary of independent fleet owner expenses borne by the Trailer Accident Fund follows:

	Fleet Owners					Total Trailer Accident Repair Expenses
	Subsidiary U-Haul Companies	Subsidiary Companies	Independent	Sub Total	Trailer Accident Retirements	
	(In thousands)					
Year ended:						
March 31, 2003	$1,095	582	8	1,685	394	2,079
March 31, 2002	1,225	647	12	1,884	455	2,339
March 31, 2001	1,067	561	18	1,646	498	2,144
March 31, 2000	1,233	641	23	1,897	354	2,251
March 31, 1999	1,148	591	27	1,766	342	2,108

(G) Certain reclassifications have been made to the Summary of Earnings of Independent Trailer Fleets for the fiscal years ended 1999 to conform to the current year’s presentation.

SCHEDULE I

CONDENSED FINANCIAL INFORMATION OF AMERCO

BALANCE SHEETS

	March 31,	
	2003	2002
	(In thousands)	
ASSETS		
Cash	$ 18,524	71
Investment in subsidiaries	995,818	956,737
Due from unconsolidated subsidiaries	451,424	792,327
Other assets	155,691	27,416
Total assets	$1,621,457	1,776,551
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Notes and loans payable	$ 861,158	1,030,805
Other liabilities	262,805	191,275
Stockholders' equity:		
Preferred stock	—	—
Common stock	10,563	10,563
Additional paid-in capital	399,249	399,758
Accumulated other comprehensive income	(55,765)	(40,580)
Retained earnings/ (loss):		
Beginning of year	601,481	663,810
Net earnings/ (loss)	(26,912)	(49,366)
Dividends accrued/ paid	(12,963)	(12,963)
	561,606	601,481
Less:		
Cost of common shares in treasury	(418,179)	(416,771)
Unearned employee stock ownership plan shares	20	20
Total stockholders' equity	497,494	554,471
Total Liabilities and stockholders' equity	$1,621,457	1,776,551

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

CONDENSED FINANCIAL INFORMATION OF AMERCO

STATEMENTS OF OPERATIONS

	Years Ended March 31,		
	2003	2002 (Restated)	2001 (Restated)
	(In thousands, except share and per share data)		
Revenues			
Net interest income from subsidiaries	$ 1,195	873	961
Expenses			
Interest expense	69,213	30,773	25,522
Other expenses	44,444	9,363	7,924
Total expenses	113,657	40,136	33,446
Operating loss	(112,462)	(39,263)	(32,485)
Equity in earnings of unconsolidated subsidiaries	44,254	(24,520)	(23,052)
Income tax (expense)/benefit	41,296	14,417	11,929
Net earnings/(loss)	$ (26,912)	(49,366)	(43,608)
Less: preferred stock dividend	(12,963)	(12,963)	(12,963)
Earnings/(Loss) available to common shareholders	(39,875)	(62,329)	(56,571)
Earnings/(Loss) per common share (both basic and diluted):	$ (1.92)	(2.96)	(2.63)
Weighted average common shares outstanding	20,743,072	21,022,712	21,486,370

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

CONDENSED FINANCIAL INFORMATION OF AMERCO

STATEMENTS OF CASH FLOWS

	Years Ended March 31,		
	2003	2002 (Restated)	2001 (Restated)
		(In thousands)	
Cash flows from operating activities:			
Net earnings/ (loss)	$ (26,912)	(49,366)	(43,608)
Amortization, net	1,752	2,046	1,364
Gain/ (loss) on sale	—	(559)	—
Equity in earnings of subsidiaries	—	—	—
(Increase) decrease in amounts due from unconsolidated subsidiaries	—	—	—
Net change in operating assets and liabilities	225,676	196,468	46,084
Net cash provided by operating activities	200,516	148,589	3,840
Cash flows from investing activities:			
Purchases of property, plant and equipment	(64)	(12)	(16)
Proceeds from sale of property, plant and equipment	–	695	–
Net cash used by investing activities	(64)	683	(16)
Cash flows from financing activities:			
Net change in short term borrowings	5,000	(24,070)	156,070
Proceeds from notes	257,007	—	—
Leveraged Employee Stock Ownership Plan-repayments from loan	—	—	137
Principal payments on notes	(433,788)	(101,738)	(137,010)
Debt issuance costs	(2,330)	(390)	(435)
Repurchase of preferred stock	—	—	—
Preferred stock dividends paid	(6,480)	(12,963)	(12,963)
Treasury stock purchase, net	(1,408)	(10,154)	(9,617)
Extraordinary loss on early extinguishment of debt, net	—	—	—
Net cash used by financing activities	(181,999)	(149,315)	(3,818)
Increase (decrease) in cash and cash equivalents	18,453	(43)	6
Cash and cash equivalents at beginning of year	71	114	108
Cash and cash equivalents at end of year	$ 18,524	71	114

Income taxes paid in cash amounted to $11.4 million, $5.9 million and $5.4 million for 2003, 2002 and 2001, respectively. Interest paid in cash amounted to $76.6 million, $77.9 million and $92.6 million for 2003, 2002 and 2001, respectively.

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

CONDENSED FINANCIAL INFORMATION OF AMERCO

NOTES TO CONDENSED FINANCIAL INFORMATION
March 31, 2003, 2002, and 2001

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., Republic Western Insurance Company, Oxford Life Insurance Company and Amerco Real Estate Company. The financial statements of the Registrant should be read in conjunction with the Consolidated Financial Statements and notes thereto included in this Form 10-K.

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

The financial statements include only the accounts of the Registrant (a Nevada Corporation), which include certain of the corporate operations of AMERCO (excluding SAC Holdings). The interest in AMERCO's majority owned subsidiaries is accounted for on the equity method. The debt and related interest expense of AMERCO have been allocated to the consolidated subsidiaries. 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 15 of Notes to Consolidated Financial Statements.

3. Notes and Loans Payable

Notes and loans payable consist of the following:

	March 31,	
	2003	2002
	(In thousands)	
Medium-term notes payable, unsecured, 7.23% to 8.08% interest rates, due through 2027.	$109,500	109,500
Notes payable under Bond Backed Asset Trust, unsecured, 7.14% interest rates, due through 2002.	100,000	100,000
Notes payable to banks under commercial paper agreements, unsecured, 5.00% to 6.20% interest rates	—	—
Notes payable to public, unsecured, 7.85% interest rate, due through 2003.	175,000	175,000
Senior Note, unsecured, 7.20% interest rate, due through 2002.	—	150,000
Senior Note, unsecured, 8.80% interest rate, due through 2005.	200,000	200,000
Other notes payable, unsecured, 8.15% interest rate, due through 2017.	22,000	30
Notes payable to banks under revolving lines of credit, unsecured, 7.00% interest rate	205,000	283,000
Debt related to SWAP termination	5,582	775
Debt related to BBAT option termination	26,550	—
Other short-term promissory notes, 2.88% interest rate	17,526	12,500
	$861,158	1,030,805

For additional information, see Note 6 of Notes to Consolidated Financial Statements.

SCHEDULE V

AMERCO AND CONSOLIDATED SUBSIDIARIES
SUPPLEMENTAL INFORMATION (FOR PROPERTY-CASUALTY INSURANCE UNDERWRITERS)
YEARS ENDED DECEMBER 31, 2002, 2001 AND 2000

Fiscal Year	Affiliation with Registrant	Deferred Policy Acquisition Costs	Reserves for Unpaid Claims and Claim 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	Prior Year	Fiscal Year
				(In thousands)						
2003	Consolidated property casualty entity	$13,206	399,448	N/A	62,346	149,209	27,931	112,284	16,396	2003
2002	Consolidated property casualty entity	$15,946	448,984	N/A	91,725	253,799	27,876	232,984	23,042	2002
2001	Consolidated property casualty entity	$21,374	382,651	N/A	107,880	216,915	30,372	162,265	41,285	2001

[Additional columns below]

[Continued from above table, first column(s) repeated]

Fiscal Year	Amortization of Deferred Policy Acquisition Costs	Paid Claims and Claim Adjustment Expenses	Net Premiums Written(1)
		(In thousands)	
2003	17,143	196,798	120,946
2002	22,067	236,866	227,378
2001	16,571	178,221	256,034

(1) The earned and written premiums are reported net of intersegment transactions. Earned premiums eliminated in consolidation amount to $3.4 million, $8.2 million and $9.2 million for the years ended 2002, 2001 and 2000, respectively.

(2) Net Investment Income excludes net realized gains (losses) on investments of ($5.6 million), ($7.2 million) and ($4.9 million) for the years ended 2002, 2001 and 2000, respectively.

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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

By: /s/ EDWARD J. SHOEN

Edward J. Shoen
Chairman of the Board and President

Dated: August 22, 2003

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 Form 10-K Annual Report, 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/ EDWARD J. SHOEN Edward J. Shoen	Chairman of the Board and President (Principal Executive Officer)	August 22, 2003
/s/ GARY B. HORTON Gary B. Horton	Treasurer (Principal Financial and Accounting Officer)	August 22, 2003
/s/ WILLIAM E. CARTY William E. Carty	Director	August 22, 2003
/s/ JAMES P. SHOEN James P. Shoen	Director	August 22, 2003
/s/ CHARLES J. BAYER Charles J. Bayer	Director	August 22, 2003
/s/ JOHN M. DODDS John M. Dodds	Director	August 22, 2003
/s/ JAMES J. GROGAN James J. Grogan	Director	August 22, 2003
/s/ JOHN P. BROGAN John P. Brogan	Director	August 22, 2003

/s/ M. FRANK LYONS	Director	August 22, 2003
M. Frank Lyons		

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.

U-HAUL INTERNATIONAL, INC.

By: /s/EDWARD J. SHOEN

Edward J. Shoen
Chairman of the Board and President

Dated: August 22, 2003

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 Form 10-K Annual Report, 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/ EDWARD J. SHOEN Edward J. Shoen	Chairman of the Board and President (Principal Executive Officer)	August 22, 2003
/s/ GARY B. HORTON Gary B. Horton	Assistant Treasurer (Principal Financial and Accounting Officer)	August 22, 2003
/s/ WILLIAM E. CARTY William E. Carty	Director	August 22, 2003
/s/ JOHN M. DODDS John M. Dodds	Director	August 22, 2003
/s/ JOHN C. TAYLOR John C. Taylor	Director	August 22, 2003

CERTIFICATIONS

I, Edward J. Shoen, certify that:

1. I have reviewed this annual report on Form 10-K of AMERCO and U-Haul International, Inc. (together, the "registrant");

2. Based on my knowledge, this annual 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 annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual 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 annual report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

a) Designed such disclosure controls and procedures 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 annual report is being prepared;

b) Evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

c) Presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, 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 in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this annual report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

/s/ EDWARD J. SHOEN

Edward J. Shoen
Chairman of the Board
and U-Haul International, Inc.

Date: August 22, 2003

I, Gary B. Horton, certify that:

1. I have reviewed this annual report on Form 10-K of AMERCO and U-Haul International, Inc. (together, the "registrant");

2. Based on my knowledge, this annual 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 annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual 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 annual report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

a) Designed such disclosure controls and procedures 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 annual report is being prepared;

b) Evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

c) Presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, 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 in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this annual report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

/s/ GARY B. HORTON

Gary B. Horton
Treasurer of AMERCO and
Assistant Treasurer of U-Haul International, Inc.

Date: August 22, 2003

EXHIBIT INDEX

Exhibit No.	Description
2.1	Order Confirming Plan(1)
2.2	Second Amended and Restated Debtor's Plan of Reorganization Proposed by Edward J. Shoen(1)
3.1	Restated Articles of Incorporation of AMERCO(2)
3.2	Restated By-Laws of AMERCO(3)
3.3	Restated Articles of Incorporation of U-Haul International, Inc.
3.4	Bylaws of U-Haul International, Inc.
4.1	Debt Securities Indenture dated May 1, 1996(1)
4.2	First Supplemental Indenture, dated as of May 6, 1996(4)
4.3	Rights Agreement, dated as of August 7, 1998(13)
4.5	Second Supplemental Indenture, dated as of October 22, 1997(11)
4.6	Calculation Agency Agreement(11)
4.7	6.65%-AMERCO Series 1997 A Bond Backed Asset Trust Certificates ("BATs") due October 15, 2000(11)
4.8	Indenture dated September 10, 1996(9)
4.9	First Supplemental Indenture dated September 10, 1996(9)
4.10	Senior Indenture dated April 1, 1999(14)
4.11	First Supplemental Indenture dated April 5, 1999(14)
4.12	Second Supplemental Indenture dated February 4, 2000(15)
10.1*	AMERCO Employee Savings, Profit Sharing and Employee Stock Ownership Plan(5)
10.1A*	First Amendment to the AMERCO Employee Savings, Profit Sharing and Employee Stock Ownership Plan(16)
10.2	U-Haul Dealership Contract(5)
10.3	Share Repurchase and Registration Rights Agreement with Paul F. Shoen(5)
10.5	ESOP Loan Credit Agreement(6)
10.6	ESOP Loan Agreement(6)
10.7	Trust Agreement for the AMERCO Employee Savings, Profit Sharing and Employee Stock Ownership Plan(6)
10.8	Amended Indemnification Agreement(6)
10.9	Indemnification Trust Agreement(6)
10.10	Promissory Note between SAC Holding Corporation and a subsidiary of AMERCO(12)
10.10A	Addendum to Promissory Note between SAC Holding Corporation and a subsidiary of AMERCO(20)
10.11	Promissory Notes between Four SAC Self-Storage Corporation and a subsidiary of AMERCO(12)
10.11A	Amendment and Addendum to Promissory Note between Four SAC Self-Storage Corporation and Nationwide Commercial Co.(20)
10.12	Management Agreement between Three SAC Self-Storage Corporation and a subsidiary of AMERCO(12)
10.13	Management Agreement between Four SAC Self-Storage Corporation and a subsidiary of AMERC(12)
10.14	Agreement, dated October 17, 1995, among AMERCO, Edward J. Shoen, James P. Shoen, Aubrey K. Johnson, John M. Dodds and William E. Carty(8)
10.15	Directors' Release, dated October 17, 1995, executed by Edward J. Shoen, James P. Shoen, Aubrey K. Johnson, John M. Dodds and William E. Carty in favor of AMERCO(8)
10.16	AMERCO Release, dated October 17, 1995, executed by AMERCO in favor of Edward J. Shoen, James P. Shoen, Aubrey K. Johnson, John M. Dodds and William E. Carty(8)

Exhibit No.	Description
10.21	Management Agreement between Five SAC Self-Storage Corporation and a subsidiary of AMERCO(10)
10.22	Management Agreement between Eight SAC Self-Storage Corporation and a subsidiary of AMERCO(10)
10.23	Management Agreement between Nine SAC Self-Storage Corporation and a subsidiary of AMERCO(10)
10.24	Management Agreement between Ten SAC Self-Storage Corporation and a subsidiary of AMERCO(10)
10.25	Management Agreement between Six-A SAC Self-Storage Corporation and a subsidiary of AMERCO(16)
10.26	Management Agreement between Six-B SAC Self-Storage Corporation and a subsidiary of AMERCO(16)
10.27	Management Agreement between Six-C SAC Self-Storage Corporation and a subsidiary of AMERCO(16)
10.28	Management Agreement between Eleven SAC Self-Storage Corporation and a subsidiary of AMERCO(16)
10.29	Management Agreement between Twelve SAC Self-Storage Corporation and a subsidiary of AMERCO(18)
10.30	Management Agreement between Thirteen SAC Self-Storage Corporation and a subsidiary of AMERCO(18)
10.31	Management Agreement between Fourteen SAC Self-Storage Corporation and a subsidiary of AMERCO(18)
10.32	Management Agreement between Fifteen SAC Self-Storage Corporation and a subsidiary of AMERCO(19)
10.33	Management Agreement between Sixteen SAC Self-Storage Corporation and a subsidiary of AMERCO(19)
10.34	Management Agreement between Seventeen SAC Self-Storage Corporation and a subsidiary of AMERCO(17)
10.35	Management Agreement between Eighteen SAC Self-Storage Corporation and U-Haul(20)
10.36	Management Agreement between Nineteen SAC Self-Storage Limited Partnership and U-Haul(20)
10.37	Management Agreement between Twenty SAC Self-Storage Corporation and U-Haul(20)
10.38	Management Agreement between Twenty-One SAC Self-Storage Corporation and U-Haul(20)
10.39	Management Agreement between Twenty-Two SAC Self-Storage Corporations and U-Haul(20)
10.40	Management Agreement between Twenty-Three SAC Self-Storage Corporation and U-Haul(20)
10.41	Management Agreement between Twenty-Four SAC Self-Storage Limited Partnership and U-Haul(20)
10.42	Management Agreement between Twenty-Five SAC Self-Storage Limited Partnership and U-Haul(20)
10.43	Management Agreement between Twenty-Six SAC Self-Storage Limited Partnership and U-Haul(20)
10.44	Management Agreement between Twenty-Seven SAC Self-Storage Limited Partnership and U-Haul(20)
10.45	3-Year Credit Agreement with certain lenders named therein(20)
10.46	Promissory Note between Four SAC Self-Storage Corporation and U-Haul International, Inc.(20)
10.46A	Amendment and Addendum to Promissory Note between Four SAC Self-Storage Corporation and U-Haul International, Inc.(20)
10.47	Promissory Note between SAC Holding Corporation and Nationwide Commercial Co.(20)
10.48	Promissory Note between SAC Holding Corporation and Nationwide Commercial Co.(20)

Exhibit No.	Description
10.48A	Amendment and Addendum to Promissory Note between SAC Holding Corporation and Nationwide Commercial Co.(20)
10.49	Promissory Note between Five SAC Self-Storage Corporation and Nationwide Commercial Co.(20)
10.50	Promissory Note between Five SAC Self-Storage Corporation and Nationwide Commercial Co.(20)
10.50A	Amendment and Addendum to Promissory Note between Five SAC Self-Storage Corporation and Nationwide Commercial Co.(20)
10.51	Promissory Note between Five SAC Self-Storage Corporation and U-Haul International, Inc.(20)
10.52	Promissory Note between SAC Holding Corporation and Oxford Life Insurance Company(20)
10.52A	Amendment and Addendum to Promissory Note between SAC Holding Corporation and Oxford Life Insurance Company(20)
10.53	Promissory Note between SAC Holding Corporation and Nationwide Commercial Company(20)
10.53A	Amendment and Addendum to Promissory Note between SAC Holding Corporation and Nationwide Commercial Co.(20)
10.54	Promissory Note between SAC Holding Corporation and U-Haul International, Inc.(20)
10.54A	Amendment and Addendum to Promissory Note between SAC Holding Corporation and U-Haul International, Inc.(20)
10.55	Promissory Note between SAC Holding Corporation and U-Haul International, Inc.(20)
10.55A	Amendment and Addendum to Promissory Note between SAC Holding Corporation and U-Haul International, Inc.(20)
10.56	Promissory Note between SAC Holding Corporation and U-Haul International, Inc.(20)
10.56A	Amendment and Addendum to Promissory Note between SAC Holding Corporation and U-Haul International, Inc.(20)
10.57	Promissory Note between SAC Holding Corporation and Nationwide Commercial Co.(20)
10.57A	Amendment and Addendum to Promissory Note between SAC Holding Corporation and Nationwide Commercial Co.(20)
10.58	Promissory Note between SAC Holding Corporation and Nationwide Commercial Co.(20)
10.58A	Amendment and Addendum to Promissory Note between SAC Holding Corporation and Nationwide Commercial Co.(20)
10.59	Promissory Note between SAC Holding Corporation and Nationwide Commercial Co.(20)
10.60	Junior Promissory Note between SAC Holding Corporation and Nationwide Commercial Co.(20)
10.61	Promissory Note between SAC Holding Corporation and U-Haul International, Inc.(20)
10.62	Promissory Note between SAC Holding Corporation and U-Haul International, Inc.(20)
10.63	Promissory Note between SAC Financial Corporation and U-Haul International, Inc.(20)
10.64	1997 AMERCO Support Party Agreement
10.65	Private Mini Storage Realty, L.P. Non-Exoneration Agreement
10.66	2003 AMERCO Support Party Agreement for the benefit of GMAC Commercial Holding Capital Corp.
10.67	Engagement Letter with Alvarez & Marsal, Inc. dated May 22, 2003
10.68	Wells Fargo Foothill, Inc. Commitment Letter dated June 19, 2003
10.69	State of Arizona Department of Insurance Notice of Determination, Order for Supervision and Consent Thereto
21	Subsidiaries of AMERCO
23.1	Consent of Independent Certified Public Accountants
23.2	Report of Independent Certified Public Accountants
99.1	Certificate of Edward J. Shoen, Chairman of the Board and President of AMERCO pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Exhibit No.	Description
99.2	Certificate of Gary B. Horton, Treasurer of AMERCO pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.3	Certificate of Edward J. Shoen, Chairman of the Board and President of U-Haul International, Inc. pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.4	Certificate of Gary B. Horton, Assistant Treasurer of U-Haul International, Inc. pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

* Indicates compensatory plan arrangement

(1) Incorporated by reference to AMERCO's Registration Statement on Form S-3, Registration no. 333-1195.

(2) Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended December 31, 1992, file no. 1-11255.

(3) Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended September 30, 1996, file no. 1-11255.

(4) Incorporated by reference to AMERCO's Current Report on Form 8-K, dated May 6, 1996, file no. 1-11255.

(5) Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 1993, file no. 1-11255.

(6) Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 1990, file no. 1-11255.

(8) Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended September 30, 1995, file no. 1-11255.

(9) Incorporated by reference to AMERCO's Current Report on Form 8-K dated September 6, 1996, file no. 1-11255.

(10) Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 1999, file no. 1-11255.

(11) Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended December 31, 1997, file no. 1-11255.

(12) Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 1997, file no. 1-11255.

(13) Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended June 30, 1998, file no. 1-11255.

(14) Incorporated by reference to AMERCO's Current Report on Form 8-K dated April 5, 1999, file no. 1-11255.

(15) Incorporated by reference to AMERCO's Current Report on Form 8-K dated February 4, 2000, file no. 1-11255.

(16) Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2000, file no. 1-11255.

(17) Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2001, file no. 1-11255.

(18) Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended September 30, 2001, file no. 1-11255.

(19) Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended December 31, 2000, file no. 1-11255.

(20) Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended September 30, 2002.

Exhibit 3.3

RESTATED

ARTICLES OF INCORPORATION

OF

U-HAUL INTERNATIONAL, INC.

The undersigned, acting as the incorporator of a corporation in accordance with Section 78.403 of the Nevada General Corporation Law, adopts the following Restated Articles of Incorporation for such corporation:

1. The name of the corporation is U-Haul International, Inc.

2. The name and address of the resident agent is The Corporation Trust Company of Nevada, One East First Street, Reno, Nevada 89501.

3. The nature of the business and the objects and purposes to be transacted, promoted, or carried on by the corporation are to engage in any lawful act or activity for which corporations may be organized under the Nevada General Corporation Law including, but not in any way limited to, acting as an accounting clearing house for persons, firms and corporations engaged in the business of the rental of trucks, trailers and general rental equipment.

4. The corporation shall have all the general and specific powers authorized for corporations in the Nevada General Corporation Law as now or hereafter in effect.

5. The number of shares of common stock which this corporation is authorized to issue is twenty million (20,000,000) shares with a par value of One Cent ($0.01) per share. In addition to the common stock authorized to be issued by the foregoing sentence, the corporation is authorized to issue five million (5,000,000) shares of preferred stock, with the Board of Directors having authority to issue such shares in one or more series, with par value of One Cent ($0.01) per share, with limited voting powers or without voting powers, and with such designations, preferences, and relative, participating, optional or other special rights or qualifications, limitations or restrictions thereof as shall be stated or expressed in the resolution regarding such stock adopted by the Board of Directors pursuant to the authority expressly vested in it by this provision of the Articles of Incorporation, or any amendment hereto.

6. For the management of the business, and for the conduct of the affairs of the corporation, and for the further definition, limitation, and regulation of the powers of the corporation and its directors and stockholders, it is further provided:

A. BOARD OF DIRECTORS. The Board of Directors shall consist of not less than 4 nor more than 8 directors, the exact number of directors to be determined from time to tine solely by a resolution adopted by an affirmative vote of a majority of the entire Board of Directors. The directors shall be divided into four classes, designated Class I, Class 11, Class 111, and Class IV. Subject to applicable law, each class shall consist, as nearly as may be possible, of one-fourth of the total number of directors constituting the entire Board of Directors. At each annual meeting of stockholders, commencing in 1990, successors to the class of directors whose term expires at the annual meeting shall be elected or reelected for a four-year term.

If the number of directors is changed, any increase or decrease shall be apportioned among the classes of directors so as to maintain the number of directors in each class as nearly equal as possible, but in no case will a decrease in the number of directors shorten the term of any incumbent director. When the number of directors is increased by the Board of Directors and any newly created directorships are filled by the Board of Directors, there shall be no classification of the additional directors until the next annual meeting of stockholders.

A director shall hold office until the meeting for the year in which his or her term expires and until his or her successor shall be elected and shall qualify, subject, however, to prior death, resignation, retirement, disqualification or removal from office.

This Article 6.A may be amended only by the affirmative vote of two-thirds of all of the outstanding shares of common stock of the corporation entitled to vote, which vote must be by ballot at a duly constituted meeting of the stockholders, the notice of which meeting must include the proposed amendment.

Directors need not be stockholders. The names, addresses class designations, and terms of office of the first members of the Board of Directors are:

Name	Address	Class	Term
Mark V. Shoen	2727 N. Central Avenue Phoenix, AZ 85004	I	1 year
Edward J. Shoen	2727 N. Central Avenue Phoenix, AZ 85004	I	1 year
Richard J. Herrera	2727 N. Central Avenue Phoenix, AZ 85004	II	2 years
John C. Taylor	2727 N. Central Phoenix, AZ 85004	III	3 years
W.E. "Hap" Carty	2727 N. Central Phoenix, AZ 85004	III	3 years
John M. Dodds	2727 N. Central Phoenix, AZ 85004	IV	4 years
James P. Shoen	1325 Airmotive Way Suite 160, Reno, NV 89502	IV	4 years

B. POWERS OF THE BOARD OF DIRECTORS. In furtherance and not in limitation of the powers conferred by the laws of the State of Nevada, the Board of Directors is expressly authorized and empowered:

(i) To make, alter, amend, and repeal the bylaws, subject to the power of the stockholders to amend the bylaws, which power may be exercised only by the affirmative vote of two-thirds of all of the outstanding shares of common stock of the corporation entitled to vote, which vote must be by ballot at a duly constituted meeting of the stockholders, the notice of which meeting must include the proposed amendment. This Article 6.B(i) may be amended only by the affirmative vote of two-thirds of all of the outstanding shares of common stock of the corporation entitled to vote, which vote must by ballot at duly constituted meeting of the stockholders, the notice of which meeting must include the proposed amendment;

(ii) Subject to the applicable provisions of the bylaws then in effect, to determine, from time to time, whether and to what extent, and at what times and places, and under what conditions and regulations, the accounts and books of the corporation, or any of them, shall be open to stockholder inspection. No stockholder shall have any right to inspect any of the accounts, books or

documents of the corporation, except as permitted by law, unless and until authorized to do so by resolution of the board of Directors or of the stockholders of the corporation;

(iii) To authorize and issue, without stockholder consent, obligations of the corporation, secured and unsecured, under such terms and conditions as the Board of Directors, in its sole discretion, may determine, and to pledge or mortgage, as security therefor, any real or personal property of the corporation, including after-acquired property;

(iv) To determine whether any and, if so, what part, of the earned surplus of the corporation shall be paid in dividends to the stockholder, and to direct and determine other use and disposition of any such earned surplus;

(v) To fix, time time to time, the amount of the profits of the corporation to be reserved as working capital or for any other lawful purpose;

(vi) To establish bonus, profit-sharing, stock option, or other types of incentive compensation plans for the employees, including officers and directors, of the corporation, and to fix the amount of profits to be shared or distributed, and to determine the persons to participate in any such plans and the amount of their respective participations;

(vii) To designate, by resolution or resolutions passed by a majority of the entire Board of Directors, one or more committees, each consisting of two or more directors, which, to the extent permitted by law and authorized by the resolution or the bylaws, shall have and may exercise the powers of the Board of Directors;

(viii) To provide for the reasonable compensation of its own members, and to fix the terms and conditions upon which such compensation will be paid;

(ix) In addition to the powers and authority hereinbefore, or by statute, expressly conferred upon it, the Board of Directors may exercise all such powers and of all such acts and things as may be exercised or done by the corporation, subject, nevertheless, to the provisions of the laws of the State of Nevada, of these Articles of Incorporation, and of the bylaws of the corporation.

C. LIMITATION OF DIRECTOR LIABILITY. A director of officer of the corporation shall not be personally liable to this corporation or its stockholders for damages for breach of fiduciary duty as a director or officer, but this Article 6.C shall not eliminate or limit the liability of a director or officer for (i) acts or omissions which involve intentional misconduct, fraud or a knowing violation of law, or (ii) the unlawful payment of dividends. Any repeal or modification of this Article
6.C by the stockholders of the corporation shall be prospective only, and shall not adversely affect any limitation on the personal liability of a director or officer of the corporation for acts or omissions prior to such repeal or modification.

7. The name and post office address of the incorporator is as follows:

Name	Address
Gary V. Klinefelter	2727 North Central Ave. Phoenix, Arizona 85004

8. Except as otherwise provided by the board of Directors, no holder of any shares of the stock of the corporation shall have any preemptive right to purchase, subscribe for, or otherwise acquire any shares of stock of the corporation of any class now or hereafter authorized, or any securities exchangeable for or convertible into such shares, or any warrants or other instruments evidencing rights or options to subscribe for, purchase or otherwise acquire such shares.

9. The duration of this corporation shall be perpetual.

10. The affirmative vote of the holders of two-thirds (2/3) of the outstanding shares of common stock of this corporation entitled to vote shall be required to approve, adopt or authorize:

A. Any agreement for the merger, consolidation, amalgamation or combination of this corporation with or into any other corporation which is an Interested Stockholder (as hereafter defined);

B. Any sale, lease, exchange or other disposition to or with this corporation of any assets of any Interested Stockholder;

C. Any sale, lease, exchange or other disposition by this corporation of all or substantially all of the assets of this corporation to or with an Interested Stockholder;

D. Any plan or proposal for liquidation or dissolution of this corporation if any stockholder of this corporation is an Interested Stockholder; or

E. Any reclassification of securities (including any reverse stock split) or recapitalization of this corporation which has the effect, directly or indirectly, of increasing the proportionate share of the outstanding shares of any class of stock or convertible securities of this corporation, directly or indirectly owned by an Interested Stockholder.

As used herein, Interested Stockholder shall mean any person, firm, corporation or other entity which, as of the record date for the determination of stockholders entitled to notice of and to vote on any of the above transactions, is the beneficial owner, directly or indirectly, of more than five percent (5%) of any class of voting stock of this corporation. For the purposes hereof, any person, firm, corporation or other entity shall be deemed to be the beneficial owner of any shares of voting stock of this corporation which (i) it has the right to acquire pursuant to any agreement or upon exercise of conversion rights, warrants or options, or otherwise, or (ii) are owned, directly or indirectly (including shares deemed owned through the application of clause (i) above), by any other person, firm, corporation or other entity with which it has any agreement, arrangement or understanding with respect to the acquisition, holding, voting or disposition of stock of this corporation, or which is its "affiliate" or "associate" as those terms are defined in the Rules and Regulations under the Securities Exchange Act of 1934, as amended.

The Board of Directors of this corporation shall have the power and duty, by resolution adopted by the affirmative vote of a majority of the entire Board of Directors, to determine (and such determination shall be conclusive) for the purposes of this Article 10, on the basis of information known to it, whether (i) any person, firm, corporation or other entity is the beneficial owner, directly or indirectly, of more than five percent (5%) of any class of voting stock of this corporation, (ii) any proposed sale, lease, exchange or other disposition involves all or substantially all of the assets of this corporation, or (iii) any person, firm, corporation or other entity has any agreement, arrangement or understanding with respect to the acquisition, holding, voting or disposition of stock of this corporation with any other person, firm, corporation or other entity.

Notwithstanding any other provision of these Articles of Incorporation, the affirmative vote of the holders of two-thirds (2/3) of the outstanding shares of common stock of this corporation entitled to vote shall be required to amend, alter, change or repeal, or to adopt any provision inconsistent with, this Article 10.

The respective two-thirds voting requirements specified above for any of the transactions referred to in any one or more of paragraphs A through E above, or to amend, alter, change or repeal, or to adopt any provision inconsistent with, this Article 10, shall not be applicable to a proposed action which has been approved or recommended by majority of the Disinterested Directors, as used herein, a "Disinterested Director" means (i) any Director named in these Articles of Incorporation as one of the first members of the corporation's Board of Directors, (ii) any Director of the corporation who is elected by the stockholders or appointed by the Board of Directors of this corporation and was not at the time of such election or appointment associated with or an affiliate of an Interested Stockholder directly or indirectly involved in the transaction or proposal before the Board of Directors, or (iii) a person designated, before his election or appointment as a director, as a Disinterested Director by a majority of Disinterested Directors then on the Board of Directors.

11. Shareholder action by written consent is prohibited. This Article 11 may be amended only by the affirmative vote of two-thirds of all of the outstanding shares of common stock of the corporation entitled to vote, which vote must be by ballot at a duly constituted meeting of the stockholders, the notice of which meeting must include the proposed amendment.

The name and address of the original incorporator was:

Gary V. Klinefelter 2727 N. Central Ave.

Phoenix, Arizona 85004

IN WITNESS WHEREOF, we have executed the foregoing Re-Stated Articles of Incorporation of U-Haul International, Inc. this 3rd day of August, 1992.

/s/ Edward J. Shoen

Edward J. Shoen, President

/s/ Gary V. Klinefelter

Gary V. Klinefelter, Secretary

AFFIDAVIT OF AUTHORITY

Edward J. Shoen and Gary V. Klinefelter, being first duly sworn, deposes and says:

1. Edward J. Shoen and Gary V. Klinefelter are the duly elected President and Secretary, respectively, of U-Haul International, Inc.

2. The President and Secretary of U-Haul International, Inc. have been authorized to execute the Restated Articles of Incorporation of U-Haul International, Inc. by resolution of the Board of Directors adopted on August 3, 1992.

3. The Restated Articles of Incorporation of U-Haul International, Inc. do not alter or amend the Articles of Incorporation in any manner.

4. The Restated Articles of Incorporation of U-Haul International, Inc. correctly set forth the text of the Articles of Incorporation as amended to the date thereof.

/s/ Edward J. Shoen

Edward J. Shoen, President

/s/ Gary V. Klinefelter

Gary V. Klinefelter,
Secretary

STATE OF ARIZONA)
) ss
COUNTY OF MARICOPA)

I HEREBY CERTIFY that on this 3rd day of August, 1992, Edward J. Shoen and Gary V. Klinefelter, personally appeared before me a Notary Public in and for the State and County aforesaid, who made oath under due form of law that the facts set forth are true and correct to the best of their knowledge and belief.

I hereunto affix my hand and notarial seal.

/s/ Nancy Jo Beiley

Notary Public

[OFFICIAL SEAL OF NANCY JO BEILEY]

Exhibit 3.4

BYLAWS OF

U-HAUL INTERNATIONAL, INC.

A NEVADA CORPORATION

ARTICLE I

SECTION 1. Offices:

The principal office and registered office of the corporation shall be located in the State of Nevada at such locations as the Board of Directors may from time to time authorize by resolution. The corporation may have such other offices either within or without the State of Nevada as the Board of Directors may designate or as the business of the corporation may require from time to time.

SECTION 2. References:

Any reference herein made to law will be deemed to refer to the law of the State of Nevada, including any applicable provisions of Chapter 78 of Title 7, Nevada Revised Statutes (or its successor), as at any given time in effect. Any reference herein made to the Articles will be deemed to refer to the applicable provision or provisions of the Articles of Incorporation of the corporation, and all amendments thereto, as at any given time on file with the office of the clerk of Washoe County, Nevada.

SECTION 3. Shareholders of Record:

The word "shareholder" as used herein shall mean one who is a holder of record of shares in the corporation.

ARTICLE II

SHAREHOLDERS

SECTION 1. Annual Meeting:

An annual meeting of the shareholders for the election of directors to succeed those whose terms expire and for the

transaction of such other business as may properly come before the meeting shall be held on the last Saturday of September of each year at a time of day and place as determined by the Board of Directors, or on such other date as may be determined by the Board of Directors.

SECTION 2. Special Meetings:

a. Special meetings of the shareholders may be held whenever and wherever called by the Chairman of the Board, a majority of the Board of Directors, or upon the delivery of proper written request of the holders of not less than fifty percent (50%) of all the shares outstanding and entitled to vote at such meeting. The business which may be conducted at any such special meeting will be confined to the purpose stated in the notice thereof, and to such additional matters as the Chairman of such meeting may rule to be germane to such purposes.

b. For purposes of this Section, proper written request for the call of a special meeting shall be made by a written request specifying the purposes for any special meeting requested and providing the information required by Section 5 of this Article II hereof. Such written request must be delivered either in person or by registered or certified mail, return receipt requested, to the Chairman of the Board, or such other person as may be specifically authorized by law to receive such request. Within thirty (30) days after receipt of proper written request, a special meeting shall be called and notice given in the manner required by these bylaws and the meeting shall be held at a time and place selected by the Board of Directors, but not later than ninety (90) days after receipt of such proper written request. The shareholder(s) who request a special meeting of shareholders must pay the corporation the corporation's reasonably estimated cost of preparing and mailing a notice of a meeting of shareholders before such notice is prepared and mailed.

SECTION 3. Notice:

Notice of any meeting of the shareholders will be given by the corporation as provided by law to each shareholder entitled to vote at such meeting. Any such notice may be waived as provided by law.

SECTION 4. Right to Vote:

For each meeting of the shareholders, the Board of Directors will fix in advance a record date as contemplated by law, and the shares of stock and the shareholders "entitled to vote" (as that or any similar term is herein used) at any meeting of the

shareholders will be determined as of the applicable record date. The Secretary (or in his or her absence an Assistant Secretary) will see to the making and production of any record of shareholders entitled to vote that is required by law. Any such entitlement may be exercised through proxy, or in such other manner as is specifically provided by law. No proxy shall be valid after eleven
(11) months from the date of its execution unless otherwise provided by the proxy. In the event of contest, the burden of proving the validity of any undated, irrevocable, or otherwise contested proxy will rest with the person seeking to exercise the same. A telegram, cablegram, or facsimile appearing to have been transmitted by a shareholder (or by his duly authorized attorney-in-fact) may, in the discretion of the tellers, if any, be accepted as a sufficiently written and executed proxy.

SECTION 5. Manner of Bringing Business Before the Meeting:

At any annual or special meeting of shareholders only such business (including nomination as a director) shall be conducted as shall have been properly brought before the meeting. In order to be properly brought before the meeting, such business must have either been (A) specified in the written notice of the meeting (or any supplement thereto) given to shareholders on the record date for such meeting by or at the direction of the Board of Directors, (B) brought before the meeting at the direction of the Board of Directors or the Chairman of the meeting, selected as provided in Section 9 of this Article II, or (C) specified in a written notice given by or on behalf of a shareholder on the record date for such meeting entitled to vote thereat or a duly authorized proxy for such shareholder, in accordance with all of the following requirements. A notice referred to in clause (C) hereof must be delivered personally to, or mailed to and received at, the principal executive office of the corporation, addressed to the attention of the Secretary, not more than ten
(10) days after the date of the initial notice referred to in clause (A) hereof, in the case of business to be brought before a special meeting of shareholders, and not less than one hundred and twenty (120) days prior to the anniversary date of the initial notice referred to in clause (A) hereof with respect to the previous year's annual meeting, in the case of business to be brought before an annual meeting of shareholders. Such notice referred to in clause (C) hereof shall set forth (i) a full description of each such item of business proposed to be brought before the meeting and the reasons for conducting such business at such meeting, (ii) the name and address of the person proposing to bring such business before the meeting, (iii) the class and number of shares held of record, held beneficially, and represented by proxy by such person as of the record date for the meeting, if such date has been made

publicly available, or as of a date not later than thirty(30) days prior to the delivery of the initial notice referred to in clause (A) hereof, if the record date has not been made publicly available, (iv) if any item of such business involves a nomination for director, all information regarding each such nominee that would be required to be set forth in a definitive proxy statement filed with the Securities and Exchange Commission pursuant to Section 14 of the Securities Exchange Act of 1934, as amended, or any successor thereto, and the written consent of each such nominee to serve if elected, (v) any material interest of such shareholder in the specified business, (vi) whether or not such shareholder is a member of any partnership, limited partnership, syndicate, or other group pursuant to any agreement, arrangement, relationship, understanding, or otherwise, whether or not in writing, organized in whole or in part for the purpose of acquiring, owning, or voting shares of the corporation, and (vii) all other information that would be required to be filed with the Securities and Exchange Commission if, with respect to the business proposed to be brought before the meeting, the person proposing such business was a participant in a solicitation subject to Section 14 of the Securities Exchange Act of 1934, as amended, or any successor thereto. No business shall be brought before any meeting of the shareholders of the corporation otherwise than as provided in this Section.

Notwithstanding compliance with the foregoing provisions, the Board of Directors shall not be obligated to include information as to any shareholder nominee for director or any other shareholder proposal in any proxy statements or other communication sent to shareholders.

The Chairman of the meeting may, if the facts warrant, determine that any proposed item of business or nomination as director was not brought before the meeting in accordance with the foregoing procedure, and if he should so determine, he shall so declare to the meeting and the improper item of business or nomination shall be disregarded.

SECTION 6. Right to Attend:

Except only to the extent of persons designated by the Board of Directors or the Chairman of the meeting to assist in the conduct of the meeting, and except as otherwise permitted by the Board or such Chairman, the persons entitled to attend any meeting of shareholders may be confined to (i) shareholders entitled to vote thereat and (ii) the persons upon whom proxies valid for purposes of the meeting have been conferred or their duly appointed substitutes (if the related proxies confer a power of substitution); provided, however, that the Board of Directors or the Chairman of the meeting may establish rules

limiting the number of persons referred to in clause (ii) as being entitled to attend on behalf of any shareholder so as to preclude such an excessively large representation of such shareholder at the meeting as, in the judgment of the Board or such Chairman, would be unfair to other shareholders represented at the meeting or be unduly disruptive to the orderly conduct; of business at such meeting (whether such representation would result from fragmentation of the aggregate number of shares held by such shareholder for the purpose of conferring proxies, from the naming of an excessively large proxy delegation by such shareholder, or from employment of any other device). A person otherwise entitled to attend any such meeting will cease to be so entitled if, in the judgment of the Chairman of the meeting, such person engages thereat in disorderly conduct impeding the proper conduct of the meeting in the interests of all shareholders as a group.

SECTION 7. Quorum Requirements:

A majority of the outstanding shares of the corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of the shareholders. If less than a majority of the outstanding shares are represented at a meeting, the majority of the shares so represented may adjourn the meeting without further notice. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting originally called.

SECTION 8. Tellers:

The Board of Directors, in advance of any shareholders meeting may appoint one or more tellers to act at such meeting (and any adjournment thereof), and may appoint one or more alternate tellers to serve (in the order designated) in the absence of any teller or tellers so appointed. If any person appointed as teller or alternate teller fails to appear or to act, a substitute may be appointed by the Chairman of the meeting. The tellers (acting through a majority of them on any disputed matter) will determine the number of shares outstanding, the authenticity, validity and effect of proxies, the credentials of the persons purporting to be shareholders or persons named or referred to in proxies, and the number of shares represented at the meeting in person and by proxy; they will receive and count votes, ballots and consents and announce the results thereof; they will hear and determine all challenges and questions pertaining to proxies and voting; and, in general, they will perform such acts as may be proper to conduct elections and voting with complete fairness to all shareholders. No such teller need be a shareholder of the corporation. Each shareholder shall be entitled to one Vote

for each share of stock held by him or her, and in the event a shareholder holds a fraction of a share or full shares plus a fraction, any such fractional share shall be entitled to a proportionate fraction of one vote.

SECTION 9. Organization and Conduct of Business:

Each shareholders' meeting will be called to order and thereafter chaired by the Chairman of the Board if there then is one; or, if not, or if the Chairman of the Board is absent or so requests, then by the President; or if both the Chairman of the Board and the President are unavailable, then by such other officer of the corporation or such shareholder as may be appointed by the Board of Directors. The Secretary (or in his or her absence an Assistant Secretary) of the corporation will act as secretary of each shareholders meeting; if neither the Secretary nor an Assistant Secretary is in attendance, the Chairman of the meeting may appoint any person (whether a shareholder or not) to act as secretary thereat. After calling a meeting to order, the Chairman thereof may require the registration of all shareholders intending to vote in person, and the filing of all proxies, with the teller or tellers, if one or more have been appointed (or, if not, with the secretary of the meeting). After the announced time for such filing of proxies has ended, no further proxies or changes, substitutions, or revocations of proxies will be accepted. The Chairman of a meeting will, among other things, have absolute authority to determine the order of business to be conducted at such meeting and to establish rules for, and appoint personnel to assist in, preserving the orderly conduct of the business of the meeting (including any informal, or question and answer, portions thereof). Any informational or other informal session of shareholders conducted under the auspices of the corporation after the conclusion of or otherwise in conjunction with any formal business meeting of the shareholders will be chaired by the same person who chairs the formal meeting, and the foregoing authority on his or her part will extend to the conduct of such informal session.

SECTION 10. Voting:

The number of shares voted on any matter submitted to the shareholders which is required to constitute their action thereon or approval thereof will be determined in accordance with applicable law, the Articles, and these bylaws, if applicable. Voting will be by ballot on any matter as to which a ballot vote is demanded, prior to the time the voting begins, by any person entitled to vote on such matter; otherwise, a voice vote will suffice. No ballot or change of vote will be accepted after the polls have been declared closed following the ending of the announced time for voting.

SECTION 11. Shareholder Approval or Ratification:

The Board of Directors may submit any contract or act for approval or ratification at any duly constituted meeting of the shareholders, the notice of which either includes mention of the proposed submittal or is waived as provided by law. If any contract or act so submitted is approved or ratified by a majority of the votes cast thereon at such meeting, the same will be valid and as binding upon the corporation as it would be if approved and ratified by each and every shareholder of the corporation.

SECTION 12. Informalities and Irregularities:

All informalities or irregularities in any call or notice of a meeting, or in the areas of credentials, proxies, quorums, voting, and similar matters, will be deemed waived if no objection is made at the meeting.

SECTION 13. Action Without a Meeting:

No action which may be taken by a vote of the shareholders may be taken unless taken at a meeting held pursuant to Section 1 or Section 2 of this Article II.

ARTICLE III

BOARD OF DIRECTORS

SECTION 1. Number and Term of Directors:

The Board of Directors shall consist of not less than 4 nor more than 8 directors, the exact number of directors to be determined from time to time solely by a resolution adopted by an affirmative vote of a majority of the entire Board of Directors. The directors shall be divided into four classes, designated Class I, Class II, Class III and Class IV. Subject to applicable law, each class shall consist, as nearly as may be possible, of one-fourth of the total number of directors constituting the entire Board of Directors. At each annual meeting of shareholders, successors to the class of directors whose term expires at the annual meeting shall be elected or reelected for a four-year term.

If the number of directors is changed, any increase or decrease shall be apportioned among the classes of directors so as to maintain the number of directors in each class as nearly equal as possible, but in no case will a decrease in the number Of directors shorten the term of any incumbent director. When the number of directors is increased by the Board of Directors and any newly created directorships are filled by the Board, there shall be no classification of the additional directors until the next annual meeting of shareholders.

A director shall hold office until the meeting for the year in which his or her term expires and until his or her successor shall be elected and shall qualify, subject, however, to prior death, resignation, retirement, disqualification or removal from office.

SECTION 2. Vacancies:

Newly created directorships resulting from an increase in the number of the directors and any vacancy on the Board of Directors shall be filled by an affirmative vote of a majority of the Board of Directors then in office. If the number of directors then in office is less than a quorum, such newly created directorships and vacancies may be filled by a majority of the directors then in office, although less than a quorum, or by the sole remaining director. A director elected by the Board of Directors to fill a vacancy shall hold office until the next meeting of shareholders called for the election of directors and until his or her successor shall be elected and shall qualify.

SECTION 3. Regular Meetings:

After the adjournment of the annual meeting of the shareholders of the corporation, the newly elected Directors shall meet for the purpose of organization, the election of officers, and the transaction of such other business as may come before said meeting. No notice shall be required for such meeting. The meeting may be held within or without the State of Nevada. Regular meetings, other than the annual ones, may be held at regular intervals at such times and places as the Board of Directors may provide.

SECTION 4. Special Meetings:

Special meetings of the Board of Directors may be called at any time by the President or by any one member of the Board giving written notice thereof to the President of said corporation, or said special meeting may be called without notice by unanimous consent of all the members by the presence of all the members

of said board at any such meeting. The special meetings of the Board of Directors may be held within or without the State of Nevada.

SECTION 5. Notice:

No notice need be given of regular meetings of the Board of Directors. Notice of the time and place (but not necessarily the purpose or all of the purposes) of any special meeting will be given to each director in person or by telephone, or via mail or telegram addressed in the manner then appearing on the corporation's records. Notice to any director of any special meeting will be deemed given sufficiently in advance when (i) if given by mail, the same is deposited in the United States mail at least four days before the meeting date, with postage thereon prepaid, (ii) if given by telegram, the same is delivered to the telegraph office for fast transmittal at least 48 hours prior to the convening of the meeting, (iii) if given by facsimile transmission, the same is received by the director or an adult member of his or her office staff or household, at least 24 hours prior to the convening of the meeting, or (iv) if personally delivered or given by telephone, the same is handed, or the substance thereof is communicated over the telephone, to the director or to an adult member of his or her office staff or household, at least 24 hours prior to the convening of the meeting. Any such notice may be waived as provided by law. No call or notice of a meeting of directors will be necessary if each of them waives the same in writing or by attendance. Any meeting, once properly called and noticed (or as to which call and notice have been waived as aforesaid) and at which a quorum is formed, may be adjourned to another time and place by a majority of those in attendance.

SECTION 6. Quorum:

A majority of the Board of Directors shall constitute a quorum for the transaction of business, except where otherwise provided by law or by these bylaws, but if at any meeting of the Board less than a quorum is present, a majority of those present may adjourn the meeting from time to time until a quorum is obtained.

SECTION 7. Action by Telephone or Consent:

Any meeting of the Board or any committee thereof may be held by conference telephone or similar communications equipment as permitted by law in which case any required notice of such meeting may generally describe the arrangements (rather than the place) for the holding thereof, and all other provisions herein contained or referred to will apply to such meeting as

though it were physically held at a single place. Action may also be taken by the Board or any committee thereof without a meeting if the members thereof consent in writing thereto as contemplated by law.

SECTION 8. Order of Business:

The Board of Directors may, from time to time, determine the order of business at its meetings. The usual order of business at such meetings shall be as follows:

1st Roll Call; a quorum being present.

2nd. Reading of minutes of the preceding meeting and action thereon.

3rd. Consideration of communications of the Board of Directors.

4th. Reports of officials and committees.

5th. Unfinished business.

6th. Miscellaneous business.

7th. New business.

8th. Adjournment.

ARTICLE IV

POWER OF DIRECTORS

SECTION I. Generally:

The Government in control of the corporation shall be vested in the Board of Directors.

SECTION 2. Special Powers:

The Board of Directors shall have, in addition to its other powers, the express right to exercise the following powers:

1. To purchase, lease, and acquire, in any lawful manner any and all real or personal property including franchises, stocks, bonds and debentures of other companies, business and goodwill, patents, trademarks in contracts, and interests thereunder, and other rights and properties which in their judgment, may be

beneficial for the purpose of this corporation, and to issue shares of stock of this corporation in payment of such property, and in payment for services rendered to this corporation when they deem it advisable.

2. To fix and determine and to vary, from time to time, the amount or amounts to be set aside or retained as reserve funds or as working capital of this corporation.

3. To issue notes and other obligations or evidence of the debt of this corporation, and to secure the same, if deemed advisable, and endorse and guarantee the notes, bonds, stocks, and other obligations of other corporations with or without compensation for so doing, and from time to time to sell, assign, transfer or otherwise dispose of any of the property of this corporation, subject, however, to the laws of the State of Nevada, governing the disposition of the entire assets and business of the corporation as a going concern.

4. To declare and pay dividends, both in the form of money and stock, but only from the surplus or from the net profit arising from the business of this corporation, after deducting therefrom the amounts, at the time when any dividend is declared which shall have been set aside by the Directors as a reserve fund or as a working fund.

5. To adopt, modify and amend the bylaws of this corporation.

6. To periodically determine by Resolution of the Board the amount of compensation to be paid to members of the Board of Directors in accordance with Article 6, Section B, Subsection viii of the Articles of Incorporation.

ARTICLE V

SECTION 1. Committees:

From time to time the Board of Directors, by affirmative vote of a majority of the whole Board may appoint any committee or committees for any purpose or purposes, and such committee or committees shall have and may exercise such powers as shall be conferred or authorized by the resolution of appointment. Provided, however, that such committee or committees shall at no time have more power than that authorized by law.

ARTICLE VI
OFFICERS

SECTION 1. Officers:

The officers of the corporation shall consist of a President, one or more Vice-Presidents, Secretary, Assistant Secretaries, Treasurer, Assistant Treasurer, a resident agent and such other officers as shall from time to time be provided for by the Board of Directors. Such officers shall be elected by ballot or unanimous acclamation at the meeting of the Board of Directors after the annual election of Directors. In order to hold any election there must be quorum present, and any officer receiving a majority vote shall be declared elected and shall hold office for one year and until his or her respective successor shall have been duly elected and qualified; provided, however, that all officers, agents and employees of the corporation shall be subject to removal from office pre-emptorily by vote of the Board of Directors at any meeting.

SECTION 2. Powers and Duties of Chairman of the Board:

The Chairman of the Board of Directors will serve as a general executive officer, but not necessarily as a full-time employee, of the corporation. He or she shall preside at all meetings of the shareholders and of the Board of Directors, shall have the powers and duties set forth in these bylaws, and shall do and perform such other duties as from time to time may be assigned by the Board of Directors.

SECTION 3. Powers and Duties of President:

The President shall at all times be subject to the control of the Board of Directors. He shall have general charge of the affairs of the corporation. He shall supervise over and direct all officers and employees of the corporation and see that their duties are properly performed. The President, in conjunction with the Secretary, shall sign and execute all contracts, notes, mortgages, and all other obligations in the name of the corporation, and with the Secretary or Assistant Secretary shall sign all certificates of the shares of the capital stock of the corporation.

The President shall each year present an annual report of the preceding year's business to the Board of Directors at a meeting to be held immediately preceding the annual meeting Of the shareholders, which report shall be read at the annual meeting of the shareholders. The President shall do and perform such other duties as from time to time may be assigned by the Board of Directors to him.

Notwithstanding any provision to the contrary contained in the bylaws of the corporation, the Board may at any time and from time to time direct the manner in which any person or persons by whom any particular contract, document, note or instrument in writing of the corporation may or shall be signed by and may authorize any officer or officers of the corporation to sign such contracts, documents, notes or instruments.

SECTION 4. Powers and Duties of Vice-president:

The Vice-president shall have such powers and perform such duties as may be assigned to him by the Board of Directors of the corporation and in the absence or inability of the President, the Vice-president shall perform the duties of the President.

SECTION 5. Powers and Duties of the Secretary and Assistant Secretary:

The Secretary of said corporation shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the shareholders, and also when requested by a committee, the minutes of such committee, in books provided for the purpose. He shall attend to the giving and serving of notice of the corporation. It shall be the duty of the Secretary to sign with the President, in the name of the corporation, all contracts, notes, mortgages, and other instruments and other obligations authorized by the Board of Directors, and when so ordered by the Board of Directors, he shall affix the Seal of corporation thereto. The Secretary shall have charge of all books, documents, and papers properly belonging to his office, and of such other books and papers as the Board of Directors may direct. In the absence or inability of the Secretary, the Assistant Secretary shall perform the duties of the Secretary.

Execution of Instruments:

In addition to the provisions of any previous bylaws respecting the execution of instruments of the corporation, the Board of Directors may from time to time direct the manner in which any officer or officers or by whom any particular deed, transfer, assignment, contract, obligation, certificate, promissory note, guarantee and other instrument or instruments may be signed on behalf of the corporation and any acts of the Board of Directors subsequent to the 1st day of December, 1978 in accordance with the provision of this bylaw are hereby adopted, ratified and confirmed as actions binding upon and enforceable against the corporation.

SECTION 6. Powers and Duties of Treasurer and Assistant Treasurer:

The Treasurer shall have the care and custody of all funds and securities of the corporation, and deposit the same in the name of the corporation in such bank or banks or other depository as the Directors may select. He shall sign checks, drafts, notices, and orders for the payment of money, and he shall pay out and dispose of the same under the direction of the Board of Directors, but checks may be signed as directed by the Board by resolution. The Treasurer shall generally perform the duties of and act as the financial agent for the corporation for the receipt and disbursement of its funds. He shall give such bond for the faithful performance of his duties as the Board of Directors may determine. The office of the Treasurer of said corporation may be held by the same person holding the President, Vice-president or Secretary's office, provided the Board of Directors indicates the combination of these offices. In the absence or inability of the Treasurer, the Assistant Treasurer shall perform the duties of the Treasurer.

SECTION 7. Indemnification:

The corporation shall indemnify, to the fullest extent authorized or permitted by law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the corporation to provide broader indemnification rights than such law permitted the corporation to provide prior to such amendment), any person made, or threatened to be made, a defendant or witness to any threatened, pending or completed action, suit, or proceeding (whether civil, criminal, administrative, investigative or otherwise) by reason of the fact that he or she, or his or her testator or intestate, is or was a director or officer of the corporation or by reason of the fact that such director or officer, at the request of the corporation, is or was serving any other corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise. Nothing contained herein shall diminish any rights to indemnification to which employees or agents other than directors or officers may be entitled by law, and the corporation may indemnify such employees and agents to the fullest extent and in the manner permitted by law. The rights to indemnification set forth in this Article VI,
Section 7 shall not be exclusive of any other rights to which any person may be entitled under any statute, provision of the Articles of Incorporation, bylaw, agreement, contract, vote of shareholders or disinterested directors, or otherwise.

In furtherance and not in limitation of the powers conferred by statute:

1. The corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is serving in any capacity, at the request of the corporation, any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, against any liability or expense incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the corporation would have the power to indemnify him or her against such liability or expense under the provisions of law; and

2. The corporation may create a trust fund, grant a security interest or lien on any assets of the corporation and/or use other means (including, without limitation, letters of credit, guaranties, surety bonds and/or other similar arrangements), and enter into contracts providing indemnification to the full extent authorized or permitted by law and including as part thereof provisions with respect to any or all of the foregoing to ensure the payment of such amounts as may become necessary to effect indemnification as provided therein, or elsewhere.

ARTICLE VII

STOCK AND CERTIFICATES AND TRANSFERS

SECTION 1. Stock and Certificates and Transfers:

All certificates for the shares of the capital stock of the corporation shall be signed by the President or Vice-President, and Secretary or Assistant Secretary. All certificates shall be consecutively numbered in progression beginning with number one. Each certificate shall show upon its face that the corporation is organized under the laws of Nevada, the number and par value, if any, of each share represented by it, the name of the person owning the shares represented thereby, with the number of each share and and the date of issue, and that the stock thereby represented is transferable only upon the books of the corporation. A stock transfer book, known as the stock register shall be kept, in which shall be entered the number of each certificate issued and the name of the person owning the shares thereby represented, with the number of such shares and the date of issue. The transfer of any share or

shares of stock in the corporation may be made by surrender of the certificate issued therefor, and the written assignment thereof by the owner or his duly authorized Attorney in Fact. Upon such surrender and assignment, a new certificate shall be issued to the Assignee as he may be entitled, but without such surrender and assignment no transfer of stock shall be recognized by the corporation. The Board of Directors shall have the power concerning the issue, transfer and registration of certificates for agents and registrars of transfer, and may require all stock certificates to bear signatures of either or both. The stock transfer books shall be closed ten days before each meeting of the shareholders and during such period no stock shall be transferred.

SECTION 2. Right of First Refusal on Its Outstanding Common Stock:

a. In case any holder of shares of Common Stock of the corporation shall wish to make any sale, transfer or other disposition of all or any part of the shares held by him, he shall first notify the Secretary of the corporation in writing designating the number of shares which he desires to dispose of, the name(s) of the person(s) to whom such shares are to be disposed of and the bona fide cash price at which such shares are to be so disposed of.

b. The corporation shall have a period of 30 calendar days following the date of its receipt of such notice to determine whether it wishes to purchase such shares at the price stated therein. Such determination shall be made by the corporation by its delivery to such holder of a written acceptance of such offer within such 30-day period. Such written acceptance shall specify the date (to be not later than the tenth calendar day following the date on which such 30-day period expired), time and place at which such holder shall deliver to the corporation the certificate(s) for the shares of Common Stock to be so sold against the delivery by the corporation of a certified or bank cashier's check in the amount of the purchase price therefor.

c. If the corporation shall not so accept such offer within such 30-day period, then such holder shall be entitled, for a period of 90 days commencing on the first day after the date on which such 30-day period expires, to dispose of all or any part of the shares of Common Stock designated in such notice to the corporation at the price set forth therein to the prospective named transferee(s) and such transferee(s)

shall be entitled to have such shares transferred upon the books of the corporation upon its acquisition thereof at such price. If such holder shall not dispose of all or any part of such shares within such 90-day period (or, in the event of a sale of part thereof, the shares remaining untransferred), such shares shall continue to be subject in all respects to the provision of this Article VII, Sec. 2.

d. All certificates for shares of Common Stock shall, so long as the provisions of this Article VII, Sec. 2 shall be in effect, bear the following legend:

"The transfer of the shares represented by this certificate is subject to a right of first refusal by the corporation as provided in its bylaws, and no transfer of this certificate or the shares represented hereby shall be valid or effective unless and until such provision of the bylaws shall have been met. A copy of the bylaws of the corporation is available for inspection at the principal office of the corporation."

e. The provisions of this Article VII, Sec. 2 may be terminated or modified at any time by the affirmative vote of not less than a majority of the then number of directors of the corporation. Each holder of shares of Common Stock shall be notified of any such termination and shall have the right to exchange his outstanding certificate for such shares for a certificate without the aforesaid legend.

SECTION 3. Lost Certificates:

In the event of the loss, theft or destruction of any certificate representing shares of stock of this corporation, the corporation may issue (or, in the case of any such stock as to which a transfer agent and/or registrar have been appointed, may direct such transfer agent and/or registrar to countersign, register and issue) a replacement certificate in lieu of that alleged to be lost, stolen or destroyed, and cause the same to be delivered to the owner of the stock represented thereby, provided that the owner shall have submitted such evidence showing the circumstances of the alleged loss , theft or destruction, and his or her ownership of the certificate as the corporation considers satisfactory, together with any other facts which the corporation considers pertinent, and further

provided that an indemnity agreement and/or indemnity bond shall have been provided in form and amount satisfactory to the corporation and to its transfer agents and/or registrars, if applicable.

ARTICLE VIII

FISCAL YEAR

SECTION 1. Fiscal Year:

The fiscal year of the corporation shall be fixed by resolution of the Board of Directors.

ARTICLE IX

AMENDMENT OF BYLAWS

SECTION 1. Amendment of Bylaws by the Board of Directors:

The bylaws may be amended by a majority vote of the Board of Directors of this corporation at any meeting of the Board of Directors.

SECTION 2 . Shareholder Amendment of Bylaws:

The bylaws may be amended by an affirmative vote of two-thirds of all of the outstanding shares of common stock entitled to vote, which vote must be by ballot at a duly constituted meeting of the shareholders, the notice of which meeting must include the proposed amendment.

CERTIFICATE

I, Gary V. Klinefelter, Secretary of UHI Merger Corporation, a Nevada corporation, do hereby certify that the foregoing is a true and correct copy of the corporation's bylaws, and that such bylaws are in full force and effect as of the date hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the corporation this 30th day of July,1990.

/s/ Gary V. Klinefelter

Gary V. Klinefelter,
Secretary

Exhibit 10.64

SUPPORT PARTY AGREEMENT

dated as of December 30, 1997

made by

AMERCO,
as Support Party

and

PRIVATE MINI STORAGE REALTY, L.P.,
as Borrower

in favor of

THE CHASE MANHATTAN BANK,
as Administrative Agent

for the benefit of

THE
VARIOUS FINANCIAL INSTITUTIONS
IDENTIFIED HEREIN
as Lenders

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SUPPORT PARTY AGREEMENT

THIS SUPPORT PARTY AGREEMENT (this "Support Party Agreement"), dated as of December 30, 1997, is made by AMERCO, as Support Party (the "Support Party") and PRIVATE MINI STORAGE REALTY, L.P., as Borrower (the "Borrower") in favor of THE CHASE MANHATTAN BANK, as Administrative Agent (the "Administrative Agent") for the benefit of the various financial institutions as are or may from time to time become Lenders under the Credit Agreement (as hereinafter defined) (together with their respective successors and assigns, the "Lenders").

W I T N E S S E T H :

WHEREAS, as a condition to the occurrence of the Effective Date under the Credit Agreement dated as of the date hereof (together with all amendments, supplements, amendments and restatements and other modifications, if any, from time to time thereafter made thereto, the "Credit Agreement"), among the Lenders, the Administrative Agent, the General Partner and the Borrower, the Support Party is required to execute and deliver this Support Party Agreement in favor of the Administrative Agent for the benefit of the Lenders;

WHEREAS, the Support Party has duly authorized the execution, delivery and performance of this Support Party Agreement; and

WHEREAS, it is in the best interests of the Support Party to execute this Support Party Agreement inasmuch as the Support Party has an economic interest in the transactions contemplated by the Credit Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, and in order to induce the Administrative Agent and the Lenders to enter into the Credit Agreement with the Borrower, the Support Party agrees, for the benefit of the Administrative Agent and the Lenders, as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1. Definitions. Capitalized terms used but not otherwise defined in this Support Party Agreement have the respective meanings specified in the Credit Agreement; and the rules of interpretation set forth therein shall apply to this Support Party Agreement. As used in this Support Party Agreement, the following terms have the meanings specified below:

"ERISA Affiliate" means any trade or business (whether or not incorporated) that, together with the Support Party, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of
Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

"ERISA Event" means (a) any "reportable event", as defined in
Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30-day notice period is waived); (b) the existence with respect to any Plan of an "accumulated funding deficiency" (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (c) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by the Support Party or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by the Support Party or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (f) the incurrence by the Support Party or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan; or (g) the receipt by the Support Party or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Support Party or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA.

"5-Year Credit Facility" means the 5-Year Credit Agreement dated as of June 30, 1997, among the Support Party, as borrower, the financial institutions listed therein, as lenders and The Chase Manhattan Bank, as administrative agent for

the lenders, as the same may be amended, supplemented, amended and restated or otherwise modified from time to time.

"Material Subsidiary" shall mean any subsidiary of the Support Party having a tangible net worth, determined in accordance with GAAP, equal to or greater than $10,000,000.

"Plan" means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 4 12 of the Code or Section 302 of ERISA, and in respect of which the Support Party or any ERISA Affiliate is (or, if such plan were terminated, would under
Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

ARTICLE II

SUPPORT PARTY OBLIGATIONS

SECTION 2.1. Obligations. (a) The Support Party hereby covenants and agrees as follows:

(i) if at any time the Borrower's ratio of Annualized Consolidated Cash Flow to Annualized Consolidated Cash Interest Expense under Section 6.11 of the Credit Agreement shall be less than 1.5 to 1.0, the Support Party shall purchase either (x) additional partnership interests in the Borrower or (y) Subordinated debt of the Borrower, at the Support Party's option, in such amounts as shall enable the Borrower to repay the Revolving Credit Exposures (together with accrued interest thereon and fees and other obligations of the Borrower accrued under the Credit Agreement) and restore the aforesaid ratio to the required level (the purchase price for such additional partnership interests or debt, the "Issuance Price"), such purchase to occur on a date (an Issuance Date") set forth in a notice from the Administrative Agent to the Support Party given no fewer than 3 Business Days prior to such Issuance Date (an "Issuance Notice"); and

(ii) in the event Borrower fails to repay all or any portion of the Revolving Credit Exposures by their due date (including the

Maturity Date and on the date of any mandatory repayment) the Support Party shall, at the option of the Administrative Agent and from time to time as directed by it, either (x) purchase such of the Properties from the Borrower for the Allocated Collateral Value thereof, (the "Property Purchase Option"), or
(y) purchase so much of the right, title and interest of the Lenders in and to their respective Commitments and Revolving Credit Exposures for the Repayment Amount, as defined below, (the "Loan Purchase Option"), in the case of each of (x) and
(y) as shall be designated, and on a date (a "Purchase Date") designated in a notice from the Administrative Agent to the Support Party given at least three Business Days prior to such Purchase Date (a "Purchase Notice"). The "Repayment Amount" means the principal of such Revolving Credit Exposures plus accrued interest thereon and fees and other obligations of the Borrower accrued under the Credit Agreement.

(b) The Support Party hereby agrees that any debt issued by the Borrower to the Support Party in accordance with clause (a)(i)(y) of this Section or Revolving Credit Exposures purchased in accordance with clause (a)(ii)(y) of this Section shall, in each case, be Subordinated to the rights of the Lenders in accordance with Section 2.8 hereof.

(c) The Support Party acknowledges that it is the intent of the parties hereunder to cause the purchases referred to in Sections 2.1(a)(i) and 2.1 (a)(ii)(x) in order to provide the Borrower with sufficient funds to repay the Revolving Credit Exposures as and when due (together with accrued interest thereon and fees and other obligations of the Borrower accrued under the Credit Agreement) and restore the ratio under Section 6.11 of the Credit Agreement to the required level, as the case may be, and the Support Party hereby agrees to cause the Borrower to apply the proceeds thereof to repay the Revolving Credit Exposures, and such other amounts due and payable, immediately upon receipt of such proceeds.

(d) In the event the credit rating assigned to the Index Debt falls within Category 2 (as used in the defined term "Applicable Margin") as of the end of any fiscal quarter, the Support Party hereby agrees to maintain at all times thereafter aggregate unutilized commitments under its credit facilities (not including the Credit Agreement) in an amount equal to (x) the Revolving

Credit Exposure under the Credit Agreement less (y) the quotient of
(I) the Annualized Consolidated Cash Flow of the Borrower (for the immediately preceding four quarters or, if fewer than four quarters of the Borrower then exist, then for the period consisting of the consecutive fiscal quarters of the Borrower then recently ended) over (II) .09.

SECTION 2.2. Issuance and Purchase Procedures. (a) On each Issuance Date, each party to the related Issuance Notice shall take the following actions required of it:

(i) If the Issuance Notice is with respect to the purchase of additional partnership interests in the Borrower:

(x) The Support Party shall tender the Issuance Price to the Borrower in immediately available funds; and

(y) The Borrower shall accept such price and issue to the Support Party additional partnership interests in the Borrower.

(ii) If the Issuance Notice is with respect to the purchase of Subordinated debt of the Borrower:

(x) The Support Party shall tender the Issuance Price to the Borrower in immediately available funds; and

(y) The Borrower shall accept such price and issue to the Support Party Subordinated debt in accordance with Section 2.8.

(b) On each Purchase Date, each party to the related Purchase Notice shall take the following actions required of it:

(i) If the Purchase Notice is with respect to the purchase of Properties from the Borrower:

(x) The Support Party shall tender the Allocated Collateral Value for such Properties to the Borrower in immediately available funds; and

(y) The Borrower shall accept such Allocated Collateral Value for such Properties and deliver to the Support Party title to the Properties.

(ii) If the Purchase Notice is with respect to the purchase of Revolving Credit Exposures from the Lenders:

(x) The Support Party shall (A) tender the Repayment Amount to the Administrative Agent in immediately available funds and (B) execute and deliver to the Administrative Agent an assignment and acceptance with respect to each Lender, and affirmation of Subordination, in each case in form and substance satisfactory to the Administrative Agent; and

(y) The Administrative Agent shall (A) accept such Re-payment Amount, (B) deliver to the Support Party a counterpart of each such assignment and acceptance executed by each respective Lender and (C) deliver to Support Party all notes, if any, issued in connection with the assignment of the Revolving Credit Exposures.

(c) The Support Party may, within three Business Days after the Support Party is required to perform any of its payment obligations pursuant to this Article II, (i) purchase for the Repayment Amount all of the right, title and interest of the Lenders in and to their Revolving Credit Exposures, together with all accrued interest thereon and fees and other obligations of the Borrower accrued or owing under the Credit Agreement and (ii) require the Lenders to assign their respective Commitments to the Support Party. The rights of the Support Party under this clause (c) shall not otherwise affect the rights of the Administrative Agent and the Lenders under Article VII of the Credit Agreement.

SECTION 2.3. Rights of Administrative Agent and Lenders. The Support Party authorizes the Administrative Agent on behalf of the Lenders to perform any or all of the following acts at any time in its sole discretion, all without notice to the Support Party and without affecting the Support Party's obligations under this Support Party Agreement:

(a) The Administrative Agent at the instruction of the Lenders pursuant to Section 9.02 of the Credit Agreement may alter any terms of the

amounts or Commitments outstanding under the Credit Agreement or any part thereof, including renewing, compromising, extending or accelerating, or otherwise changing the time for payment of, or increasing or decreasing the rate of interest on, the amounts outstanding under the Credit Agreement or any part thereof.

(b) The Administrative Agent or any Lender may take and hold security for the amounts or Commitments outstanding under the Credit Agreement or this Support Party Agreement, accept additional or substituted security for either, and subordinate, exchange, enforce, waive, release, compromise, fail to perfect and sell or otherwise dispose of any such security.

(c) Upon any Event of Default, the Administrative Agent or any Lender may direct the order and manner of any sale of all or any part of any security now or later to be held for the amounts or Commitments outstanding under the Credit Agreement or this Support Party Agreement, respectively, and the Administrative Agent or any Lender may also bid at any such sale.

(d) The Administrative Agent or any Lender may apply any payments or recoveries from the Borrower, the Support Party or any other source, and any proceeds of any security, to the Borrower's obligations under the Credit Agreement in such manner, order and priority as the Administrative Agent or such Lender may elect, whether or not those obligations are secured at the time of the application.

(e) The Administrative Agent or any Lender may extend additional credit to the Borrower or the Support Party in addition to the amounts and Commitments outstanding under the Credit Agreement, and may take and hold security for the credit so extended.

SECTION 2.4. Obligations Absolute, etc. The terms of this Support Party Agreement shall in all respects be continuing, absolute, unconditional and irrevocable, and shall remain in full force and effect until all amounts outstanding under the Credit Agreement have been paid in full, all Commitments have been terminated and all obligations of the Borrower and the Support Party shall have been paid in full. The liability of the Support Party under this Support Party Agreement shall be irrevocable irrespective of:

(a) any lack of validity, legality or enforceability of the Credit Agreement;

(b) the failure of any Lender or the Administrative Agent:

(i) to assert any claim or demand or to enforce any right or remedy against any Private Mini Entity or any other Person under the provisions of the Credit Agreement or otherwise, or

(ii) to exercise any right or remedy against any guarantor of, or collateral securing, any amounts or Commitments outstanding under the Credit Agreement;

(c) any change in the time, manner or place of payment of, or in any other term of, all or any of the amounts outstanding under the Credit Agreement, the Commitments thereunder or any extension, compromise or renewal of any of the amounts outstanding under the Credit Agreement or Commitments thereunder;

(d) any reduction, limitation, impairment or termination of the amounts or Commitments outstanding under the Credit Agreement, for any reason, including any claim of waiver, release, surrender, alteration or compromise, and any defense or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality, nongenuineness, irregularity, compromise, unenforceability of, or any other event or occurrence affecting, the amounts or Commitments outstanding under the Credit Agreement;

(e) any amendment to, rescission, waiver, or other modification of, or any consent to departure from, any of the terms of the Credit Agreement;

(f) any addition, exchange, release, surrender or nonperfection of any collateral, or any amendment to or waiver or release or addition of, or consent to departure from, any guaranty, held by the Administrative Agent or any Lender securing any of the amounts or Commitments outstanding under the Credit Agreement;

(g) any failure on the part of the Borrower, any other Private Mini Entity or any other Person in complying with its obligations under this Support Party Agreement or the Credit Agreement; or

(h) any other circumstance which might otherwise constitute a defense available to, or a legal or equitable discharge of, any Private Mini Entity, any surety or any guarantor.

SECTION 2.5. Reinstatement, etc. The Support Party agrees that this Support Party Agreement shall continue to be effective or be reinstated, as the case may be, if at any time any payment (in whole or in part) of any of the amounts outstanding under the Credit Agreement is rescinded or must otherwise be restored by the Administrative Agent or any Lender, upon the insolvency, bankruptcy or reorganization of any Private Mini Entity or otherwise, as though such payment had not been made.

SECTION 2.6. Waiver, etc. The Support Party hereby waives:

(a) All statutes of limitations as a defense to any action or proceeding brought against the Support Party by the Administrative Agent or any Lender, to the fullest extent permitted by law;

(b) Any right it may have to require the Administrative Agent or any Lender to proceed against the Borrower, proceed against or exhaust any security held from the Borrower, or pursue any other remedy in the Administrative Agent's or any Lender's power to pursue;

(c) Any defense based on any claim that the Support Party's obligations exceed or are more burdensome than those of the Borrower;

(d) Any defense based on: (i) any legal disability of the Borrower,
(ii) any release, discharge, modification, impairment or limitation of the liability of the Borrower to the Administrative Agent or any Lender from any cause, whether consented to by the Administrative Agent or any Lender or arising by operation of law or from any insolvency proceeding and (iii) any rejection or disaffirmance of the amounts or Commitments outstanding under the Credit Agreement, or any part thereof, or any security held for such amounts or Commitments, in any such insolvency proceeding;

(e) Any defense based on any action taken or omitted by the Administrative Agent or any Lender in any insolvency proceeding involving the Borrower, including any election to have the Administrative Agent's or that Lender's claim allowed as being secured, partially secured or unsecured, any extension of credit by the Lenders to the Borrower in any insolvency proceeding, and the taking and holding by the Administrative Agent or any Lender of any security for any such extension of credit;

(f) All presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, notices of acceptance of this Support Party Agreement and of the existence, creation, or incurrence of new or additional indebtedness, and demands and notices of every kind;

(g) Any defense based on or arising out of (i) any defense that the Borrower may have to the payment or performance of the amounts outstanding under the Credit Agreement or any part thereof, (ii) any defense that the Borrower has failed to perform any action required by it hereunder, or in the state of any Property or (iii) the financial condition of the Borrower; and

(h) Any defense based on or arising out of any action of the Administrative Agent or any Lender described in Sections 2.3 or 2.4 above.

SECTION 2.7. Borrower's Agreement. The Borrower hereby agrees to (i) conduct any action as may be necessary in order for the Support Party to comply with its obligations under this Support Party Agreement, including, but not limited to, issuing Subordinated debt and partnership interests to the Support Party and selling its respective Properties to the Support Party in accordance with Article II and (ii) apply the proceeds of any amounts received from the Support Party to the payment or prepayment of amounts as and when due under the Credit Agreement to the Lenders and the Administrative Agent.

SECTION 2.8. Subordination. In addition to the Support Party's agreement under Section 2.1(b), the Support Party hereby covenants and agrees that any rights of the Support Party or any of its subsidiaries, whether now existing or later arising, to receive payment on account of any indebtedness owed to it by the Borrower or to receive any payment from the Borrower shall at all times be Subordinate in accordance with the provisions of Schedule S of the Credit Agreement ("Schedule S") to the full and prior repayment of the amounts outstanding under the Credit Agreement.

Except as expressly provided in Schedule S, neither the Support Party nor any of its subsidiaries shall be entitled to enforce or receive payment of any sums hereby Subordinated until the amounts outstanding under the Credit Agreement have been paid and performed in full and all Commitments terminated, and any such sums received in violation of this Support Party Agreement or Schedule S shall be received by the Support Party or its subsidiaries, as applicable, in trust for the Administrative Agent and the Lenders. The Support Party shall cause each subsidiary to Subordinate any indebtedness owed to it by the Borrower in accordance with the terms of this Section 2.8.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

The Support Party represents and warrants to the Administrative Agent for the benefit of the Lenders that:

SECTION 3.1. Organization; Powers. The Support Party and each of its respective subsidiaries is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, has all requisite power and authority to carry on its business as now conducted and as proposed to be conducted, is qualified to do business in, and is in good standing in, every jurisdiction where such qualification IS required. The Support Party and each of its respective subsidiaries has the power and authority to own or hold under lease the properties it purports to own or hold under lease, to transact the business it transacts and proposes to transact, to execute and deliver this Support Party Agreement and to perform the Transactions.

SECTION 3.2. Authorization: Enforceability. The Transactions are within the Support Party's powers and have been duly authorized by all necessary action. This Support Party Agreement has been duly executed and delivered by the Support Party and constitutes a legal, valid and binding obligation of the Support Party, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3.3. Governmental Approvals; No Conflicts. The Transactions (a) do not require any consent or approval of, registration or filing with, or any other

action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect, (b) will not violate any applicable law, statute rule or regulation or the charter, by-laws or other organizational documents of the Support Party (or any of its subsidiaries) or any order, writ, ruling, injunction or decree of any Governmental Authority, (c) will not violate or result in a default under any indenture, agreement or other instrument binding upon the Support Party (or any of its subsidiaries) or its assets, or give rise to a right thereunder to require any payment to be made by the Support Party (or any of its subsidiaries), and (d) will not result in the creation or imposition of any Lien on any asset of the Support Party (or any of its subsidiaries).

SECTION 3.4. Properties. (a) The Support Party and each of its subsidiaries has good title to, or valid leasehold interests in, all its real and personal property material to its business, except for minor defects in title that do not interfere with its ability to conduct its business as currently conducted or to utilize such properties for their intended purposes.

(b) The Support Party and each of its subsidiaries owns, or is licensed to use, all trademarks, tradenames, permits, service marks, licenses, franchises, formulas, copyrights, patents and other intellectual property or rights with respect to the foregoing, and has obtained assignments of all leases and other rights of whatever nature, necessary for the present conduct of its business, without any known conflict with the rights of others which, or the failure to obtain which, as the case may be, would result in a Material Adverse Effect on the business, operations, property, assets, nature of assets, condition (financial or otherwise) or prospects of the Support Party or of the Support Party and its subsidiaries taken as a whole..

SECTION 3.5.Litigation and Environmental Matters. (a) There are no actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of the Support Party, threatened against or affecting the Support Party or any of its subsidiaries (i) as to which there is a reasonable possibility of an adverse determination and that, if adversely determined, could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect or (ii) that involve this Support Party Agreement or the Transactions.

(b) Except with respect to any matter that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, neither the Support Party nor any of its subsidiaries (i) has failed to comply with any

Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has become subject to any Environmental Liability, (iii) has received notice of any claim with respect to any Environmental Liability or (iv) knows of any basis for any Environmental Liability.

SECTION 3.6. Compliance with Laws and Agreements. The Support Party and each of its subsidiaries is in compliance with all laws, regulations and orders of any Governmental Authority applicable to it or its property and all indentures, agreements and other instruments binding upon it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. No Support Party Default has occurred and is continuing.

SECTION 3.7. Investment and Holding; Company Status. Neither the Support Party nor any of its subsidiaries is (a) an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940, (b) a "holding company" as defined in, or subject to regulation under, the Public Utility Holding Company Act of 1935 or (c) subject to any Federal or state statute or regulation limiting its ability to incur Indebtedness for money borrowed. Neither the Support Party nor any of its subsidiaries is subject to the Interstate Commerce Act.

SECTION 3.8. Taxes. The Support Party and each of its subsidiaries has timely filed or caused to be filed all Tax returns and reports required to have been filed and have paid or caused to be paid all Taxes required to have been paid by it, except (a) Taxes that are being contested in good faith by appropriate proceedings and for which the Support Party or such subsidiary, as applicable, has set aside on its books adequate reserves or (b) to the extent that the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.9. ERISA. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect. The present value of all accumulated benefit obligations under each Plan (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the date of the most recent financial statements reflecting such amounts, exceed by more than $10,000,000 the fair market value of the assets of such Plan, and the present value of

all accumulated benefit obligations of all underfunded Plans (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the date of the most recent financial statements reflecting such amounts, exceed by more than $10,000,000 the fair market value of the assets of all such underfunded Plans.

SECTION 3.10. Disclosure. The Support Party has disclosed to the Administrative Agent and the Lenders all agreements, instruments and corporate or other restrictions to which it or any of its subsidiaries is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. None of the information furnished by or on behalf of the Support Party to the Administrative Agent or any Lender in connection with the negotiation of this Support Party Agreement or delivered hereunder (as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

SECTION 3.11. Federal Reserve Regulations. Neither the Support Party nor any of its respective subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying Margin Stock.

SECTION 3.12. Environmental and Safety Matters. The Support Party and each of its subsidiaries has complied in all material respects with all Federal, state, local and other statutes, ordinances, orders, judgments, rulings and regulations relating to environmental pollution or to environmental regulation or control or to employee health or safety. Neither the Support Party nor any of its subsidiaries has received notice of any material failure so to comply. The Support Party's and its subsidiaries' facilities do not manage any hazardous wastes, hazardous substances, hazardous materials, toxic substances, toxic pollutants or substances similarly denominated, as those terms or similar terms are used in the Resource Conservation and Recovery Act, the Comprehensive Environmental Response Compensation and Liability Act, the Hazardous Materials Transportation Act, the Toxic Substance Control Act, the Clean Air Act, the Clean Water Act or any other applicable law relating to environmental pollution or employee health and safety, in violation in any material respect of any law or any regulations promulgated pursuant thereto. The Support Party is not aware of any events, conditions or circumstances involving

environmental pollution or contamination or employee health or safety that could reasonably be expected to result in material liability on the part of the Support Party or any of its subsidiaries.

SECTION 3.13. Financial Statements. The Support Party has heretofore furnished to the Administrative Agent and the Lenders its consolidated and consolidating balance sheets and statements of income and cash flows as of and for the fiscal year ended March 31, 1997, audited by and accompanied by the opinion of Price Waterhouse, independent public accountants. Such financial statements present fairly the financial condition and results of operations of the Support Party and its consolidated subsidiaries as of such date and for such period. Such balance sheets and the notes thereto disclose all material liabilities, direct or contingent, of the Support Party and its consolidated subsidiaries as of the date thereof. Such financial statements were prepared in accordance with GAAP applied on a consistent basis.

SECTION 3.14. No Material Adverse Change. There has been no material adverse change in the business, assets, nature of assets, operations, prospects or condition, financial or otherwise, of the Support Party and its subsidiaries, taken as a whole, since March 31 ,1997.

SECTION 3.15. Agreements. (a) Neither the Support Party nor any of its subsidiaries is a party to any agreement or instrument or subject to any corporate restriction that has resulted or could result in a Material Adverse Effect.

(b) Neither the Support Party nor any of its subsidiaries is in default in any manner under any provision of any indenture or other agreement or instrument evidencing Indebtedness, or any other material agreement or instrument to which it is a party or by which it or any of its properties or assets are or may be bound, where such default could result in a Material Adverse Effect.

SECTION 3.16. Borrower's Business. The Support Party is familiar with Borrower's financial condition and business operations and has done all diligence to enter into this Support Party Agreement and has not relied on the Administrative Agent with respect to such diligence. The Support Party has received a copy of the Credit Agreement and hereby acknowledges and consents to the terms and conditions thereunder.

ARTICLE IV

COVENANTS

The Support Party covenants and agrees that, so long as any portion of the amounts outstanding under the Credit Agreement shall remain unpaid or any portion of the Commitment remains outstanding, it will observe the following covenants:

SECTION 4.1. Notices of Material Events. The Support Party will furnish to the Administrative Agent and each Lender prompt written notice of the following:

(a) the occurrence of any Support Party Default;

(b) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or affecting the Support Party or any Affiliate thereof that, if adversely determined, could reasonably be expected to result in a Material Adverse Effect;

(c) the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in liability of the Support Party and its subsidiaries in an aggregate amount exceeding $10,000,000;

(d) any action by the Support Party pursuant to Article II of this Support Party Agreement, or any agreement to do so;

(e) any provision of this Support Agreement is held to be invalid, illegal or unenforceable in any jurisdiction resulting in a Material Adverse Effect on the ability of the Support Party to perform its obligations hereunder;

(f) any change by Moody's or S&P in the rating of the Support Party's senior, unsecured, non-credit-enhanced long-term indebtedness for borrowed money after the date hereof; and

(g) any other development that results in, or could reasonably be expected to result in, a Material Adverse Effect.

Each notice delivered under this Section shall be accompanied by a statement of an executive officer of the Support Party setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

SECTION 4.2. Existence; Conduct of Business. The Support Party will, and will cause each of its subsidiaries to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges and franchises material to the conduct of its business and will maintain and operate such business in substantially the manner in which it is presently conducted and operated. The Support Party shall, directly or through its wholly-owned subsidiaries, own and control not less than 50% of the Voting Stock of the General Partner.

SECTION 4.3. Payment of Obligations. The Support Party will, and will cause each of its subsidiaries to, pay its Indebtedness and other obligations promptly and in accordance with their terms and pay and discharge promptly when due all taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits or in respect of its property, before the same shall become delinquent or in default, as well as all lawful claims for labor, materials and supplies or otherwise which, if unpaid, might give rise to a Lien upon such properties or any part thereof; provided, however, that such payment and discharge shall not be required with respect to any such tax, assessment, charge, levy or claim so long as the validity or amount thereof shall be contested in good faith by appropriate proceedings and the Support Party or such subsidiary of the Support Party shall have set aside on its respective books adequate reserves with respect thereto.

SECTION 4.4. Maintenance of Properties; Insurance. The Support Party will, and will cause each of its subsidiaries to, (a) keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted, and (b) maintain, through a program of self insurance consistent with sound business practices or with financially sound and reputable insurance companies, insurance in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations, including public liability insurance against claims for personal injury or death or property damage occurring upon, in, about or in connection with the use of any properties owned, occupied or controlled by it, or as may be required by law.

SECTION 4.5. Books and Records; Inspection Rights. The Support Party will, and will cause each of its subsidiaries to, keep proper books of record and account in which full, true and correct entries are made of all dealings and transactions in relation to its respective business and activities. The Support Party will, and will cause each of its subsidiaries to, permit any representatives designated by the Administrative Agent or any Lender through the Administrative Agent, upon reasonable prior notice, to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants, all at such reasonable times and as often as reasonably requested.

SECTION 4.6. Compliance with Laws. The Support Party will, and will cause each of its subsidiaries to, comply with all laws, rules, regulations and orders of any Governmental Authority, whether now in effect or hereafter enacted, applicable to it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 4.7. Financial Statements, Reports, etc. The Support Party will furnish to the Administrative Agent and each Lender:

(a) as soon as practicable and in any event within 60 days after the end of each fiscal quarter, (i) consolidated balance sheets of the Support Party and its subsidiaries and (ii) consolidated balance sheets of the Support Party, each as at the end of such period, and the related statements of income, stockholders' equity and cash flows for such fiscal quarter, setting forth in each case in comparative form the figures for the corresponding periods of the previous fiscal year (but together with the consolidating intercompany eliminations and adjustments in the case of (i) and (ii)), all in reasonable detail and certified by a Financial Officer of the Support Party that they fairly present the financial condition of the Support Party and its subsidiaries as at the date indicated and the results of their operations and changes in their financial position for the periods indicated, subject to changes resulting from audit and normal year-end adjustment;

(b) as soon as practicable and in any event within 120 days after the end of each fiscal year of the Support Party, consolidated balance sheets of the Support Party and its subsidiaries, as at the end of such year, and the related consolidated statements of income, stockholders' equity and cash

flows for such fiscal year, setting forth in each case, in comparative form the consolidated figures for the previous year, all in reasonable detail and accompanied by a report thereon of Price Waterhouse or other independent certified public accountants of recognized national standing selected by the Support Party and reasonably satisfactory to the Required Lenders, which report shall be unqualified as to going concern and scope of audit and shall state that such consolidated financial statements present fairly, in all material respects, the financial position of the Support Party and its subsidiaries, as at the dates indicated, and the results of their operations and cash flows for the periods indicated in conformity with GAAP (applied on a basis consistent with prior years unless as otherwise stated therein) and that the examination by such accountants in connection with such consolidated financial statements has been made in accordance with generally accepted auditing standards;

(c) together with each delivery of financial statements of the Support Party and its subsidiaries pursuant to Sections 4.7(a) and (b) above, (i) a certificate of a Financial Officer stating that the signer thereof has reviewed the terms of this Support Party Agreement and has made, or caused to be made, a review in reasonable detail of the transactions and condition of the Support Party and its subsidiaries during the accounting period covered by such financial statements and that such review has not disclosed the existence during or at the end of such accounting period, and that the signer does not have knowledge of the existence as at the date of such certificate, of any condition or event which constitutes a Support Party Default, or, if any such condition or event existed or exists, specifying the nature and period of existence thereof and what action the Support Party has taken, is taking and proposes to take with respect thereto;

(d) together with each delivery of financial statements of the Support Party and its subsidiaries pursuant to Section 4.7(b) above, a written statement by the independent public accountants giving the report thereon (i) stating that their audit examination has included a review of the terms of this Support Party Agreement as they relate to accounting matters, (ii) stating whether, in connection with their audit examination, any condition or event which constitutes a Support Party Default has come to their attention, and if such a condition or event has come to their attention, specifying the nature and period of existence thereof; provided that such accountants shall not be liable by reason of any failure to obtain knowledge of any such Support Party

Default that would not be disclosed in the course of their audit examination, and (iii) stating that based on their audit examination nothing has come to their attention that causes them to believe that either or both the information contained in the certificates delivered therewith pursuant to Section 4.7(b) above is not correct;

(e) promptly upon request therefor, copies of all reports submitted to the Support Party by independent public accountants in connection with each annual, interim or special audit of the financial statements of the Support Party made by such accountants, including any comment letter submitted by such accountants to management in connection with their annual audit;

(f) promptly upon their becoming available, copies of all (i) financial statements, reports, notices and proxy statements sent or made available generally by the Support Party to its security holders or by any of its subsidiaries to its security holders other than the Support Party or another of its subsidiaries, (ii) regular and periodic reports and all registration statements and prospectuses, if any, filed by the Support Party or any of its subsidiaries with any securities exchange or with the Securities and Exchange Commission or any Governmental Authority succeeding to any of its functions, and (iii) press releases and other statements made available generally by the Borrower or any of it Subsidiaries to the public concerning material developments in the business of the Support Party and its subsidiaries;

(g) promptly upon any officer of the Support Party obtaining knowledge (i) of any condition or event which constitutes a Support Party Default, or becoming aware that any Lender or the Administrative Agent has given any notice or taken any other action with respect to a claimed Support Party Default under this Support Party Agreement, (ii) that any Person has given any notice to the Support Party or any of its subsidiaries of the Support Party or taken any other action with respect to a claimed default or event or condition of the type referred to in paragraph (c) of Article V or (iii) of any condition or event that might have a Material Adverse Effect, a certificate of a Financial Officer specifying the nature and period of existence of any such condition or event, or specifying the notice given or action taken by such holder or Person and the nature of such claimed default, Support Party

Default, event or condition, and what action the Support Party has taken, is taking and proposes to take with respect thereto;

(h) promptly upon any officer of the Support Party obtaining knowledge of (i) the institution of, or threat of any action, suit, proceeding, governmental investigation or arbitration against or affecting the Support Party or any of its subsidiaries or any property of the Support Party or any of its subsidiaries not previously disclosed by the Support Party to the Lenders, or (ii) any material development in any action, suit, proceeding, governmental investigation or arbitration, which, in either case, if adversely determined, might have a Material Adverse Effect, the Support Party shall promptly give notice thereof to the Lenders and provide such other information as may be reasonably available to it to enable the Lenders and their counsel to evaluate such matters; and

(i) with reasonable promptness, such other information and data with respect to the Support Party or any of its subsidiaries as from time to time may be reasonably requested by any Lender.

SECTION 4.8. Pari Passu Ranking. The Support Party shall take, or cause to be taken, all action that may be or become necessary or appropriate to ensure that its obligations under this Support Party Agreement will continue to rank at least pari passu in right of payment with all other present and fixture unsecured Indebtedness of the Support Party (including, but not limited to, Indebtedness owing under the 5-Year Credit Facility).

SECTION 4.9. Equal Security for Revolving Credit Exposure. In the event the Support Party shall create, incur, assume or permit to exist any Lien upon any of its property or assets, whether now owned or hereafter acquired, other than Liens permitted pursuant to the provisions of Section 6.04 of the 5-Year Credit Facility (unless prior written consent to the creation or assumption thereof shall have been obtained from the Required Lenders), the Support Party shall make or cause to be made, at the request of the Required Lenders, effective provision whereby the Support Party's obligations hereunder will be secured by such Lien equally and ratably with any and all other Indebtedness thereby secured as long as any such other Indebtedness shall be so secured.

ARTICLE V

SUPPORT PARTY DEFAULT

Each of the following events shall constitute an event of default under this Support Party Agreement (a "Support Party Default"):

(a) any representation or warranty made or deemed made by or on behalf of the Support Party or any subsidiary in or in connection with this Support Party Agreement or any amendment or modification hereof or waiver hereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Support Party Agreement or any amendment or modification hereof or waiver hereunder, shall prove to have been incorrect when made or deemed made;

(b) the Borrower or the Support Party shall fail to observe or perform any covenant, condition or agreement contained in Section 2.1 or 2.2 of this Support Party Agreement;

(c) the Borrower or the Support Party shall fail to observe or perform any covenant, condition or agreement other than as provided in this Support Party Agreement (other than as referred to in clause (b) of this Article) and such failure shall continue unremedied for a period of 30 days after notice thereof from the Administrative Agent to the Support Party (which notice shall be given at the request of the Administrative Agent or any Lender through the Administrative Agent);

(d) any event or condition occurs that results in any Material Indebtedness (including amounts outstanding under the 5-Year Credit Facility) becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time, or both) the holder or holders of any such Material Indebtedness or any trustee or agent on its or their behalf to cause any such Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity;

(e) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Support Party or any of its Material Subsidiaries or its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Support Party or any of its Material Subsidiaries or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered;

(f) the Support Party or any of its Material Subsidiaries shall (i) voluntarily commence any proceeding or file any petition seeking liquida- tion, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (e) of this Article, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Support Party or any of its Material Subsidiaries or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or
(vi) take any action for the purpose of effecting any of the foregoing;

(g) the Support Party shall become unable, admit in writing or fail generally to pay its debts as they become due;

(h) one or more judgments for the payment of money in an aggregate amount in excess of $1,000,000 shall be rendered against the Support Party, any of its subsidiaries or any combination thereof and the same shall remain undischarged for a period of 30 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Support Party or any of its subsidiaries to enforce any such judgment;

(i) an ERISA Event shall have occurred that, in the opinion of the Administrative Agent, when taken together with all other ERISA Events that

have occurred, could reasonably be expected to result in a Material Adverse Effect; and

(j) a Change of Control (as defined in the 5-Year Facility) shall have occurred.

then, in addition to any rights the Administrative Agent or the Lenders may have under the Credit Agreement, and irrespective of whether (i) such Support Party Default is the result, directly or indirectly, of the failure of the Support Party, the Borrower, any other Private Mini Entity or any other Person in complying with its obligations under this Support Party Agreement or (ii) any amounts outstanding under the Credit Agreement have become or have been declared immediately due and payable under Article VII of the Credit Agreement or if the Commitments have been terminated thereunder, the Administrative Agent may, and at the request of the Required Lenders shall, proceed to protect and enforce the rights of the Lenders by an action at law, a suit in equity or other appropriate proceeding, whether for specific performance of any agreement contained herein, or for an injunction against a violation of any terms hereof, or in aid of the exercise of any power granted hereby or by law or otherwise.

ARTICLE VI

MISCELLANEOUS PROVISIONS

SECTION 6.1. Binding on Successors, Transferees and Assigns; Assignment of Support Party Agreement. This Support Party Agreement shall be binding upon the Support Party and its successors, transferees and assigns and shall inure to the benefit of and be enforceable by the Administrative Agent on behalf of the Lenders and their respective permitted successors and assigns; provided, however, that the Support Party may not assign any of its obligations hereunder without the prior written consent of all of the Lenders in accordance with Section 9.02 of the Credit Agreement.

SECTION 6.2. Amendments, etc. No amendment to or waiver of any provision of this Support Party Agreement, nor consent to any departure by the Support Party herefrom, shall in any event be effective unless the same shall be in writing and signed by the Administrative Agent, and then such waiver or consent

shall be effective only in the specific instance and for the specific purpose for which given; provided that any amendment, waiver or consent with respect to Article I1 shall require the approval of all of the Lenders.

SECTION 6.3. Addresses for Notices. Except in the case of notices and other communications expressly permitted to be given by telephone, all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(a) if to the Borrower or the Administrative Agent, as provided in Section 9.01 of the Credit Agreement; and

(b) if to the Support Party, to it at 1325 Airmotive Way, Suite 100, Reno, Nevada 89502-3239, Attention of Rocky Wardrip (Telecopy No. (702) 688-6338).

Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Support Party Agreement shall be deemed to have been given on the date of receipt.

SECTION 6.4. No Waiver; Remedies. No failure on the part of the Administrative Agent to exercise, and no delay in exercising, any right hereunder (including, but not limited to, the issuance of the Issuance Notice or Purchase Notice) shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 6.5. Section Captions. Section captions used in this Support Party Agreement are for convenience of reference only, and shall not affect the construction of this Support Party Agreement.

SECTION 6.6. Severability. Wherever possible each provision of this Support Party Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Support Party Agreement shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Support Party Agreement.

SECTION 6.7. Termination of Support Party Agreement. The Support Party's obligations under this Support Party Agreement shall terminate (a) on the date upon which all amounts outstanding under the Credit Agreement have been paid in full, the Commitments terminated and all other obligations under the Credit Agreement and this Support Party Agreement shall have been fully and finally discharged or (b) upon consummation of the transactions referred to in clauses
(i) and (ii) of Section 2.2(c) of this Support Party Agreement; provided that the agreements in Section 6.12 of this Support Party Agreement shall survive.

SECTION 6.8. Governing Law. THIS Support Party Agreement SHALL BE
GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK.

SECTION 6.9. Waiver of Jury Trial. THE SUPPORT PARTY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHTS IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS SUPPORT PARTY AGREEMENT. THE SUPPORT PARTY ACKNOWLEDGES AND AGREES THAT IT HAS RECEIVED FULL AND SUFFICIENT CONSIDERATION FOR THIS PROVISION AND THAT THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE ADMINISTRATIVE AGENT AND THE LENDERS ENTERING INTO THE CREDIT AGREEMENT.

SECTION 6.10. Consent to Jurisdiction; Waiver of Immunities. The Support Party hereby acknowledges and agrees that:

(a) It irrevocably submits to the jurisdiction of any federal court sitting in the Southern District of New York in any action or proceeding arising out of or relating to this Support Party Agreement, and the Support Party hereby irrevocably agrees that all claims in respect of such action or

proceeding may be heard and detennined in such federal court. The Support Party hereby irrevocably waives, to the fullest extent it may effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding. The Support Party agrees that a final, unappealable judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(b) It hereby irrevocably designates, appoints and empowers C.T. Corporation System, presently located at 1633 Broadway, New York, New York 10019 (together with any successor thereto, the "Service of Process Agent"), as its designee, appointee and agent to receive, accept and acknowledge for and on its behalf, and in respect of its properties, service of any and all legal process, summons, notices and documents which may be served in any such action or proceeding. If for any reason the Service of Process shall cease to be available to act as such, the Support Party agrees to designate a new Service of Process Agent in New York City on the terms and for the purposes of this provision satisfactory to the Administrative Agent. The Support Party further irrevocably consents to service of process in the manner provided for notices in Section 6.3. Nothing in this Support Agreement will affect the right of any party to this Support Agreement to serve process in other manner permitted by law.

(c) Nothing in this Section shall affect the right of the Administrative Agent or any Lender to serve legal process in any manner permitted by law affect the right of the Administrative Agent or any Lender to bring any or proceeding against the Support Party or its property in the courts of any other jurisdictions.

SECTION 6.11. Right of Setoff. If a Support Party Default shall have occurred and be continuing, the Administrative Agent, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the hllest permitted by law, to set off and apply any and all deposits (general or special, time demand, provisional or final) at any time held and other obligations at any time owing by such Administrative Agent, Lender or Affiliate to or for the credit or the account of the Support Party against any of and all the obligations of the Support Party now or hereafter existing under this Support Party Agreement held by such Lender, irrespective of whether or not such Lender shall have made any demand

under this Support Party Agreement and although such obligations may be unmatured. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender may have.

SECTION 6.12. Expenses; Indemnity: Damage Waiver. (a) The Support Party shall pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent and its Affiliates, including the reasonable fees, charges and disbursements of counsel for the Administrative Agent, in connection with the preparation and administration of this Support Party Agreement or any amendments, modifications or waivers of the provisions hereof (whether or not the transactions contemplated hereby or thereby shall be consummated) and (ii) all out-of-pocket expenses incurred by the Administrative Agent or any Lender, including the fees, charges and disbursements of any counsel for the Administrative Agent or any Lender, in connection with the enforcement or protection of its rights in connection with this Support Party Agreement, including its rights under this Section.

(b) The Support Party shall indemnify and hold harmless the Admin- istrative Agent, each Lender and each of their respective officers, directors, employees, counsel, agents and attorneys-in-fact (each, an "Indemnified Person") from and against and pay them for any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, charges, expenses or disbursements (including attorney costs) of any kind or nature whatsoever with respect to the execution, delivery and enforcement of this Support Party Agreement, or the Transactions, and with respect to any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto related to this Support Party Agreement, whether or not any Indemnified Person is a party thereto (all the foregoing, collectively, the "Indemnified Liabilities"); provided, that the Support Party shall have no obligation hereunder to any Indemnified Person with respect to Indemnified Liabilities directly arising from the gross negligence or willful misconduct of such Indemnified Person as determined by a court of competent jurisdiction. The agreements in this Section 6.12 shall survive payment of the amounts outstanding under the Credit Agreement and termination of the Commitments thereunder.

(c) To the extent permitted by applicable law, the Support Party shall not assert, and hereby waives, any claim against any Indemnitee, on any

theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Support Party Agreement or any agreement or instrument contemplated hereby or the Transactions.

(d) All amounts due under this Section shall be payable promptly after written demand therefor.

Support Party Agreement

IN WITNESS WHEREOF, the Support Party and the Borrower have each caused this Support Party Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

AMERCO,
as Support Party

By /s/ Gary B. Horton

Name:
Title:

PRIVATE MINI STORAGE REALTY, L.P.

By STORAGE REALTY L.L.C., as
general partner

By

Name:

Title:

Agreed to and accepted by:

THE CHASE MANHATTAN BANK, as
Administrative Agent

BY

Name:
Title:

Support Party Agreement

IN WITNESS WHEREOF, the Support Party and the Borrower have each caused this Support Party Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

AMERCO,
as Support Party

By

Name:

Title:

PRIVATE MINI STORAGE REALTY, L.P.

By STORAGE REALTY L.L.C., as
general partner

By /s/ Doug Mulvaney

Name:Doug Mulvaney
Title: Manager

Agreed to and accepted by:

THE CHASE MANHATTAN BANK, as
Administrative Agent

By
Name:
Title:

Support Party Agreement

IN WITNESS WHEREOF, the Support Party and the Borrower have each caused this Support Party Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

AMERCO,
as Support Party

By

Name:

Title:

PRIVATE MINI STORAGE REALTY, L.P.

By STORAGE REALTY L.L.C., as
general partner

By

Name:

Title:

Agreed to and accepted by:

THE CHASE MANHATTAN BANK, as
Administrative Agent

By /s/ Lawrence Palumbo Jr.

Name: Lawrence Palumbo, Jr.
Title: Vice President

Exhibit 10.65

EXECUTION COPY

NON-EXONERATION AGREEMENT

THIS NON-EXONERATION AGREEMENT (this "AGREEMENT") is made as of the ___ day of February, 2003 by AMERCO, a Nevada Corporation (the "SUPPORT PARTY") in favor of the Administrative Agent (as defined below) for the benefit of the Lenders (as defined below).

RECITALS

A. Reference is hereby made to (i) that certain Amended and Restated Credit Agreement, dated the date hereof (the "AMENDED CREDIT AGREEMENT"), among PRIVATE MINI STORAGE REALTY, L.P., a Texas limited partnership (the "BORROWER"), STORAGE REALTY L.L.C., a Texas limited liability company and general partner of the Borrower, the financial institutions listed on Schedule 1 hereto (together with each financial institution that becomes a "Lender" pursuant to Section 9.04 of the Amended Credit Agreement, collectively, the "LENDERS"), JPMORGAN CHASE BANK, as administrative agent for the benefit of the Lenders (in such capacity, the "ADMINISTRATIVE AGENT") and J.P. MORGAN SECURITIES INC., as sole bookrunner and sole lead arranger; and (ii) that certain Support Party Agreement, dated as of December 30, 1997 (the "SUPPORT PARTY AGREEMENT"), entered into by the Support Party and the Borrower in favor of the Administrative Agent for the benefit of the Lenders. Capitalized terms used in this Agreement and not otherwise defined herein have the meanings assigned to them in the Amended Credit Agreement.

B. As a result of an event of default under Section 7(m) of the Existing Credit Agreement (the "CREDIT AGREEMENT DEFAULT"), the Administrative Agent exercised the Lenders' rights on their behalf to declare the obligations of the Borrower under the Existing Credit Agreement immediately due and payable. The Borrower did not pay the amounts due by their due date. Pursuant to Section 2.1(a)(ii)(y) of the Support Party Agreement, the Administrative Agent by its letter dated December 16, 2002 (the "EXERCISE LETTER") exercised the Lenders' option (the "LOAN PURCHASE OPTION") on their behalf to require the Support Party to purchase the right, title and interest of the Lenders in and to their respective Commitments (as such term is defined in the Existing Credit Agreement) and Revolving Credit Exposures (as such term is defined in the Existing Credit Agreement) for an amount equal to the principal of the Revolving Credit Exposures plus accrued interest thereon and fees and other obligations of the Borrower. The Support Party failed to timely purchase obligations pursuant to the Loan Purchase Option as required by the Exercise Letter and defaulted under the Support Party Agreement (the "SPA DEFAULT").

C. Notwithstanding the existence and continuance of the SPA Default, the Borrower has requested that the Administrative Agent and the Lenders amend and restate the Existing Credit Agreement by entering into the Amended Credit

Agreement and thereby effectuate a cure of the Credit Agreement Default as to the Borrower. The Support Party has an economic interest in the transactions contemplated by the Amended Credit Agreement, including, without limitation, the effectuation of a cure of the Credit Agreement Default, as to the Borrower and, accordingly, the Support Party has also requested that the Administrative Agent and the Lenders amend and restate the Existing Credit Agreement by entering into the Amended Credit Agreement and has advised the Administrative Agent that it consents thereto. The Administrative Agent and the Lenders are willing to enter into the Amended Credit Agreement and effectuate a cure of the Credit Agreement Default as to the Borrower, provided that the Support Party acknowledges and agrees that the obligation to perform the Loan Purchase Option has ripened and that the SPA Default remains outstanding, notwithstanding the Amended Credit Agreement and that the SPA Default is due, owing and unpaid. Therefore, as consideration for the Administrative Agent and the Lenders entering into the Amended Credit Agreement, the Support Party is providing to the Administrative Agent this Agreement pursuant to Section 4.01(a) of the Amended Credit Agreement.

CONFIRMATION OF OBLIGATIONS

The Support Party hereby confirms that, (a) the Support Party's obligation to purchase the Commitments and the Revolving Credit Exposures has fully ripened and is in full force and effect, (b) the Support Party consents to the Lenders amending and restating the Existing Credit Agreement by entering into the Amended Credit Agreement, and (c) despite (i) the effectuation of a cure of the Credit Agreement Default as to the Borrower, (ii) the change in the Revolving Credit Exposures from revolving loans to term loans under the Amended Credit Agreement and (iii) all other changes in the terms of the obligations of the Borrower to the Lenders under the Amended Credit Agreement: (x) the SPA Default consisting of the obligation of the Support Party to purchase the Commitments and Revolving Credit Exposures (now represented by the Loans, including all accrued interest thereon and all fees and other obligations of the Borrower under the Amended Credit Agreement) as required by the Administrative Agent's exercise of the Loan Purchase Option remains a default and is a valid and binding obligation that is due, owing and unpaid under Article II of the Support Party Agreement; (y) the Support Party Agreement is not terminated by the execution of the Amended Credit Agreement and (z) all obligations of the Support Party under the Support Party Agreement continue to exist and remain valid, binding, and outstanding with respect to the Amended Credit Agreement. Any payment that the Support Party makes with respect to the Support Party Default shall constitute a ratable purchase of the Loans under the Amended Credit Agreement, and shall be subordinated to the rights of the Lenders in accordance with Sections 2.1(b) and 2.8 of the Support Party Agreement. The obligations confirmed under this paragraph are confirmed subject to and in accordance with the terms of the Support Party Agreement, except to the extent that the Support Party's confirmation of those obligations under this paragraph are inconsistent with the Support Party Agreement, in which case the terms of this paragraph shall control. Notwithstanding anything to the contrary set forth herein, the Support Party's obligations to the Lenders in respect of the SPA Default are limited by and subject to the provisions in that certain Standstill Agreement of even date herewith by and among the Support Party, the Administrative Agent and the Lenders pursuant to which, inter alia, the Lenders have agreed to forebear

temporarily from exercising their rights and remedies in respect of the SPA Default and certain other Existing Defaults (as defined therein).

REPRESENTATIONS AND WARRANTIES OF SUPPORT PARTY

The Support Party represents and warrants to the Administrative Agent for the benefit of the Lenders that:

a. Powers. The Support Party has the power and authority to execute and deliver this Agreement and to carry out the transactions contemplated herein and in the Support Party Agreement.

b. Authorization; Enforceability. The Support Party has duly executed and delivered this Agreement. This Agreement constitutes a legal, valid and binding obligation of the Support Party, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

c. Obligations Ripened. The Support Party's obligation to purchase the Commitments and Revolving Credit Exposures is fully ripened and the Support Party has no defenses thereto.

d. Governmental Approvals; No Conflicts. The execution and delivery of this Agreement (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect, (b) will not violate any applicable law, statute, rule or regulation or the charter, by-laws or other organizational documents of the Support Party (or its subsidiaries) or any order, writ, ruling, injunction or decree of any Governmental Authority, (c) will not violate or result in a default under any indenture, agreement or other instrument binding upon the Support Party (or its subsidiaries) or its assets, or give rise to a right thereunder to require the Support Party (or its subsidiaries) to make any payment, and (d) will not result in the creation or imposition of any Lien on any asset of the Support Party (or its subsidiaries).

e. Representations Bringdown. Except as otherwise disclosed in writing to the Administrative Agent, as of the date of and after giving effect to this Agreement, all representations and warranties set forth in the Support Party Agreement are true and correct as if made again on and as of such date (except those, if any, which by their terms specifically relate only to a different date).

f. Lenders' Reliance. The Support Party acknowledges that the Lenders, in entering into the Amended Credit Agreement, are relying on the Support Party's representations made herein.

MISCELLANEOUS

a. Release and Waiver. Each of the Borrower and the Support Party hereby releases the Lenders, the Administrative Agent, and the Lenders' and the Administrative Agent's officers, employees, representatives, agents, counsel and directors from any and all actions, claims, demands, damages and liabilities of whatever kind or nature, in law or in equity, now known or unknown, suspected or unsuspected, to the extent that any of the foregoing arises from any action or failure to act on or prior to the date hereof with respect to matters arising under the Existing Credit Agreement or the amendment and restatement thereto pursuant to the Amended Credit Agreement.

The Support Party hereby (i) reaffirms and incorporates herein by reference Sections 2.3, 2.4 and 2.6 of the Support Party Agreement and (ii) represents that it has no claims, counterclaims, offsets or defenses to the Loan Documents or to the performance of its obligations thereunder, or if the Support Party did have any such claims, counterclaims, offsets or defenses to the Loan Documents or any transaction related to the Loan Documents, the same are hereby waived, relinquished and released in consideration of each Lender's and the Administrative Agent's execution and delivery of the Amended Credit Agreement.

b. Execution in Counterparts. This Agreement may be executed in counterparts, all of which taken together shall constitute one and the same instrument.

c. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK.

[signature page follows]

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

AMERCO
as Support Party

By: /s/ Gary B. Horton
_____
Name: Gary B. Horton
Title: Treasurer

ACKNOWLEDGED BY:

PRIVATE MINI STORAGE REALTY, L.P.
as Borrower

By: STORAGE REALTY L.L.C., its
General Partner

By: /s/ Doug Mulvaney
_____
Name: Doug Mulvaney
Title: President of Storage
Realty, LLC, which is
the general partner of
PMSRLP

ACKNOWLEDGED BY:

JPMORGAN CHASE BANK,
as Administrative Agent

By: /s/ John McDonagh
_____
Name: John McDonagh
Title: Managing Director

SCHEDULE I

LENDERS

Name of Lender

JPMorgan Chase Bank
270 Park Avenue
New York, NY 10017

Attention: John McDonagh
Facsimile: (212) 270-0430

Bank of America, N.A.
Timothy C. Hintz
555 S. Flower St. 9/F
Los Angeles, CA 90071
Mail Code: CA9-706-09-37
Facsimile: (213) 345-1284

and

Rafael Vistan
Banc of America
Strategic Solutions, Inc.
CA9-706-09-37
555 S. Flower St. 9/F
Los Angeles, CA 90071
Facsimile: (213) 345-1284

Dresdner Bank AG,
New York Branch and
Grand Cayman Branch

Attention: Joanna Solowski
Facsimile: 212-429-2524

KBC Bank N.V.
515 South Figueroa Street
Suite 1920
Los Angeles, CA 90071
Attention: Tom Jackson
Facsimile: (213) 629-5801

Wells Fargo Bank, NA.
45 Fremont Street
San Francisco, CA 94105
Attention: Steve Dobel
Facsimile: (415) 947-8851

ABN AMRO Bank, N.V.
Financial Restructuring &
Recovery
350 Park Ave., 2nd Floor
New York, NY 10022
Attention: David W. Stack
Facsimile: (212) 251-3685

Citicorp USA, Inc.
250 West Street
8th Floor
New York, NY 10013
Attention: Peter Nathanial
Facsimile: (212) 723-3042

Fleet National Bank
777 Main Street
Mail Stop. CT EH 40221A
Hartford, CT 06115
Attention: Mark A. VanOsdol
Facsimile: (860) 952-6759

Union Bank of California, N.A.
400 California Street
8th Floor
San Francisco, CA 94104
Attention: George Vetek
Facsimile: (415) 765-2170

Bank One, NA
1717 Main Street
4th floor, TX1-2454
Dallas, TX 75201
Attention: Randy B. Durant
Facsimile: (214) 290-2740

Comerica Bank - Texas
910 Louisiana, Suite 300
Houston, TX 77002
Attention: Mr. Hal Marshall
Facsimile: (713) 220-5550

Mizuho Corporate Bank, Ltd.
f/k/a The Fuji Bank, Limited,
Los Angeles Agency
350 S. Grand Avenue, Suite 1500
Los Angeles, CA 90071
Attention: Tami Kita
Facsimile: (213) 253-4175

WestLB AG, New York Branch
Credit Department
1211 Avenue of the Americas
New York, NY 10036
Attention: Walter T. Duffy III,
Associate
Director
Facsimile: (212) 852-6148

Exhibit 10.66

SUPPORT PARTY AGREEMENT

dated as of February ___, 2003

made by

AMERCO, a Nevada corporation

as Support Party and

PM PREFERRED PROPERTIES, L.P.,
a Texas limited partnership

as Borrower

in favor of

GMAC COMMERCIAL HOLDING CORP.,
a Nevada corporation

as Administrative Agent

for the benefit of

GMAC COMMERCIAL HOLDING CAPITAL CORP.,
a Colorado corporation
as Lender

TABLE OF CONTENTS

SUPPORT PARTY AGREEMENT

THIS SUPPORT PARTY AGREEMENT (this "Support Party Agreement"), dated as of February ___, 2003, is made by AMERCO, a Nevada corporation (the "Support Party") and PM PREFERRED PROPERTIES, L.P., a Texas limited partnership (the "Borrower") in favor of GMAC COMMERCIAL HOLDING CORP., a Nevada corporation, as Administrative Agent (the "Administrative Agent") for the benefit of GMAC COMMERCIAL HOLDING CAPITAL CORP., a Colorado corporation (together with its successors and assigns, the "Lender").

W I T N E S S E T H:

WHEREAS, as a condition to the making of a loan in the maximum principal amount of $255,000,000 to Borrower from Lender under the Loan Agreement dated of even date herewith (together with all amendments, supplements, amendments and restatements and other modifications, if any, from time to time hereafter made thereto, the "Loan Agreement"), by and between the Lender and the Borrower, the Support Party and Borrower are required to execute and deliver this Support Party Agreement in favor of the Administrative Agent for the benefit of the Lender;

WHEREAS, the Support Party and Borrower have duly authorized the execution, delivery and performance of this Support Party Agreement; and

WHEREAS, it is in the best interests of the Support Party to execute this Support Party Agreement inasmuch as the Support Party has an economic interest in the transactions contemplated by the Loan Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, and in order to induce the Lender to enter into the Loan Agreement with the Borrower, the Support Party agrees, for the benefit of the Administrative Agent and the Lender, as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1. Definitions. Capitalized terms used but not otherwise defined in this Support Party Agreement have the respective meanings specified in the Loan Agreement; and the rules of interpretation set forth therein shall apply to this Support Party Agreement. As used in this Support Party Agreement, the following terms have the meanings specified below:

"Change of Control" as defined in the Loan Agreement.

"Covenant Obligation" shall mean each of the covenants and agreements made by Borrower under Section 6.10 of the Loan Agreement.

"Debt Obligation" shall mean each and every obligation of Borrower under the Note and Loan Agreement or any other Loan Document to make any payment of interest or other sum due thereunder.

"ERISA Affiliate" means any trade or business (whether or not incorporated) that, together with the Support Party, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of
Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

"ERISA Event" means (a) any "reportable event", as defined in
Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30-day notice period is waived); (b) the existence with respect to any Plan of an "accumulated funding deficiency" (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (c) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by the Support Party or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by the Support Party or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (f) the incurrence by the Support Party or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan; or (g) the receipt by the Support Party or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Support Party or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA.

"Fair Market Value" shall mean with respect to any Mortgaged Property an amount equal to the NOI (as defined in the Loan Agreement) of such Mortgaged Property for the period of twelve (12) months immediately preceding the Valuation Date divided by a capitalization rate factor equal to .095.

"Future Advance" shall mean amounts funded by Lender to Borrower under the Loan Agreement as a "Subsequent Advance."

"Issuance Date" shall mean the date specified in the Issuance Notice (which date shall be no fewer than five (5) Business Days from the date of such Issuance Notice) on which the purchase of the additional partnership interest, the purchase of Subordinated debt, the escrow of cash, or the purchase of Mortgaged Property must be made pursuant to Article 2.

"Issuance Notice" shall mean a notice from the Administrative Agent to the Support Party stating the occurrence of a default of Borrower of a Debt Obligation or a breach of a Covenant Obligation and designating an Issuance Date.

"Issuance Price" shall mean the purchase price for additional partnership interests or Subordinated debt, purchased pursuant to Article 2, which shall be an amount equal to the default by Borrower under its Debt Obligation or the amount needed to cure the breach of the Covenant Obligations, as applicable.

"Loan Documents" shall mean each and every agreement, instrument or document evidencing, securing or otherwise pertaining to the Loan or the Debt Obligation.

"Material Subsidiary" shall mean any subsidiary of the Support Party having a tangible net worth, determined in accordance with GAAP, equal to or greater than $10,000,000.

"Maximum Obligation" shall mean the amount of $70,000,000 plus any Future Advance less principal payments made by Borrower. From and after the fourth (4th) anniversary date of this Support Party Agreement, the Maximum Obligation shall be adjusted annually based upon the Aggregate Collateral NOI of the Mortgaged Properties (as defined in the Loan Agreement) for the immediately preceding fiscal year such that the Maximum Obligation Amount shall be reduced by $5,000,000 for each $500,000 of Aggregate Collateral NOI for the immediately preceeding year above $26,000,000 (the "Threshold Amount"). In the event that one or more of the Mortgaged Properties have been released in accordance with the provisions of the Loan Agreement, the Threshold Amount shall be reduced based upon the percentage that such released Mortgage Properties' projected NOI forecast for the calendar year 2007 bears to the Aggregate Collateral NOI projected for all Mortgaged Properties for calendar year 2007 as set forth on such Schedule 4.1(c) of the Loan Agreement.

Notwithstanding the foregoing in no event shall the Maximum Obligation as adjusted after the fourth anniversary date in accordance with the preceding chart exceed $70,000,000 plus Future Advances less principal payments made by the Borrower.

"Plan" means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Support Party or any ERISA Affiliate is (or, if such plan were terminated, would under
Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Subordinated" shall mean subject and subordinate for all purpose to all liens, claims or encumbrances of Lender under this Support Agreement and any other Loan Document evidencing or securing the Loan or this Support Agreement and shall be subject to the specific terms and conditions set forth on Exhibit A attached hereto and made a part hereof for all purposes.

"Valuation Date" shall mean the last day of any month during which the Support Party elects to purchase any Mortgaged Property in accordance with the right granted to the Support Party under Section 2.1.C.

"Voluntary Prepayments" shall mean any amount paid by or on behalf of Borrower under the Note or any Loan Document prior to its scheduled due date.

ARTICLE II

SUPPORT PARTY OBLIGATIONS

SECTION 2.1. Obligations.

A. In the event that Borrower fails to pay any Debt Obligation as and when due, an Issuance Notice shall be given and the Support Party shall, on the Issuance Date, at Support Party's option, either:

(i) purchase additional partnership interest in the Borrower at the Issuance Price; or

(ii) purchase Subordinated debt of Borrower at the Issuance Price.

B. In the event that a Covenant Obligation is breached for any reason, an Issuance Notice shall be given and the Support Party shall, on the Issuance Date, at Support Party's option, either:

(i) purchase additional partnership interest in the Borrower at the Issuance Price; or

(ii) purchase Subordinated debt of Borrower at the Issuance Price; or

(iii) escrow an amount equal to the Issuance Price in cash with Lender.

C. After the expiration of the fourth (4th) Loan Year (as defined in the Loan Agreement) the Support Party shall have the right, in addition to the options set forth in Section 2.1.A, 2.1.B above, to purchase from the Borrower any of the Mortgaged Properties for an amount (the "Purchase Price") equal to the greater of the Fair Market Value of such Mortgaged Property or Release Price as defined in the Loan Agreement plus any prepayment premium required under the Loan Documents to effectuate the release of the Mortgage Property to be purchased by the Support Party. No purchase or sale of a Mortgaged Property shall be permitted if, in Lender's sole and absolute discretion, after giving effect to such sale, either (i) the Aggregate Debt Service Coverage Ratio would decline, or (ii) the LTV Ratio with respect to the Properties in the aggregate would increase.

D. The Support Party acknowledges that it is the intent of the parties hereunder to cause the purchases referred to in Sections 2.1.A and 2.1.B in order to provide the Borrower with sufficient funds to pay the Debt Obligations and/or cure the breaches of the Covenant Obligations, and the Support Party hereby agrees to cause the Borrower to apply the proceeds thereof for such purposes, immediately upon receipt of such proceeds.

E. The Support Party acknowledges that any escrow provided for in Section 2.1.B is to be held in an escrow under Lender's exclusive control. The Support Party hereby pledges all interest in and to said escrow to Lender and agrees that Lender may apply such escrow to any and all amounts due and owing under the Loan Documents following a default by Borrower in the payment of a Debt Obligation in such order as Lender may elect. Upon the cure of the Covenant Obligations for which any funds were escrowed pursuant to this Section 2.1.E, and written request from Support Party, Lender shall release the escrowed funds to the Support Party.

SECTION 2.2. Issuance and Purchase Procedures.

A. On each Issuance Date, each party to the related Issuance Notice shall take the following actions required of it:

(i) If the Support Party has the right and has elected to purchase additional partnership interests in the Borrower:

(x) The Support Party shall tender the Issuance Price to the Borrower in immediately available funds; and

(y) The Borrower shall accept such price and issue to the Support Party additional partnership interests in the Borrower.

(ii) If the Support Party has the right and has elected to purchase Subordinated debt of the Borrower:

(x) The Support Party shall tender the Issuance Price to the Borrower in immediately available funds; and

(y) The Borrower shall accept such price and issue to the Support Party Subordinated debt instruments in the amount of the Issuance Price.

(iii) If the Support Party has the right and has elected to escrow funds with Lender:

(x) The Support Party shall tender the Issuance Price in cash to Lender; and

(y) Lender shall hold such amount as additional security for the repayment of the Loan, subject to Section 2.1.E.

(iv) If the Support Party has the right and has elected to purchase a Mortgaged Property from the Borrower as permitted by 2.1.C:

(x) The Support Party shall tender the Purchase Price for such Mortgaged Property to the Borrower in immediately available funds; and

(y) The Borrower shall accept the Purchase Price for the Mortgaged Properties and deliver to the Support Party title to the Properties.

SECTION 2.3. Rights of Administrative Agent and Lenders. The Support Party authorizes the Administrative Agent on behalf of the Lender to perform any or all of the following acts at any time in its sole discretion, all without notice to the Support Party and without affecting the Support Party's obligations under this Support Party Agreement:

A. The Lender may alter any terms of the Loan Documents or any part thereof, including renewing, compromising, extending or accelerating, or otherwise changing the

time for payment of, or increasing or decreasing the rate of interest on, the amounts outstanding under the Loan Documents or any part thereof.

B. The Administrative Agent or Lender may take and hold security for the amounts outstanding under the Loan Documents or this Support Party Agreement, accept additional or substituted security for either, and subordinate, exchange, enforce, waive, release, compromise, fail to perfect and sell or otherwise dispose of any such security.

C. Upon any Event of Default, the Administrative Agent or any Lender may direct the order and manner of any sale of all or any part of any security now or later to be held for the amounts outstanding under the Loan Documents or this Support Party Agreement, respectively, and the Administrative Agent or Lender may also bid at any such sale.

D. The Administrative Agent or Lender may apply any payments or recoveries from the Borrower, the Support Party or any other source, and any proceeds of any security, to the Borrower's obligations under the Loan Documents in such manner, order and priority as the Administrative Agent or such Lender may elect, whether or not those obligations are secured at the time of the application

E. The Administrative Agent or any Lender may extend additional credit to the Borrower or the Support Party in addition to the amounts outstanding under the Loan Agreement, and may take and hold security for the credit so extended.

SECTION 2.4. Obligations Absolute, etc. The terms of this Support Party Agreement shall in all respects be continuing, absolute, unconditional and irrevocable, and shall remain in full force and effect until all amounts outstanding under the Loan Documents have been paid in full, and all obligations of the Borrower and the Support Party shall have been paid in full. The liability of the Support Party under this Support Party Agreement shall be irrevocable irrespective of:

A. any lack of validity, legality or enforceability of the Loan Documents;

B. the failure of Lender or the Administrative Agent:

(i) to assert any claim or demand to enforce any right or remedy against any Person under the provisions of the Loan Agreement or any of the Loan Documents otherwise, or

(ii) to exercise any right or remedy against any guarantor of, or collateral securing, any amounts outstanding under the Loan Documents;

C. any change in the time, manner or place of payment of, or in any other term of, all or any of the amounts outstanding under the Loan Documents or any extension, compromise or renewal of any of the amounts outstanding under the Loan Documents;

D. any reduction, limitation, impairment or termination of the amounts outstanding under the Loan Documents, for any reason, including any claim of waiver, release, surrender, alteration or compromise, and any defense or setoff, counterclaim, recoupment or

termination whatsoever by reason of the invalidity, illegality, nongenuineness, irregularity, compromise, unenforceability of, or any other event or occurrence affecting, the amounts outstanding under the Loan Documents;

E. any amendment to, rescission, waiver, or other modification of, or any consent to departure from, any of the terms of the Loan Documents;

F. any addition, exchange, release, surrender or nonperfection of any collateral, or any amendment to or waiver or release or addition of, or consent to departure from, any guaranty, held by the Administrative Agent or Lender securing any of the amounts outstanding under the Loan Documents;

G. any failure on the part of the Borrower, or any other Person in complying with its obligations under this Support Party Agreement or the Loan Documents;

H. any other circumstance which might otherwise constitute a defense available to, or a legal or equitable discharge of, any indemnitor, any surety or any guarantor; or

I. the commencement of any case under the Bankruptcy Code by or against any person obligated under any of the Loan Documents.

SECTION 2.5. Reinstatement, etc. The Support Party agrees that this Support Party Agreement shall continue to be effective or be reinstated, as the case may be, if at any time any payment (in whole or in part) of any of the amounts outstanding under the Loan Documents is rescinded or must otherwise be restored by the Administrative Agent or Lender, upon the insolvency, bankruptcy or reorganization of Borrower or any guarantor, indemnitor or surety or otherwise, as though such payment had not been made.

SECTION 2.6. Waiver, etc. The Support Party hereby waives:

A. All statutes of limitations as a defense to any action or proceeding brought against the Support Party by the Administrative Agent or Lender, to the fullest extent permitted by law;

B. Any right it may have to require the Administrative Agent or Lender to proceed against the Borrower, proceed against or exhaust any security held by Lender, or pursue any other remedy in the Administrative Agent's or Lender's power to pursue;

C. Any defense based on any claim that the Support Party's obligations exceed or are more burdensome than those of the Borrower;

D. Any defense based on: (i) any legal disability or lack of authority of the Borrower, (ii) any release, discharge, modification, impairment or limitation of the liability of the Borrower to the Administrative Agent or Lender from any cause, whether consented to by the Administrative Agent or Lender or arising by operation of law or from any insolvency proceeding and
(iii) any rejection or disaffirmance of the Loan Documents, or any part thereof, or any security held in connection with the Loan, in any proceeding;

E. Any defense based on any action taken or omitted by the Administrative Agent or Lender in any insolvency proceeding involving the Borrower, including any election to have the Administrative Agent's or Lender's claim allowed as being secured, partially secured or unsecured, any extension of credit by the Lender to the Borrower in any insolvency proceeding, and the taking and holding by the Administrative Agent or any Lender of security for any such extension of credit;

F. All presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, notices of acceptance of this Support Party Agreement and of the existence, creation, or incurrence of new or additional indebtedness, and demands and notices of every kind;

G. Any defense based on or arising out of (i) any defense that the Borrower may haste to the payment or performance of the amounts outstanding under the Loan Documents or any part thereof, (ii) any defense that the Borrower has failed to perform any action required by it hereunder, or in the state in which any Mortgaged Property is located or (iii) the financial condition of the Borrower; and

H. Any defense based on or arising out of any action of the Administrative Agent or Lender described in Sections 2.3 or 2.4 above.

SECTION 2.7. Borrower's Agreement. The Borrower hereby agrees to
(a) conduct any action as may be necessary in order for the Support Party to comply with its obligations under this Support Party Agreement, including, but not limited to, issuing Subordinated debt and partnership interests to the Support Party and selling the Mortgaged Properties to the Support Party in accordance with Article II and (b) apply the proceeds of any amounts received from the Support Party to the payment or prepayment of amounts as and when due under the Loan Documents to the Lender and the Administrative Agent.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

The Support Party represents and warrants to the Administrative Agent for the benefit of the Lender that:

SECTION 3.1. Organization; Powers. The Support Party and each of its respective subsidiaries is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, has all requisite power and authority to carry on its business as now conducted and as proposed to be conducted, is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required except where such failure would not have a material adverse effect upon such party or this Support Party Agreement. The Support Party and each of its respective subsidiaries has the power and authority to own or hold under lease the properties it purports to own or hold under lease, to transact the business it transacts and proposes to transact, to execute and deliver this Support Party Agreement and to perform the transactions contemplated in this Support Party Agreement (the "Transactions").

SECTION 3.2. Authorization; Enforceability. The Transactions are within the Support Party's powers and have been duly authorized by all necessary action. This Support Party Agreement has been duly executed and delivered by the Support Party and constitutes a legal, valid and binding obligation of the Support Party, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3.3. Governmental Approvals; No Conflicts. The Transactions: (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect; (b) will not violate any applicable law, statute rule or regulation or the charter, by-laws or other organizational documents of the Support Party (or any of its subsidiaries) or any order, writ, ruling, injunction or decree of any Governmental Authority; (c) will not violate or result in a default under any indenture, agreement or other instrument binding upon the Support Party (or any of its subsidiaries) or its assets, or give rise to a right thereunder to require any payment to be made by the Support Party (or any of its subsidiaries); and, (d) will not result in the creation or imposition of any lien on any asset of the Support Party (or any of its subsidiaries).

SECTION 3.4. Properties.

A. The Support Party and each of its subsidiaries has good title to, or valid leasehold interests in, all its real and personal property material to its business, except for minor defects in title that do not interfere with its ability to conduct its business as currently conducted or to utilize such properties for their intended purposes.

B. The Support Party and each of its subsidiaries owns, or is licensed to use, all trademarks, tradenames, permits, service marks, licenses, franchises, formulas, copyrights, patents and other intellectual property or rights with respect to the foregoing, and has obtained assignments of all leases and other rights of whatever nature, necessary for the present conduct of its business, without any known conflict with the rights of others which, or the failure to obtain which, as the case may be, would have in a material adverse effect on the business, operations, property, assets, nature of assets, condition (financial or otherwise) or prospects of the Support Party or of the Support Party and its subsidiaries taken as a whole.

SECTION 3.5. Litigation and Environmental Matters.

A. Except as otherwise disclosed on Exhibit X attached hereto, there are no actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of the Support Party, threatened against or affecting the Support Party or any of its subsidiaries (i) as to which there is a reasonable possibility of an adverse determination and that, if adversely determined, could reasonably be expected, individually or in the aggregate, to have a material adverse effect on the Support Party's financial condition or operations or (ii) that involve this Support Party Agreement or the Transactions.

B. Except with respect to any matter that, individually or in the aggregate, could not reasonably be expected to have a material adverse effect on the Support Party's

financial condition or operations or as otherwise disclosed on Exhibit X attached hereto, neither the Support Party nor any of its subsidiaries (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law,
(ii) has received notice of or become subject to, or knows of any basis for, any claim, judgment, loss or liability with respect to any Environmental Law.

SECTION 3.6. Compliance with Laws and Agreements. The Support Party and each of its subsidiaries is in compliance with all laws, regulations and orders of any Governmental Authority applicable to it or its property and all indentures, agreements and other instruments binding upon it or its property, except as disclosed on Exhibit X hereto or where the failure to do so, individually or in the aggregate, could not reasonably be expected to have a material adverse effect on the Support Party's financial condition or operations.

SECTION 3.7. Investment and Holding Company Status. Neither the Support Party nor any of its subsidiaries is (a) an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940,
(b) a "holding company" as defined in, or subject to regulation under, the Public Utility Holding Company Act of 1935 or (c) subject to any Federal or state statute or regulation limiting its ability to incur indebtedness for money borrowed. Neither the Support Party nor any of its subsidiaries is subject to the Interstate Commerce Act.

SECTION 3.8. Taxes. The Support Party and each of its subsidiaries has timely filed or caused to be filed all tax returns and reports required to have been filed and have paid or caused to be paid all taxes required to have been paid by it, except (a) taxes that are being contested in good faith by appropriate proceedings and for which the Support Party or such subsidiary, as applicable, has set aside on its books adequate reserves or (b) to the extent that the failure to do so could not reasonably be expected to have a material adverse effect on the Support Party's financial condition or operations.

SECTION 3.9. ERISA. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to have a material adverse effect on the Support Party's financial condition or operations. The present value of all accumulated benefit obligations under each Plan (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the date of the most recent financial statements reflecting such amounts, exceed by more than $10,000,000 the fair market value of the assets of such Plan, and the present value of all accumulated benefit obligations of all underfunded Plans (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the date of the most recent financial statements reflecting such amounts, exceed by more than $10,000,000 the fair market value of the assets of all such underfunded Plans.

SECTION 3.10. Disclosure. The Support Party has disclosed to the Administrative Agent and the Lender all agreements, instruments and corporate or other restrictions to which it or any of its subsidiaries is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to have a material adverse effect on the operations or financial condition of the Support Party. None of the information furnished by or on behalf of

the Support Party to the Administrative Agent or any Lender in connection with the negotiation of this Support Party Agreement or delivered hereunder (as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

SECTION 3.11. Federal Reserve Regulations. Neither the Support Party nor any of its respective subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying margin stock.

SECTION 3.12. Environmental and Safety Matters. The Support Party and each of its subsidiaries has complied in all material respects with all federal, state, local and other statutes, ordinances, orders, judgments, rulings and regulations relating to environmental pollution or to environmental regulation or control or to employee health or safety. Neither the Support Party nor any of its subsidiaries has received notice of any material failure so to comply. The Support Party's and its subsidiaries' facilities do not manage any Hazardous Materials, as defined in Environmental Law or any other applicable law relating to environmental pollution or employee health and safety. The Support Party is not aware of any events, conditions or circumstances involving environmental pollution or contamination or employee health or safety that could reasonably be expected to result in material liability on the part of the Support Party or any of its subsidiaries.

SECTION 3.13. Financial Statements. The Support Party has heretofore furnished to the Administrative Agent and the Lender its consolidated and consolidating balance sheets and statements of income and cash flows as of and for the fiscal year ended March 31, 2002, audited by and accompanied by the opinion of Pricewaterhouse Coopers, independent public accountants. Such financial statements present fairly the financial condition and results of operations of the Support Party and its consolidated subsidiaries as of such date and for such period. Such balance sheets and the notes thereto disclose all material liabilities, direct or contingent, of the Support Party and its consolidated subsidiaries as of the date thereof. Such financial statements were prepared in accordance with GAAP applied on a consistent basis.

SECTION 3.14. No Material Adverse Change. There has been no material adverse change in the business, assets, nature of assets, operations, prospects or condition, financial or otherwise, of the Support Party and its subsidiaries, taken as a whole, since December 31, 2002.

SECTION 3.15. Agreements.

A. Except as disclosed on Exhibit X, neither the Support Party nor any of its subsidiaries is a party to any agreement or instrument or subject to any corporate restriction that has resulted or could result in a material adverse effect on the operations or financial condition of the Support Party or its subsidiaries.

B. Neither the Support Party nor any of its subsidiaries is in default in any manner under any provision of any indenture or other agreement or instrument evidencing any indebtedness, or any other material agreement or instrument to which it is a party or by which it or any of its properties or assets are or may be bound, except as disclosed on Exhibit X or where

such default could result in a material adverse effect on the operations or financial condition of the Support Party or its subsidiaries.

SECTION 3.16. Borrower's Business. The Support Party is familiar with Borrower's financial condition and business operations and has done all diligence to enter into this Support Party Agreement and has not relied on the Administrative Agent or Lender with respect to such diligence. The Support Party has received a copy of the Loan Documents and hereby acknowledges and consents to the terms and conditions thereunder.

ARTICLE IV

COVENANTS

The Support Party covenants and agrees that, so long as any portion of the amounts outstanding under the Loan Documents shall remain unpaid or outstanding, it will observe the following covenants:

SECTION 4.1. Notices of Material Events. The Support Party will furnish to the Administrative Agent and each Lender prompt written notice of the following:

A. the occurrence of any Support Party Default;

B. the filing or commencement of any action, suit or proceeding by or before any arbitrator, or Governmental Authority against or affecting the Support Party or any Affiliate thereof that, if adversely determined, could reasonably be expected to result in a material adverse effect on the operations or financial condition of the Support Party or its subsidiaries;

C. the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in liability of the Support Party and its subsidiaries in an aggregate amount exceeding $10,000,000;

D. any action by the Support Party pursuant to Article II of this Support Party Agreement, or any agreement to do so;

E. any provision of this Support Agreement is held to be invalid, illegal or unenforceable in any jurisdiction resulting in a material adverse effect on the ability of the Support Party to perform its obligations hereunder;

F. any change by Moody's or S&P in the rating of the Support Party's senior, unsecured, non-credit-enhanced long-term indebtedness for borrowed money after the date hereof; and

G. any other development that results in, or could reasonably be expected to result in, a material adverse effect on the operations or financial condition of the Support Party or its subsidiaries.

Each notice delivered under this Section shall be accompanied by a statement of an executive officer of the Support Party setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

SECTION 4.2. Existence; Conduct of Business. The Support Party will, and will cause each of its subsidiaries to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges and franchises material to the conduct of its business and will maintain and operate such business in substantially the manner in which it is presently conducted and operated. The Support Party shall, directly or through its wholly-owned subsidiaries, own and control not less than 50% of the voting stock of the sole general partner of the Borrower.

SECTION 4.3. Payment of Obligations. The Support Party will, and will cause each of its subsidiaries to, pay its indebtedness and other obligations promptly and in accordance with their terms and pay and discharge promptly when due all taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits or in respect of its property, before the same shall become delinquent or in default, as well as all lawful claims for labor, materials and supplies or otherwise which, if unpaid, might give rise to a lien upon such properties or any part thereof; provided, however, that such payment and discharge shall not be required with respect to (i) any such tax, assessment, charge, levy or claim so long as the validity or amount thereof shall be contested in good faith by appropriate proceedings and the Support Party or such subsidiary of the Support Party shall have set aside on its respective books adequate reserves with respect thereto and; (ii) the obligations set forth on Exhibit X.

SECTION 4.4. Maintenance of Properties; Insurance. The Support Party will, and will cause each of its subsidiaries to, (a) keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted, and (b) maintain, insurance in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations, including public liability insurance against claims for personal injury or death or property damage occurring upon, in, about or in connection with the use of any properties owned, occupied or controlled by it, or as may be required by law.

SECTION 4.5. Books and Records; Inspection Rights. The Support Party will, and will cause each of its subsidiaries to, keep proper books of record and account in which full, true and correct entries are made of all dealings and transactions in relation to its respective business and activities. The Support Party will, and will cause each of its subsidiaries to, permit any representatives designated by the Administrative Agent or any Lender through the Administrative Agent, upon reasonable prior notice, to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants, all at such reasonable times and as often as reasonably requested.

SECTION 4.6. Compliance with Laws. The Support Party will, and will cause each of its subsidiaries to, comply with all laws, rules, regulations and orders of any Governmental Authority, whether now in effect or hereafter enacted, applicable to it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to

result in a material adverse effect on the operations or financial condition of the Support Party or its subsidiaries.

SECTION 4.7. Financial Statements, Reports, etc. The Support Party will furnish to the Administrative Agent and Lender:

A. as soon as practicable and in any event within 60 days after each fiscal quarter, (i) consolidated balance sheets of the Support Party and its subsidiaries and as of the end of such period, and the related statements of income, stockholders' equity and cash flows for such fiscal period, setting forth in each case in comparative form the figures for the corresponding periods of the previous fiscal year (but together with the consolidating intercompany eliminations and adjustments in the case of (i) and
(ii)), all in reasonable detail and certified by a financial officer of the Support Party that they fairly present the financial condition of the Support Party and its subsidiaries as at the date indicated and the results of their operations and changes in their financial position for the periods indicated, subject to changes resulting from audit and normal year-end adjustment;

B. as soon as practicable and in any event within 120 days after the end of each fiscal year of the Support Party, consolidated balance sheets of the Support Party and its subsidiaries, as at the end of such year, and the related consolidated statements of income, stockholders' equity and cash flows for such fiscal year, setting forth in each case, in comparative form the consolidated figures for the previous year, all in reasonable detail and accompanied by a report thereon of independent certified public accountants of recognized national standing selected by the Support Party and reasonably satisfactory to the Lender, which report shall be unqualified as to going concern and scope of audit and shall state that such consolidated financial statements present fairly, in all material respects, the financial position of the Support Party and its subsidiaries, as at the dates indicated, and the results of their operations and cash flows for the periods indicated in conformity with GAAP (applied on a basis consistent with prior years unless as otherwise stated therein) and that the examination by such accountants in connection with such consolidated financial statements has been made in accordance with generally accepted auditing standards;

C. together with each delivery of financial statements of the Support Party and its subsidiaries pursuant to Sections 4.7.A and B above, (i) a certificate of a financial officer stating that the signer thereof has reviewed the terms of this Support Party Agreement and has made, or caused to be made, a review in reasonable detail of the transactions and condition of the Support Party and its subsidiaries during the accounting period covered by such financial statements and that such review has not disclosed the existence during or at the end of such accounting period, and that the signer does not have knowledge of the existence as at the date of such certificate, of any condition or event which constitutes a Support Party Default, or, if any such condition or event existed or exists, specifying the nature and period of existence thereof and what action the Support Party has taken, is taking and proposes to take with respect thereto;

D. together with each delivery of financial statements of the Support Party and its subsidiaries' pursuant to Section 4.7.B above, a written statement by the independent public accountants giving the report thereon (i) stating that their audit examination has included a review of the terms of this Support Party Agreement as they relate to accounting matters,

(ii) stating whether, in connection with their audit examination, any condition or event which constitutes a Support Party Default has come to their attention, and if such a condition or event has come to their attention, specifying the nature and period of existence thereof; provided that such accountants shall not be liable by reason of any failure to obtain knowledge of any such Support Party Default that would not be disclosed in the course of their audit examination, and (iii) stating that based on their audit examination nothing has come to their attention that causes them to believe that either or both the information contained in the certificates delivered therewith pursuant to Section 4.7 B. above is not correct;

E. promptly upon request therefore, copies of all reports submitted to the Support Party by independent public accountants in connection with each annual, interim or special audit of the financial statements of the Support Party made by such accountants, including any comment letter submitted by such accountants to management in connection with their annual audit;

F. promptly upon their becoming available, copies of all
(i) financial statements, reports, notices and proxy statements sent or made available generally by the Support Party to its security holders or by any of its subsidiaries to its security holders other than the Support Party or another of its subsidiaries, (ii) regular and periodic reports and all registration statements and prospectuses, if any, filed by the Support Party or any of its subsidiaries with any securities exchange or with the Securities and Exchange Commission or any Governmental Authority succeeding to any of its functions, and
(iii) press releases and other statements made available generally by the Borrower or any of it subsidiaries to the public concerning material developments in the business of the Support Party and its subsidiaries;

G. promptly upon any officer of the Support Party obtaining knowledge (i) of any event which constitutes a Support Party Default, or becoming aware that any Lender or the Administrative Agent has given any notice or taken any other action with respect to a claimed Support Party Default under this Support Party Agreement, (ii) that any Person has given any notice to the Support Party or any of its subsidiaries of the Support Party or taken any other action with respect to a claimed default or event or condition of the type referred to in paragraph D. of Article V or (iii) of any condition or event that might have a material adverse effect on the operations or financial condition of the Support Party or its subsidiaries, a certificate of a financial officer specifying the nature and period of existence of any such condition or event, or specifying the notice given or action taken by such holder or Person and the nature of such claimed default, Support Party Default, event or condition, and what action the Support Party has taken, is taking and proposes to take with respect thereto;

H. promptly upon any officer of the Support Party obtaining knowledge of (i) the institution of, or threat of any action, suit, proceeding, governmental investigation or arbitration against or affecting the Support Party or any of its subsidiaries or any property of the Support Party or any of its subsidiaries not previously disclosed by the Support Party to the Lender, or (ii) any material development in any action, suit, proceeding, governmental investigation or arbitration, which, in either case, if adversely determined, could reasonably be expected to have a material adverse effect on the financial condition or operations of the Support Party or its subsidiaries, the Support Party shall promptly give notice thereof to the Lender and

provide such other information as may be reasonably available to it to enable the Lender and their counsel to evaluate such matters; and

I. with reasonable promptness, such other information and data with respect to the Support Party or any of its subsidiaries as from time to time may be reasonably requested by Lender.

SECTION 4.8. Pari Passu Ranking. The Support Party shall take, or cause to be taken, all action that may be or become necessary or appropriate to ensure that its obligations under this Support Party Agreement will continue to rank at least pari passu in right of payment with all other present and future unsecured indebtedness of the Support Party.

SECTION 4.9. Subordination to Secured Indebtedness. Lender acknowledges and agrees that the indebtedness or obligations of the Support Party hereunder are and shall remain subordinate to all present and future indebtedness of the Support Party to its secured creditors.

ARTICLE V

SUPPORT PARTY DEFAULT

SECTION 5.1. Default. Each of the following events shall constitute an event of default under this Support Party Agreement (a "Support Party Default"):

A. the Borrower or the Support Party shall fail to observe or perform any covenant, condition or agreement contained in Article 2.1 of this Support Party Agreement and such failure to perform continues to exist for a period of three (3) Business Days;

B. any representation or warranty made or deemed made by or on behalf of the Support Party or any subsidiary in or in connection with this Support Party Agreement or any amendment or modification hereof or waiver hereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Support Party Agreement or any amendment or modification hereof or waiver hereunder, shall prove to have been incorrect when made or deemed made;

C. the Borrower or the Support Party shall fail to observe or perform any covenant, condition or agreement as provided in this Support Party Agreement (other than as referred to in clause B. of this Article) and such failure shall continue unremedied for a period of thirty (30) days after notice thereof from the Administrative Agent or Lender to the Support Party;

D. any event or condition occurs that results in a default under any financial covenant relating to any material indebtedness of the Support Party or its subsidiaries or any event or condition occurs that results in any material indebtedness of the Support Party or its subsidiaries becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time, or both) the holder or holders of any such material indebtedness or any trustee or agent on its or their behalf to cause any such material indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior

to its scheduled maturity, including but not limited to the defaults under the indebtedness set forth on Exhibit X;

E. an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Support Party or any of its Material Subsidiaries or their respective debts, or of a substantial part of their respective assets, under any federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment or a receiver, trustee, custodian, sequestrator, conservator or similar official for the Support Party or any of its Material Subsidiaries or for a substantial part of their respective assets, and, in any such case, such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered;

F. the Support Party or any of its Material Subsidiaries shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause E. of this Article, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Support Party or any of its Material Subsidiaries or for a substantial part of their respective assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

G. the Support Party shall become unable, admit in writing, or fail generally, to pay its debts as they become due;

H. one or more judgments for the payment of money in an aggregate amount in excess of $1,000,000 shall be rendered against the Support Party, any of its subsidiaries or any combination thereof and the same shall remain undischarged for a period of 30 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Support Party or any of its subsidiaries to enforce any such judgment;

I. an ERISA Event shall have occurred that, in the opinion of the Administrative Agent or Lender, when taken together with all other ERISA Events that have occurred, could reasonably be expected to result in a material adverse effect on the financial condition or operations of the Support Party or its subsidiaries; and

J. a Change of Control shall have occurred.

then, in addition to any rights the Administrative Agent or the Lender may have under the Loan Documents, and irrespective of whether (i) such Support Party Default is the result, directly or indirectly, of the failure of the Support Party or, the Borrower, or any other Person in complying with its obligations under this Support Party Agreement or (ii) any amounts outstanding under the Loan Documents have become or have been declared immediately due and payable the

Administrative Agent may, and at the request of the Lender shall, proceed to protect and enforce the rights of the Lender by an action at law, a suit in equity or other appropriate proceeding.

SECTION 5.2. Default Standstill. In the event that a Support Party Default exists under Section 5.1 B. through I. hereof, inclusive, Lender shall not exercise its rights and remedies hereunder so long as Lender continues to receive, from and after the date of such Support Party Default until the Support Party Reinstatement Conditions (as defined in the Loan Agreement) are satisfied, 100% of Excess Cash Flow in accordance with Section 4.1 of the Loan Agreement.

ARTICLE VI

MISCELLANEOUS PROVISIONS

SECTION 6.1. Binding on Successors, Transferees and Assigns; Assignment of Support Party Agreement. This Support Party Agreement shall be binding upon the Support Party and its successors, transferees and assigns and shall inure to the benefit of and be enforceable by the Administrative Agent on behalf of the Lender and their respective permitted successors and assigns; provided, however, that the Support Party may not assign any of its obligations hereunder without the prior written consent of all of the Lender.

SECTION 6.2. Amendments, etc. No amendment to or waiver of any provision of this Support Party Agreement, nor consent to any departure by the Support Party herefrom, shall in any event be effective unless the same shall be in writing and signed by the Administrative Agent, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

SECTION 6.3. Addresses for Notices. Except in the case of notices and other communications expressly permitted to be given by telephone, all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

A. if to the Borrower or Lender, as provided in Section 11.9 of the Loan Agreement; and

B. if to the Support Party, to it at 1325 Automotive Way, Suite 100, Reno, Nevada 89502-3239, Attention of Rocky Wardrip (Telecopy No. (702) 688-6338) with a copy to Jennifer M. Settles, U-Haul, 2727 N. Central Ave., Phoenix, AZ 85004, fax: (602) 277-5017.

Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Support Party Agreement shall be deemed to have been given on the date of receipt.

SECTION 6.4. No Waiver; Remedies. No failure on the part of the Administrative Agent to exercise, and no delay in exercising, any right hereunder (including, but not limited to, the issuance of the Issuance Notice) shall operate as a waiver thereof; nor shall any single or

partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 6.5. Section Captions. Section captions used in this Support Party Agreement are for convenience of reference only, and shall not affect the construction of this Support Party Agreement.

SECTION 6.6. Severability. Wherever possible each provision of this Support Party Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Support Party Agreement shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Support Party Agreement.

SECTION 6.7. Termination of Support Party Agreement. The Support Party's obligations under this Support Party Agreement shall terminate on the date upon which all amounts outstanding under the Loan Documents have been paid in full, and all other obligations under the Loan Documents and this Support Party Agreement shall have been fully and finally discharged provided that the agreements in Section 6.12 of this Support Party Agreement shall survive.

SECTION 6.8. Governing Law. THIS SUPPORT PARTY AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK.

SECTION 6.9. Waiver of Jury Trial. THE SUPPORT PARTY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHTS IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS SUPPORT PARTY AGREEMENT. THE SUPPORT PARTY ACKNOWLEDGES AND AGREES THAT IT HAS RECEIVED FULL AND SUFFICIENT CONSIDERATION FOR THIS PROVISION AND THAT THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE ADMINISTRATIVE AGENT AND THE LENDER ENTERING INTO THE LOAN DOCUMENTS.

SECTION 6.10. Consent to Jurisdiction; Waiver of Immunities. The Support Party hereby acknowledges and agrees that:

A. It irrevocably submits to the jurisdiction of any federal court sitting in the Southern District of New York in any action or proceeding arising out of or relating to this Support Party Agreement, and the Support Party hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined in such federal court. The Support Party hereby irrevocably waives, to the fullest extent it may effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding. The Support Party agrees that a final, unappealable judgment in any such action or proceeding shall be

conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

B. It hereby irrevocably designates, appoints and empowers CT Corporation, presently located at 111 Eighth Avenue, New York, New York 10011 (together with any successor thereto, the "Service of Process Agent"), as its designee, appointee and agent to receive, accept and acknowledge for and on its behalf, and in respect of its properties, service of any and all legal process, summons, notices and documents which may be served in any such action or proceeding. If for any reason the Service of Process Agent shall cease to be available to act as such, the Support Party agrees to designate a new Service of Process Agent in New York City on the terms and for the purposes of this provision satisfactory to the Administrative Agent. The Support Party further irrevocably consents to service of process in the manner provided for notices in Section 6.3. Nothing in this Support Agreement will affect the right of any party to this Support Agreement to serve process in any other manner permitted by law.

C. Nothing in this Section shall affect the right of the Administrative Agent or Lender to serve legal process in any manner permitted by law or affect the right of the Administrative Agent or Lender to bring any action or proceeding against the Support Party or its property in the courts of any other jurisdictions.

SECTION 6.11. Right of Setoff. If a Support Party Default shall have occurred and be continuing, the Administrative Agent, Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other obligations at any time owing such Administrative Agent, Lender or Affiliate to or for the credit or the account of the Support Party against any of and all the obligations of the Support Party now or hereafter existing under this Support Party Agreement held by Lender, irrespective of whether or not Lender shall have made any demand under this Support Party Agreement and although such obligations may be unmatured. The rights of Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which Lender may have.

SECTION 6.12. Expenses; Indemnity; Damage Waiver.

A. The Support Party shall pay (i) all reasonable out-of-pocket expenses incurred by the Lender, Administrative Agent and its Affiliates, including the reasonable fees, charges and disbursements of counsel for the Administrative Agent, in connection with the preparation and administration of this Support Party Agreement or any amendments, modifications or waivers of the provisions hereof (whether or not the transactions contemplated hereby or thereby shall be consummated) and (ii) all out-of-pocket expenses incurred by the Administrative Agent or Lender, including the fees, charges and disbursements of any counsel for the Administrative Agent or Lender, in connection with the enforcement or protection of its rights in connection with this Support Party Agreement, including its rights under this Section.

B. The Support Party shall indemnify and hold harmless the Administrative Agent, Lender and each of their respective officers, directors, employees, counsel, agents and attorneys-in-fact (each, an "Indemnified Person") from and against and pay them for any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, charges,

expenses or disbursements (including attorney costs) of any kind or nature whatsoever with respect to the execution, delivery and enforcement of this Support Party Agreement, or the Transactions, and with respect to any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto related to this Support Party Agreement, whether or not any Indemnified Person is a party thereto (all the foregoing, collectively, the "Indemnified Liabilities"); provided, that the Support Party shall have no obligation hereunder to any Indemnified Person with respect to Indemnified Liabilities directly arising from the gross negligence or willful misconduct of such Indemnified Person as determined by a court of competent jurisdiction. The agreements in this Section 6.12 shall survive payment of the amounts outstanding under the Loan Documents.

C. To the extent permitted by applicable law, the Support Party shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Support Party Agreement or any agreement or instrument contemplated hereby or the Transactions.

D. All amounts due under this Section shall be payable promptly after written demand therefore.

ARTICLE VII

LIMITATION OF LIABILITY

Notwithstanding any provision to the contrary herein contained, the obligations of the Support Party under Article II hereof shall be limited to the then applicable Maximum Obligation. In no event shall any amounts paid, invested or escrowed by the Support Party under or pursuant to Article II hereof be deemed to reduce the Maximum Obligation.

IN WITNESS WHEREOF, this Support Party Agreement has been executed as of the day and date first, above written.

SUPPORT PARTY:

AMERCO, a Nevada corporation

By: */s/ Gary B. Horton*
_____

Name: *Gary B. Horton*
_____

Title: *Treasurer*
_____

(SIGNATURE PAGE CONTINUED ON NEXT PAGE)

BORROWER:

PM PREFERRED PROPERTIES, L.P., a Texas
limited partnership

By: SR Preferred Properties, Inc.,
a Texas corporation
Its: General Partner

By: /s/ Douglas Mulvaney
_____
Name: Douglas L. Mulvaney
Title: President

EXHIBIT A

SUBORDINATION TERMS

1. The Support Party hereby agrees that (a) all of the liens, security interests, terms, covenants and conditions of the Subordinated debt shall at all times be wholly subordinate to the liens, security interests, terms, covenants and conditions of the Loan Document and any and all advances (whether or not obligatory) advanced or incurred in accordance therewith, and
(b) all amounts due to the Support Party under the Subordinated debt (including interest and/or principal payments or prepayments, assignments of leases and rents, rights with respect to insurance proceeds and condemnation awards, advances and expenses with interest), are hereby and shall at all times continue to be expressly subject and subordinate in right of payment to the indebtedness of the Borrower evidenced by the Loan Documents and any and all advances (whether or not obligatory) advanced or incurred in accordance therewith. The Support Party acknowledges that the disbursement of sums or future advances may increase the indebtedness secured by the Loan Documents above the original principal amount thereof.

2. The Support Party shall not acquire by subrogation, contract or otherwise any lien upon any other estate, right or interest in the Property (including without limitation any which may arise in respect to real estate taxes, assessments of other governmental charges) which is or may be prior in right to the Loan Documents.

3. Lender may, without affecting the subordination of the Subordinated debt (1) release or compromise any obligation in the Loan Documents, (2) release its liens in, or surrender, release or permit any substitution or exchange of all or any part of any properties securing repayment of the Loan Documents or (3) retain or obtain a lien in any property to further secure payment of the Loan.

4. The Support Party shall give Lender and Administrative Agent copies of any notices to Borrower relating to the Subordinated debt.

5. Neither Lender nor Administrative Agent shall be obligated to give the Support Party notices of (1) any increase, amendment, deferral, extension, consolidation, or supplement ("Modification") to the Loan; or (2) any cancellation, extension, modification, renewal or amendment of any lease or ground lease covering the Property or any portion thereof.

6. The commencement of foreclosure proceedings or other remedial action under the Subordinated debt by the Support Party, shall constitute a default under the Loan at the time the Support Party takes such enforcement or remedial action.

7. During the continuance of a default under the Loan Documents, or in the event of a foreclosure sale under either the Loan or the Subordinated debt, or any liquidation or dissolution of Borrower, or of any execution sale, receivership, insolvency, bankruptcy, liquidation, readjustment, reorganization, or other similar proceeding relative to the Borrower or its property, the Support Party shall not be entitled to receive or retain any payment made under the Subordinated debt and all amounts due under the Loan Documents shall first be paid in full before any payment is made under the Subordinated debt. In such event a payment or

distribution of any kind, whether in cash, rents, profits, property or securities, which is made against the Subordinated debt shall be held in trust by the Support Party for the benefit of Lender and shall be paid over to Lender in kind for application in payment of the Loan. The Loan shall not be deemed paid or satisfied in full until Lender has received a payment that is not subject to rescission, restoration or return.

8. In order to enable Lender to enforce any claims by the Support Party against the Borrower in any liquidation or dissolution of Borrower, or any execution sale, receivership, insolvency, bankruptcy, liquidation, readjustment, reorganization, or other similar proceeding relative to the Borrower or its property, Lender is hereby irrevocably authorized and empowered in its discretion to make and present, for and on behalf of the undersigned the Support Party, such proofs of claims against the Borrower on account of the Subordinated debt as Lender may deem expedient or proper, and to vote such proofs of claims in any such proceeding and to receive and collect any and all dividends or other payments or disbursements made thereon in whatever form the same may be paid or issued. The Support Party further agrees to execute and deliver to Lender such assignments or other instruments as may be required by Lender in order to enable Lender to enforce any and all such claims and to collect any and all such payments or disbursements.

9. So long as the Loan Documents shall remain a lien upon the Property or any part thereof, the Support Party shall execute, acknowledge and deliver, upon Lender's reasonable demand, at any time or from time to time, any and all further subordinations, agreements or other instruments in recordable form as Lender may reasonably require for carrying out the purpose and intent of the covenants contained herein.

SCHEDULE X

On October 15, 2002, AMERCO failed to make a $100 million principal payment due to the Series 1997-C Bond Backed Asset Trust ("BAT"). On that date, AMERCO also failed to pay a $26.5 million obligation to Citibank and Bank of America in connection with the BATs.

As a result of the foregoing, AMERCO is in default with respect to its other credit arrangements that contain cross-default provisions, including its 3-Year Credit Agreement dated June 28, 2002 (the "Revolver") in the amount of $205 million. In addition to the cross-default under the Revolver, AMERCO is also in default under that agreement as a result of its failure to obtain incremental net cash proceeds and/or availability from additional financings in the aggregate amount of at least $150 million prior to October 15, 2002. In addition, Amerco Real Estate Company has defaulted on a $100 million loan by failing to grant mortgages required by the loan agreement in a timely manner. The obligations of AMERCO in default (either directly or as a result of a cross-default), as of December 31, 2002, are approximately $1,175.4 million. As a result of the foregoing, AMERCO is also in default under the Chase/JP Morgan Support Agreement.

AMERCO has retained the financial restructuring firm Crossroads, LLC to assist with the negotiation of standstill agreements and waivers, as appropriate. This would permit AMERCO to pursue financing alternatives and asset sales that would enable it to repay the Revolver and the BATs, meet calendar year 2003 maturities, and restructure its balance sheet.

AMERCO, through Crossroads, is in communication with all of its lenders. On November 27, 2002 AMERCO reached a standstill agreement with respect to the Revolver. During the standstill period, the Revolver lenders will receive interest at the default rate on the outstanding balance.

Generally speaking, AMERCO's other lenders have been cooperative to date and are acting in a manner consistent with customary standstill arrangements even though written standstill agreements have not been executed with any lenders other than the Revolver lenders. All lenders are receiving detailed financial and other information from AMERCO concerning the progress of the restructuring. In addition, all of AMERCO's lenders are continuing to receive all payments due to them (other than the $100 million owed to the BATs and default interest). Lenders that execute a standstill agreement (e.g., the Revolver lenders) will receive default interest.

Currently, AMERCO is in discussions with several major financial institutions regarding loans that would enable AMERCO to fully satisfy its obligations under the BATs, the Revolver, and debt maturities in calendar year 2003. On December 20, 2002, AMERCO executed term sheets with two major financial institutions for up to $650 million in connection with AMERCO's planned debt restructuring. AMERCO plans to close the financing by March 31, 2003. AMERCO's continuation as a going concern is dependent, in part, upon its ability to successfully complete these necessary financing arrangements.

In addition, the Support Party has been named as a defendant in certain class action and shareholder derivative suits. However, the Support Party does not believe there is a reasonably possibility of adverse determination with respect to such cases.

Exhibit 10.67

[ALVAREZ & MARSAL, INC. LETTERHEAD]

May 22, 2003

Edward J. Shoen
Chairman and President
AMERCO
2727 North Central Avenue
Phoenix, Arizona 85004

Dear Mr. Shoen:

This letter confirms and sets forth the terms and conditions of the engagement between Alvarez & Marsal, Inc. ("A&M") and AMERCO (the "Company"), including the scope of the services to be performed and the basis of compensation for those services. Upon execution of this letter by each of the parties below and receipt of the retainer described below, this letter will constitute an agreement between the Company and A&M.

1. Description of Services

(a) A&M shall provide consulting services to the Company's President and Board of Directors, and assist the Company in its reorganization efforts including the restructuring of its capital structure. It is anticipated that A&M's activities shall include the following in connection with the strategic advisory and potential corporate and debt restructuring of the Company (the "Strategic Advisory and Restructuring Assignment"):

(i) Undertake, in consultation with members of management, a comprehensive study and analysis of the business, operations, financial condition and prospects of the Company;

(ii) Review with members of management the Company's financial plans and analyze its strategic plans and business alternatives;

(iii) Assist the Company in reviewing and assessing its cash flow and income projections;

(iv) Analyze existing direct and contingent liabilities of the Company (including debt obligations and other liabilities) and debt structural

issues (including the value, quality and enforceability of the collaterals, if any);

(v) Advise the Company's management with respect to available capital and financing alternatives, including recommending specific courses of action;

(vi) Ascertain the debt servicing capability of the Company under the current debt maturity structure and any additional funding requirements, including working capital, trade financing, equipment acquisition, export financing and other financing needs:

(vii) Determine overall enterprise value of the Company and the Group to serve as the basis for a restructuring or recapitalization plan;

(viii) Develop, together with the Company's President and staff, a restructuring or recapitalization plan for the Company;

(ix) Assist the Company with negotiating and structuring financing including new capital in the form of DIP facility and exit financing;

(x) Assist the Company in its presentations to the creditors of its projections, valuations, and restructuring plan;

(xi) Assist with pre and post bankruptcy strategy planning;

(xii) Assist the Company in negotiations with its key creditors;

(xiii) Provide financial advice and assistance to the Company in developing and seeking approval of a Restructuring (as defined below) plan (as the same may be modified from time to time, a "Plan:), which may be a plan of reorganization under chapter 11 of title 11 of the United States Code, 11 U.S.C. section 101 et. Seq. (the "Bankruptcy Code");

(xiv) Participate in hearing before the bankruptcy court having jurisdiction over the case or cases commenced under the Bankruptcy Code. The Company acknowledges the important role of its counsel in adequately preparing A&M personnel for such testimony; and

(xv) Other activities as are approved by you or the Board of Directors and agreed to by A&M.

You understand that the services to be rendered by A&M may include the preparation of projections and other forward-looking statements, and numerous factors can affect the actual results of the Company's operations, which may materially and adversely differ from those projections. In addition, A&M will be relying on information provided by the Company in the preparation of those projections and other forward-looking statements. A&M makes no representation or guarantee that an appropriate restructuring proposal can be formulated for the Company, that restructuring is the best course of action for the Company or, if formulated, that any proposed restructuring plan will be accepted by the Company's creditors, shareholders and other constituents. Further,

A&M assumes no responsibility for the implementation or selection of any restructuring proposal which it assists the Company in formulating.

In rendering its services to the Company, A&M will report directly to the President, and through him, the Board of Directors and will make recommendations to and consult with the Board of Directors, President and such other senior officers as directed.

(b) Richard M. Williamson, a Managing Director of A&M, will be responsible for the overall engagement. He will be assisted by other A&M personnel. A&M personnel providing services to the Company may also work with other A&M clients in conjunction with unrelated matters.

2. Compensation

(a) In connection with the Strategic Advisory and Restructuring Assignment, A&M will receive:

(i) Advisory Fee

A&M's engagement will be effective as of May 22, 2003. A&M will bill the Company for professional services rendered on an hourly rate basis in accordance with the schedule of rates below. The basic hourly rates used in computing the Hourly Billing Rate are reviewed and adjusted from time to time and may increase over the course of A&M's engagement, the "Hourly Billing Rate".

Managing Directors	$475 - 595
Directors	$375 - 450
Associates	$275 - 350
Analysts	$175 - 250
Para-Professionals	$ 50 - 75

A&M will provide monthly billing statements to the Company setting forth the fees for each month at the hourly billing rate ("Monthly Hourly Rate Amount"), and the Company agrees to pay such statements immediately upon receipt thereof. If the Restructuring is to be implemented pursuant to a Chapter 11 proceeding, as required under applicable law, A&M must be paid all outstanding fees with respect to the Hourly Billing Rate and costs as of the day prior to any such filings. For each month

during the term of this engagement, any amount of the Monthly Hourly Rate Amount that exceeds $175,000, including a pro-rated amount for the month of May 2003, will be credited, up to $1,500,000, against any Restructuring Transaction Fee payable to A&M pursuant to the Restructuring Transaction Fee paragraph below.

(ii) Restructuring Transaction Fee

If at any time during the term of this engagement, or during the time period that the Company may be a debtor under Chapter 11 of the Bankruptcy Code if the Restructuring is to be implemented pursuant to such a Chapter 11 proceeding (including the term of this engagement, the "Fee Period"), (A) any Restructuring is consummated, or (B)(l) an agreement in principle, definitive agreement or Plan to effect a Restructuring is entered into and (2) concurrently therewith or at any time thereafter (including after the expiration of the Fee Period), such Restructuring is consummated, A&M will be entitled to receive a transaction fee (a "Restructuring Transaction Fee"), contingent upon the consummation of such Restructuring and payable at the closing thereof, equal to $4 million, provided further, that if either (A) or (B) above occurs in connection with a plan of reorganization which either (i) includes no convertible debt as part of the treatment of creditors or (ii) where convertible debt is included but said convertible debt is redeemed within 12 months of the effective date of the plan, then A&M will be entitled to receive the Restructuring Transaction Fee, plus an additional $1 million.

(iii) Timing Incentive Fee

In addition to the Restructuring Transaction Fee above, A&M will be entitled to a Timing Incentive Fee based on the timing of the occurrence of either of the events in (ii)(A) or (B) above (a "Timing Fee Event"). The Timing Incentive Fee will be $2,400,000, less the Timing Period Adjustment. The Timing Period Adjustment will be $200,000 (or a prorated portion thereof) for every 30 days (or prorated portion thereof) from the date of filing of the Chapter 11 proceeding to the date of a Timing Fee Event.

(b) In addition, A&M will be reimbursed for its reasonable out-of-pocket expenses incurred in connection with this assignment, such as travel, lodging, duplicating, computer research, messenger and telephone charges. In addition, A&M shall be reimbursed for the reasonable fees and expenses of its counsel incurred in connection with the enforcement of this Agreement. All fees and expenses

will be billed and payable on a monthly basis or, at A&M's discretion, more frequently.

(c) Upon execution of this Agreement, the Company will provide us with a retainer in the amount of $500,000 (the "Retainer"). To the extent any invoices are unpaid in whole or in part, such amounts will be deemed to have been paid out of the Retainer. Upon termination of this Agreement, the Retainer, or any remaining portion thereof, will be credited against our final invoice(s) and/or returned to the Company once all obligations have been paid in full. To the extent that the Company files for Chapter 11 protection and obtains terms of a DIP financing facility, subject to a final order by the judge, that contains a sufficient administrative expense carve out for professional fees, we will refund $300,000 back to the company.

For purposes of this Agreement, the term "Restructuring" shall mean any recapitalization Financing (as defined below) or restructuring (including without limitation, through any exchange, conversion, cancellation, forgiveness, retirement and ore a material modification or amendment to the terms, conditions or covenants thereof) of the Company's equity and/or debt securities and /or other indebtedness, obligations or liabilities (including without limitation, preferred stock, partnership interests, lease obligations, trade credit facilities and other contract or tort obligations), including pursuant to a repurchase, refinancing or and exchange transaction, a Plan of Reorganization or a solicitation of consents, waivers, acceptances or authorization or any change of control transactions, including a Sale (as defined below).

For Purposes of this Agreement, the term "Financing" shall mean a public or private issuance, sale or placement of the equity or debt securities, instruments or obligations of the Company with one or more lenders and/or investors, or any loan or other financing, including any rights offering.

For Purposes of this Agreement, the term "Sale" shall mean the disposition to one ore more third parties in one or more transactions and whether in whole or part, a series of related transactions of (a) substantially all or a significant portion of the equity securities of the Company, or substantially all or (b) a significant portion of the assets (including the assignment of and executory contracts) or operations of the Company or its subsidiaries, in either case, including through a sale or exchange of capital stock, options or assets, a lease of assets with or without a purchase option, a merger, consolidation or other business combination, an exchange or tender offer, a recapitalization, the formation of a joint venture, partnership ore similar entity, or any similar transaction.

The Company acknowledges that A&M may, at its option and expense and after announcement of the Restructuring place announcements and advertisements or otherwise publicize the Restructuring and A&M's role in it (which may include the reproduction of AMERCO's corporate logo). Furthermore, if requested by A&M, the Company shall include a mutually acceptable reference to A&M in any press release or other public announcement made by the Company regarding the matters described in this letter.

3. Term

The engagement will commence as of the date hereof and may be terminated by either party without cause by giving 30 days' written notice to the other party. In the event of any such termination, any fees and expenses due to A&M shall be remitted promptly (including fees and expenses that accrued prior to but were invoiced subsequent to such termination). If the Company terminates this engagement without Cause or if A&M terminates this engagement for Good Reason, A&M shall also be entitled to receive the Restructuring Transaction Fee upon the occurrence of the event specified in Section 2(A)(ii) if such event occurs within 12 months of the termination. The Company may immediately terminate A&M's services hereunder at any time for Cause by giving written notice to A&M. Upon any such termination, the Company shall be relieved of all of its payment obligations under this Agreement, except for the payment of fees and expenses through the effective date of termination (including fees and expenses that accrued prior to but were invoiced subsequent to such termination) and its obligations under paragraph 8. For purposes of this Agreement, "Cause" shall mean if A&M breaches any of its material obligations hereunder and does not cure such breach within 30 days of the Company having given written notice of such breach to A&M describing in reasonable detail the nature of the alleged breach. A&M shall be entitled to immediately terminate its services hereunder for Good Reason. For purposes of this Agreement, termination for "Good Reason" shall mean either its resignation caused by a breach by the Company of any of its material obligations under this Agreement that is not cured within 30 days of A&M having given written notice of such breach to the Company describing in reasonable detail the nature of the alleged breach or a filing of a petition under Chapter 11 of the United States Bankruptcy Code in respect of the Company unless within 45 days thereafter (or, if sooner, prior to the date on which a plan of reorganization is confirmed or the case is converted to one under Chapter 7), the Company has obtained judicial authorization to continue the engagement on the terms herein pursuant to an order which has become a final, nonappealable order.

4. Relationship of the Parties

The parties intend that an independent contractor relationship will be created by this engagement letter. Neither A&M nor any of its personnel or subcontractors is to be considered an employee or agent of the Company and the personnel and subcontractors of A&M are not entitled to any of the benefits that the Company provides for the Company employees. The Company acknowledges that A&M's engagement shall not constitute an audit, review or compilation, or any other type of financial statement reporting engagement that is subject to the rules of the AICPA, SEC or other state or national professional or regulatory body.

5. No Third Party Beneficiary

The Company acknowledges that all advice (written or oral) given by A&M to the Company in connection with this engagement is intended solely for the benefit and use of the Company (limited to its Board of Directors and management) in considering the matters to which this engagement relates. The Company agrees that no such advice shall be used for any other purpose or reproduced, disseminated, quoted or referred to at any time in any manner or for any purpose other than accomplishing the tasks referred to herein without A&M's prior approval (which shall not be unreasonably withheld), except as required by law.

6. Conflicts

A&M is not currently aware of any relationship that would create a conflict of interest with the Company or those parties-in-interest of which you have made us aware, but we note the following: certain members of the engagement team are assisting the Unsecured Committee for Presidents Casino, in which AIG is a member. Because A&M is a consulting firm that serves clients on a national basis in numerous cases, both in and out of court, it is possible that A&M may have rendered services to or have business associations with other entities or people which had or have or may have relationships with the Company, including creditors of the Company. In the event you accept the terms of this engagement, with the exception of AIG as mentioned above, A&M will not represent, and A&M has not represented, the interests of any such entities or people in connection with this matter.

7. Confidentiality / Non-Solicitation

A&M shall keep as confidential all non-public information received from the Company in conjunction with this engagement, except: (i) as

requested by the Company or its legal counsel; (ii) as required by legal proceedings or (iii) as reasonably required in the performance of this engagement. All obligations as to non-disclosure shall cease as to any part of such information to the extent that such information is or becomes public other than as a result of a breach of this provision. The Company agrees not to solicit, recruit or hire any employees of A&M effective from the date of this Agreement and continuing for a period of two years subsequent to the termination of this engagement. Should the Company extend offers of employment to any A&M employee and should such an offer be accepted, A&M will be entitled to a fee based upon such individual's hourly rates multiplied by an assumed annual billing of 2,000 hours. This fee would be payable at the time of the individual's acceptance of employment from the Company.

8. Indemnification

The attached indemnification agreement is incorporated herein by reference and shall be executed upon the acceptance of this Agreement. Termination of this engagement shall not affect these indemnification provisions, which shall remain in full force and effect.

9. Miscellaneous

This engagement letter (together with the attached indemnity provisions): (a) shall be governed and construed in accordance with the laws of the State of New York, regardless of the laws that might otherwise govern under applicable principles of conflict of laws thereof; (b) incorporates the entire understanding of the parties with respect to the subject matter hereof; and (c) may not be amended or modified except in writing executed by both parties hereto. The Company and A&M agree to waive trial by jury in any action, proceeding or counterclaim brought by or on behalf of the parties hereto with respect to any matter relating to or arising out of the engagement or the performance or non-performance of A&M hereunder. In the event the Company files under Chapter 11, the Company and A&M agree that the bankruptcy court having jurisdiction over any and all matters arising under or in connection with this engagement letter and the indemnity provisions and in connection with the services rendered by A&M hereunder.

If the foregoing is acceptable to you, kindly sign the enclosed copy to acknowledge your agreement with its terms.

Very truly yours,

Alvarez & Marsal, Inc.

By: /s/ Richard M. Williamson

Richard M. Williamson
Title: Managing Director

Accepted and agreed:

AMERCO

By: /s/ Edward J. Shoen

Edward J. Shoen, President

INDEMNIFICATION AGREEMENT

This indemnity is made part of an agreement, dated June 4, 2003 (which together with any renewals, modifications or extensions thereof, is herein referred to as the "Agreement") by and between Alvarez & Marsal, Inc. ("A&M") and AMERCO (the "Company"), for services to be rendered to the Company by A&M.

A. The Company agrees to indemnify and hold harmless each of A&M, its shareholders, employees, agents, representatives and subcontractors (each, an "Indemnified Party" and collectively, the "Indemnified Parties") against any and all losses, claims, damages, liabilities, penalties, obligations and expenses, including the costs for counsel or others (including employees of A&M, based on their then current hourly billing rates) in investigating, preparing or defending any action or claim, whether or not in connection with litigation in which any Indemnified Party is a party, or enforcing the Agreement (including these indemnity provisions), as and when incurred, caused by, relating to, based upon or arising out of (directly or indirectly) the Indemnified Parties' acceptance of or the performance or nonperformance of their obligations under the Agreement; provided, however, such indemnity shall not apply to any such loss, claim, damage, liability or expense to the extent it is found in a final judgment by a court of competent jurisdiction (not subject to further appeal) to have resulted primarily and directly from such Indemnified Party's gross negligence or willful misconduct. The Company also agrees that no Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Company for or in connection with the engagement of A&M, except to the extent for any such liability for losses, claims, damages, liabilities or expenses that are found in a final judgment by a court of competent jurisdiction (not subject to further appeal) to have resulted primarily and directly from such Indemnified Party's gross negligence or willful misconduct. The Company further agrees that it will not, without the prior consent of an Indemnified Party, settle or compromise or consent to the entry of any judgment in any pending or threatened claim, action, suit or proceeding in respect of which such Indemnified Party seeks indemnification hereunder (whether or not such Indemnified Party is an actual party to such claim, action, suit or proceedings) unless such settlement, compromise or consent includes an unconditional release of such Indemnified Party from all liabilities arising out of such claim, action, suit or proceeding.

B. These indemnification provisions shall be in addition to any liability which the Company may otherwise have to the Indemnified Parties.

C. If any action, proceeding or investigation is commenced to which any Indemnified Party proposes to demand indemnification hereunder, such Indemnified Party will notify the Company with reasonable promptness; provided, however, that any failure by such Indemnified Party to notify the Company will not relieve the Company from its obligations hereunder, except to the extent that such failure shall have actually prejudiced the defense of such action. The Company shall promptly pay expenses reasonably incurred by any Indemnified Party in defending, participating in, or settling any action, proceeding or investigation in which such Indemnified

Party is a party or is threatened to be made a party or otherwise is participating in by reason of the engagement under the Agreement, upon submission of invoices therefor, whether in advance of the final disposition of such action, proceeding, or investigation or otherwise. Each Indemnified Party hereby undertakes, and the Company hereby accepts its undertaking, to repay any and all such amounts so advanced if it shall ultimately be determined that such Indemnified Party is not entitled to be indemnified therefor. If any such action, proceeding or investigation in which an Indemnified Party is a party is also against the Company, the Company may, in lieu of advancing the expenses of separate counsel for such Indemnified Party, provide such Indemnified Party with legal representation by the same counsel who represents the Company, provided such counsel is reasonably satisfactory to such Indemnified Party, at no cost to such Indemnified Party; provided, however, that if such counsel or counsel to the Indemnified Party shall determine that due to the existence of actual or potential conflicts of interest between such Indemnified Party and the Company such counsel is unable to represent both the Indemnified Party and the Company, then the Indemnified Party shall be entitled to use separate counsel of its own choice, and the Company shall promptly advance its reasonable expenses of such separate counsel upon submission of invoices therefor. Nothing herein shall prevent an Indemnified Party from using separate counsel of its own choice at its own expense. The Company will be liable for any settlement of any claim against an Indemnified Party made with the Company's written consent, which consent shall not be unreasonably withheld.

D. In order to provide for just and equitable contribution if a claim for indemnification pursuant to these indemnification provisions is made but it is found in a final judgment by a court of competent jurisdiction (not subject to further appeal) that such indemnification may not be enforced in such case, even though the express provisions hereof provide for indemnification, then the relative fault of the Company, on the one hand, and the Indemnified Parties, on the other hand, in connection with the statements, acts or omissions which resulted in the losses, claims, damages, liabilities and costs giving rise to the indemnification claim and other relevant equitable considerations shall be considered; and further provided that in no event will the Indemnified Parties' aggregate contribution for all losses, claims, damages, liabilities and expenses with respect to which contribution is available hereunder exceed the amount of fees actually received by the Indemnified Parties pursuant to the Agreement. No person found liable for a fraudulent misrepresentation shall be entitled to contribution hereunder from any person who is not also found liable for such fraudulent misrepresentation.

E. In the event the Company and A&M seek judicial approval for the assumption of the Agreement or authorization to enter into a new engagement agreement pursuant to either of which A&M would continue to be engaged by the Company, the Company shall promptly pay expenses reasonably incurred by the Indemnified Parties, including attorneys' fees and expenses, in connection with any motion, action or claim made either in support of or in opposition to any such retention or authorization, whether in advance of or following any judicial disposition of such motion, action or claim, promptly upon submission of invoices therefor and regardless of whether such retention or authorization is approved by any court. The Company will also promptly pay the Indemnified Parties for any expenses reasonable incurred by them, including attorneys' fees and expenses, in seeking payment of all amounts owed it under the Agreement (or any new engagement agreement) whether through submission of a fee application or in any other

manner, without offset, recoupment or counterclaim, whether as a secured claim, an administrative expense claim, an unsecured claim, a prepetition claim or a postpetition claim.

F. Neither termination of the Agreement nor termination of A&M's engagement nor the filing of a petition under Chapter 7 or 11 of the United States Bankruptcy Code (nor the conversion of an existing case to one under a different chapter) shall affect these indemnification provisions, which shall hereafter remain operative and in full force and effect.

G. The rights provided herein shall not be deemed exclusive of any other rights to which the Indemnified Parties may be entitled under the certificate of incorporation or bylaws of the Debtors, any other agreements, any vote of stockholders or disinterested directors of the Debtors, any applicable law or otherwise.

AMERCO

By: /s/ Edward J. Shoen
Edward J. Shoen
Chairman and President

ALVAREZ & MARSAL, INC.

By: /s/ Richard M. Williamson
Richard M. Williamson
Managing Director

Exhibit 10.68

Wells Fargo Foothill, Inc.
2450 Colorado Avenue
Suite 3000W
Santa Monica, California 90404

June 19, 2003

VIA TELEFAX AND OVERNIGHT DELIVERY

Mr. E. J. Shoen
Chairman of the Board
U-Haul International, Inc.
2727 North Central Avenue
Phoenix, Arizona 85004

Re: $300,000,000 debtor-in-possession financing and $650,000,000 emergence financing for AMERCO, a Nevada corporation ("AMERCO"), Amerco Real Estate Company, and certain of their wholly-owned subsidiaries to be determined that file for bankruptcy protection under Chapter 11 of the United States Bankruptcy Code (collectively, the "Borrowers" and each, individually, a "Borrower"), plus such additional related entities as may be guarantors under such financings

Dear Mr. Shoen:

In accordance with our recent discussions, Wells Fargo Foothill, Inc. (formerly known as Foothill Capital Corporation, "Foothill") is pleased to issue this financing commitment (the "Commitment Letter") to the Borrowers. Foothill commits to underwrite a debtor-in-possession credit facility of up to $300,000,000 (the "DIP Facility") for the purposes of financing the Borrowers' operations during the contemplated Chapter 11 reorganization cases to be filed by the Borrowers and certain of their direct and indirect subsidiaries, upon the entry of a final order (the "Final Order") approving the DIP Facility. The commitment of Foothill under the DIP Facility will be irrevocably reduced by the amount of the commitments of any other prospective lenders that execute commitments relating to the DIP Facility to the extent expressly stated in such commitment of such other prospective lenders.

In addition, Foothill hereby commits, subject to the terms and conditions set forth herein and in the Term Sheet (as defined below), to underwrite a $650,000,000 credit facility to be provided concurrent with a confirmed reorganization plan acceptable to Foothill of the respective Chapter 11 cases (the "Emergence Facility"). The commitments of Foothill under the Emergence

Facility will be irrevocably reduced by the amount of the commitments of any other prospective lenders that execute commitments relating to the Emergence Facility to the extent expressly stated in such commitment of such other prospective lenders.

Foothill would act as lead arranger, collateral agent, syndication agent and administrative agent for the proposed DIP Facility and for the proposed Emergence Facility. The terms of both the proposed DIP Facility and the proposed Emergence Facility are set forth in the "Financing Commitment" dated June 19, 2003 attached hereto as Annex A (the "Term Sheet").

The DIP Facility and the Emergence Facility outlined in this Commitment Letter are fully underwritten with no underwriting contingency, but are subject to the satisfaction of each of the conditions contained in this Commitment Letter and the Term Sheet, including syndication of the Emergence Facility to the satisfaction of Foothill in its sole discretion. Foothill reserves the right to revise or modify any provision contained in the Term Sheet if it reasonably determines in its sole discretion that such changes are necessary during the course of preparing and negotiating the loan documentation.

If the DIP Facility contemplated by this Commitment Letter is not consummated on or before July 31,2003, then, without any requirement of notice or other formality, Foothill's commitment to underwrite the DIP Facility shall terminate and no party hereto would have any obligation to pursue the financing arrangement outlined in this letter; provided, however, that prior thereto the Borrowers and Foothill agree to use their respective reasonable efforts to cause the DIP Facility to be consummated on or before such date. The date on which the first advance is made under the DIP Facility provided for herein and in the Term Sheet would be deemed the "Closing Date."

If the Emergence Facility contemplated by this Commitment Letter is not consummated on or before July 31,2004, then, without any requirement of notice or other formality, Foothill's commitment to underwrite the Emergence Facility shall terminate and no party hereto would have any obligation to pursue the financing arrangement outlined in this letter; provided, however, that prior thereto the Borrowers and Foothill agree to use their respective reasonable efforts to cause the Emergence Facility to be consummated on or before such date.

As set forth herein, while Foothill has committed to underwrite the entire amount of the DIP Facility and the Emergence Facility subject to the terms and conditions of this Commitment Letter and the Term Sheet, it is the intent of Foothill to syndicate the DIP Facility and Emergence Facility and, as a material inducement to Foothill to issue the commitments set forth herein, the Borrowers have agreed to cooperate in such syndication process. Foothill will manage all aspects of such syndication, including the timing of all offers to potential lenders, the allocation of commitments and the determination of compensation provided and titles (such as co-agent, managing agent, etc.), if any. The Borrowers also agree that no lender will receive any

compensation for its participation in the DIP Facility or the Emergence Facility except as expressly set forth in the Term Sheet or as otherwise agreed to and offered by Foothill.

The Borrowers agree to use commercially reasonable efforts to assist Foothill in forming a syndicate acceptable to Foothill. The Borrowers' assistance shall include but not be limited to (i) using commercially reasonable efforts to make senior management and representatives of the Borrowers available to participate in meetings and to provide information to potential lenders and participants at such times and places as Foothill may reasonably request; (ii) using commercially reasonable efforts to provide to Foothill all information reasonably deemed necessary by Foothill to complete the syndication, subject to confidentiality agreements in form and substance reasonably satisfactory to the Borrowers and Foothill; (iii) using best efforts to ensure that the syndication efforts benefit from the Borrowers' existing lending relationships; and (iv) assisting (including using best efforts to cause affiliates and advisors of the Borrowers to assist) in the preparation of a confidential information memorandum for the Emergence Facility and other marketing materials to be used in connection with the syndications.

To ensure an orderly and effective syndication of the Emergence Facility, the Borrowers agree that, from the date hereof until the termination of the syndication of the Emergence Facility (as determined by Foothill in its sole discretion), the Borrowers will not, and will not permit any of their affiliates to, syndicate or issue, attempt to syndicate or issue, announce or authorize the announcement of the syndication or issuance of, any senior secured debt security or commercial bank or other debt facility (including any renewals thereof), without the prior written consent of Foothill, which consent shall not be unreasonably withheld, conditioned or delayed; provided, that the foregoing shall not limit Foothill's ability to syndicate the DIP Facility or the Borrowers' ability to negotiate with creditors, other than creditors that are likely participants in an emergence facility such as the Emergence Facility contemplated by this letter, as part of the Borrowers' restructuring. Notwithstanding anything in this letter to the contrary, nothing contained herein shall prohibit or restrict the Borrowers from entering into discussions or negotiations with an alternative lending source or sources with respect to an emergence facility if the Borrowers determine, in their reasonable discretion, that they can obtain substantially more favorable terms from an alternative lender or lenders.

This Commitment Letter, the Term Sheet and the Fee Letters (as defined below) embody the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior proposals, negotiations, or agreements whether written or oral, relating to the subject matter hereof including any letter of intent. This letter may not be modified, amended, supplemented, or otherwise changed, except by a document in writing signed by the parties hereto.

This Commitment Letter shall be governed by and construed in accordance with the laws of the State of New York as applied to contracts entered into and to be performed wholly within the State of New York. Each party hereto waives any right it may have to a trial by jury, in the

event of any dispute pertaining to this Commitment Letter, the Term Sheet, the Fee Letters or the transactions contemplated hereby and thereby.

In connection with the requested DIP Facility, the Borrowers understand that it will be necessary for Foothill to make certain financial, legal, and collateral investigations and determinations. In connection with the Proposal Letter dated March 25, 2003 (the "Proposal Letter"), the Borrowers have paid to Foothill, from time to time, an expense deposit (the "Prior Expense Deposit") against the expenses that have been or may be incurred by Foothill. From time to time until the Closing Date, the Borrowers shall pay Foothill an additional expense deposit as requested by Foothill against the expenses that have been or may be incurred by Foothill, whether under the Proposal Letter, this Commitment Letter, or otherwise (the "Additional Expense Deposit"; and together with the Prior Expense Deposit, hereinafter referred to as the "Expense Deposit"). This Expense Deposit will be applied to Foothill's expenses as and when they are incurred. If Foothill concludes for any reason, that it will not make the financing outlined herein available to the Borrowers, Foothill will return the unused balance of the Expense Deposit. If, on the other hand, Foothill continues to be prepared to extend the credit described herein to the Borrowers and the Borrowers decline for any reason, to accept such financial accommodations, Foothill shall be entitled to retain the full amount of the Expense Deposit for the benefit of Foothill, irrespective of the amount of expenses incurred Foothill. Foothill's retention of the balance of the Expense Deposit results from its reasonable endeavor to estimate the added administrative costs incurred and the amount of damage sustained by Foothill as a result of Borrowers' decision to decline to accept the financing. If the financing is funded, the Expense Deposit will be returned to the Borrowers after deducting all of Foothill's expenses actually incurred. Foothill shall not be obligated to segregate the Expense Deposit from its other funds and the Borrowers are not entitled to receive interest on any portion of the Expense Deposit. The Borrowers hereby agree to pay the full amount of Foothill's expenses incurred in connection with the transaction contemplated herein and the preparation, negotiation, execution and delivery of this Commitment Letter, the Term Sheet, the Fee Letters, the loan documents and any security arrangements in connection therewith, including the reasonable fees and disbursements of counsel (whether incurred before or after the date hereof), irrespective of the amount of the Expense Deposit and whether the transaction is actually consummated. The Borrowers further agree to pay all costs and expenses of Foothill (including, without limitation, reasonable fees and disbursements of counsel) incurred in connection with the enforcement of any of its rights and remedies hereunder. From time to time, Foothill shall be entitled to request, and the Borrowers shall be obligated to provide, supplements to the Expense Deposit to the extent that actual or anticipated expenses exceed the Expense Deposit.

The Borrowers represent and warrant that (i) all information (other than financial projections) that has been or will hereafter be made available to Foothill, any lender or any potential lender by or on behalf of the Borrowers or any of their respective representatives in connection with the transactions contemplated hereby is and will be complete and correct in all material respects and does not and will not contain any untrue statement of a material fact or omit

to state a material fact necessary in order to make the statements contained therein not misleading in light of the circumstances under which such statements were or are made and (ii) all financial projections, if any, that have been or will be prepared by or on behalf of the Borrowers or any of their respective representatives and made available to Foothill, any lender or any potential lender have been or will be prepared in good faith based upon assumptions that are reasonable at the time made and at the time the related financial projections are made available to Foothill. If, at any time from the date hereof until the date of the initial borrowings under the Emergence Facility, any of the representations and warranties in the preceding sentence would be incorrect if the information or financial projections were being furnished, and such representations and warranties were being made, at such time, then the Borrowers will promptly supplement the information and the financial projections so that such representations and warranties will be correct under those circumstances. The Borrowers acknowledge that information and documents relating to the transactions contemplated hereby may be transmitted through Intralinks, the internet or similar electronic information transmission systems.

In issuing this Commitment Letter and in arranging the Emergence Facility, including the syndication thereof, Foothill will be entitled to use, and to rely on the accuracy of, the information furnished to them by or on behalf of the Borrowers or any of their respective representatives without responsibility for independent verification thereof.

Regardless of whether the commitment herein is terminated or the proposed DIP Facility or Emergence Facility closes, the Borrowers shall indemnify and hold harmless Foothill and its affiliates, directors, officers, employees, attorneys and representatives (each, an "Indemnified Person"), from and against all suits, actions, proceedings, claims, damages, losses, liabilities and expenses (including, but not limited to, attorneys' fees and disbursements and other costs of investigation or defense, including those incurred upon any appeal), that may be instituted or asserted against or incurred by any such Indemnified Person in connection with, or arising out of, this Commitment Letter or the proposed DIP Facility or Emergence Facility under consideration, the documentation related thereto, any other financing related thereto, any actions or failure to act in connection therewith, and any and all environmental liabilities and legal costs and expenses arising out of or incurred in connection with any disputes between or among any parties to any of the foregoing, and any investigation, litigation, or proceeding related to any such matters, whether or not such suit, action, proceeding, investigation or litigation is brought by a Borrower, any of its equity holders or creditors, an Indemnified Person or any other person or entity, and whether or not an Indemnified Person is otherwise a party thereto. Notwithstanding the preceding sentence, indemnitors shall not be liable for any indemnification to an Indemnified Person to the extent that any such suit, action proceeding, claim, damage, loss, liability or expense results solely from that Indemnified Persons gross negligence or willful misconduct, as finally determined by a court of competent jurisdiction. Under no circumstances shall Foothill or any of its affiliates be liable to you or any other person for any punitive, exemplary, consequential or indirect damages in connection with this Commitment Letter, the proposed DIP Facility, the proposed Emergence Facility, the documentation related thereto or any other

financing, regardless of whether the commitment herein is terminated or the transaction or the financing closes.

You may not assign this Commitment Letter without the prior written consent of Foothill, and any attempted assignment without such consent shall be void.

This Commitment Letter supersedes all prior written proposals or letters of interest with regard to any proposed financing that previously may have been issued by Foothill.

You acknowledge that Foothill may provide debt financing, equity capital or other services (including financial advisory services) to parties whose interests may conflict with the Borrowers' interests. Foothill will not furnish confidential information obtained from the Borrowers or their respective affiliates to any of its customers. Furthermore, Foothill has no obligation to, use in connection with the transactions contemplated hereby, or to furnish to the Borrowers, confidential information obtained by Foothill from any other person.

We are very enthusiastic about the opportunity to finance the operations of AMERCO and its subsidiaries and affiliates, and believe we can proceed very quickly to the signing of the designated documents and subsequent closing of the DIP Facility. As you know, we have already completed a great deal of diligence with respect to your real property, your corporate structure and various third party relationships. If you wish to proceed on the basis outlined above, please execute this Commitment Letter in the space provided below and return it to the undersigned no later than 5:00 p.m., Los Angeles, California time, on or before June 20,2003, accompanied by payment of the DIP Facility Commitment Fee more fully described and payable under the letter dated the date hereof and referred to in the Term Sheet as one of the "Fee Letters". Such DIP Facility Commitment Fee is fully earned upon the execution of delivery of this Commitment Letter by Foothill and non-refundable when paid. If you fail to make any required fee payment by the applicable deadline, this Commitment Letter shall expire automatically and Foothill's commitments shall terminate and be of no further force and effect. This Commitment Letter is being provided to the Borrowers on a confidential basis and is not for the benefit of, nor should it be relied upon by, any third party. Prior to the filing of the Chapter 11 reorganization case by AMERCO and filing of this Commitment Letter and Term Sheet with the United States Bankruptcy Court, other than the disclosure by the Borrowers of this Commitment Letter and Term Sheet to insurance regulatory bodies, neither the existence of this Commitment Letter and Term Sheet nor the terms hereof and thereof will be disclosed to any person other than the officers, directors, employees, accountants, attorneys and other advisors of the Borrowers, and then only on a confidential and "need to know" basis in connection with the transactions contemplated hereby. Notwithstanding the foregoing, this Commitment Letter may be filed, if required with any reports the Borrowers are required to file with respect to any regulatory agencies such as the Securities and Exchange Commission or similar regulatory entity or with the United States Bankruptcy Court.

This Commitment Letter may be executed in any number of counterparts, each of which, when so executed, shall be deemed to be an original and all of which, taken together, shall constitute one and the same Commitment Letter. Delivery of an executed counterpart of a signature page to this Commitment Letter and the Fee Letters by telecopier shall be as effective as delivery of an original executed counterpart thereof. The Borrowers' obligations with respect to payment of costs and expenses, indemnities and confidentiality shall survive the expiration or termination of this Commitment Letter whether or not the loan documents shall be executed and delivered.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

This Commitment Letter may be executed in any number of counterparts, each of which when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same agreement. Delivery of an executed counterpart of this letter by telefacsimile shall be equally as effective as delivery of the original executed counterpart of this letter.

Very truly yours,

WELLS FARGO FOOTHILL, INC.,
formerly known as Foothill Capital
Corporation

By: /s/ Scott Glassberg

Title: Senior vice president

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

The foregoing terms and conditions are hereby accepted and agreed to as of June ___, 2003.

AMERCO, a Nevada corporation, on behalf of itself and its affiliates and subsidiaries that will be Borrowers or Guarantors as contemplated by the Term Sheet

By: /s/ Edward J. Shoen
Title: President

cc: Chris D. Molen, Esq.
Jesse H. Austin, III, Esq.

COMMITMENT LETTER

ANNEX A

AMERCO AND AMERCO REAL ESTATE COMPANY, ET AL.

FINANCING COMMITMENT

$300,000,000 DIP FACILITY
$650,000,000 EMERGENCE FACILITY

JUNE 19, 2003

The proposed terms and conditions summarized herein represent the terms and conditions pursuant to which Wells Fargo Foothill, Inc., formerly known as Foothill Capital Corporation ("Foothill"), will underwrite (i) a $300,000,000 debtor-in-possession credit facility (the "DIP Facility") for purposes of financing Borrowers' operations during the contemplated Chapter 11 reorganization cases to be filed by Borrowers and Guarantors, and (ii) a $650,000,000 credit facility (the "Emergence Facility") to be provided concurrent with a confirmed reorganization plan acceptable to Foothill of the respective Chapter 11 cases.

The proposed terms and conditions summarized herein with respect to the DIP Facility and the Emergence Facility are provided to evidence the terms and conditions by which Foothill hereby commits, in accordance with the terms of the accompanying Commitment Letter, to provide financing to Borrowers and Guarantors under the DIP Facility and the Emergence Facility.

BORROWERS:	DIP FACILITY: AMERCO, a Nevada corporation, Amerco Real Estate Company and certain of their wholly-owned subsidiaries as required by Foothill (collectively, "Companies" or "Borrowers"), each as a debtor-in-possession under cases to be filed under chapter 11 of the United States Bankruptcy Code (the "Chapter 11 Cases"). EMERGENCE FACILITY: AMERCO, a Nevada corporation, Amerco Real Estate Company, U-Haul International, Inc. and such other of their wholly-owned subsidiaries and affiliates as required by Foothill (collectively, "Companies" or "Borrowers").
GUARANTORS:	DIP FACILITY: All U.S. affiliates and subsidiaries of the Companies (that are not direct Borrowers under the DIP Facility) as required by Foothill, including, without limitation, U-Haul International, Inc. and its subsidiaries (together with Borrowers, each a "Loan Party" and collectively, the "Loan Parties"). EMERGENCE FACILITY: All U.S. affiliates and subsidiaries of the Companies (that are not direct Borrowers under the Emergence Facility) as required by Foothill.

LEAD ARRANGER AND ADMINISTRATIVE AGENT:	DIP FACILITY: Wells Fargo Foothill, Inc., f/k/a Foothill Capital Corporation ("Agent" or "Foothill"), as lead arranger, collateral agent, syndication agent and administrative agent. EMERGENCE FACILITY: Foothill, as lead arranger, administrative agent, collateral agent and syndication agent.
FINANCING FACILITIES:	TRANCHED FACILITIES: Two separate senior secured credit facilities with Maximum Credit Amounts as follows: (1) A $300,000,000 debtor-in-possession credit facility (the "DIP Facility"), with the Maximum Credit Amount of $300,000,000 available upon the entry of a final Order (the "Final Order") approving such facility; and (2) A $650,000,000 credit facility to be provided concurrent with a confirmed reorganization plan of Borrowers' and Guarantors' Chapter 11 cases acceptable to Agent (the "Emergence Facility"). The DIP Facility and the Emergence Facility shall collectively be referred to as the "Financing Facilities." APPROVAL OF DIP FACILITY: A senior secured credit facility with a Maximum Credit Amount of $300,000,000 consisting of a revolving credit facility of up to $200,000,000 ("DIP Revolver"), with a $25,000,000 subfacility for the issuance of letters of credit, plus an interest only term loan facility of $100,000,000 ("DIP Term Loan"). Aggregate loans and letters of credit under the DIP Facility upon entry of the Final Order will be limited to the lesser of (a) $300,000,000, and (b) the Borrowing Base (as hereinafter defined). NOTE: The DIP Facility is being presented on the basis that Borrowers will not seek approval on an interim basis but will seek approval for the DIP Facility at a final hearing. EMERGENCE FACILITY: A senior secured credit facility with a Maximum Credit Amount of $650,000,000 consisting of (i) a revolving credit facility of up to $200,000,000 ("Revolver"), with a $25,000,000 subfacility for the issuance of letters of credit, plus (ii) a $350,000,000 amortizing term loan facility ("Term Loan A") with amortization thereon to be determined, plus (iii) a $100,000,000 term loan facility with no scheduled amortization payments ("Term Loan B"). Aggregate loans and letters of credit under the Revolver and Term Loan A of the Emergence Facility will be limited to the lesser of (a) $550,000,000, and (b) the Borrowing Base.

	The Borrowing Base for the DIP Facility shall be 40% of the fair market value of the Real Property Collateral with respect to the DIP Revolver and the DIP Term Loan thereof. The Borrowing Base for the Emergence Facility shall be 55% of the fair market value of owned Real Property Collateral and shall apply to the Revolver and Term Loan A thereof. All such amounts would also be net of a reserve for anticipated environmental remediation costs for certain properties, a reserve for any title defects affecting the Real Property Collateral (as defined below) deemed unacceptable to Agent, and other customary and normal reserves (including, without limitation, reserves for Carve-Out Expenses) which may be established by Agent.
LETTERS OF CREDIT:	Each letter of credit will be issued for the account of a Borrower by Wells Fargo Bank or another bank selected by Agent, which shall be reasonably satisfactory to Borrowers, and shall have an expiry date that is not later than thirty (30) days prior to the Maturity Date (as hereinafter defined) unless on or prior to the Maturity Date such letter of credit shall be cash collateralized in an amount equal to 105% of the face amount of such letter of credit. Borrowers and Guarantors will be bound by the usual and customary terms contained in the letter of credit issuance documentation of the issuing bank and Foothill.
MATURITY DATE:	FINANCING UNDER THE DIP FACILITY: The earlier of (i) the date which is twelve (12) months following the date of entry of the Final Order, (ii) ten (10) days following the date of entry of an Order confirming Borrowers' plan of reorganization (a "Plan") in the Chapter 11 Cases acceptable to Foothill, and (iii) the conversion of the Chapter 11 Cases to cases under Chapter 7 of the Bankruptcy Code (such earliest date, the "Maturity Date"). No confirmation order with respect to a Plan entered in the Chapter 11 Cases will discharge or otherwise affect in any way any of the joint and several obligations of the Loan Parties to Foothill under the DIP Facility, other than after the payment in full and in cash to Foothill of all obligations under the DIP Facility on or before the effective date of the Plan. EMERGENCE FACILITY: Five (5) years from closing date of the Emergence Facility (the "Emergence Facility Maturity Date").

EARLY TERMINATION: Termination of the Emergence Facility prior to the Emergence Facility Maturity Date shall be subject to a prepayment premium payable to Foothill equal to the percentage set forth in the following schedule of then applicable Maximum Credit Amount for each full and partial month remaining to the Emergence Facility

Maturity Date:

YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
2.00%	1.50%	1.00%	0.00%	0.00%

Other customary prepayments to be included in definitive loan documentation (including sale of assets, casualty events, etc.), subject to levels to be negotiated.

CLOSING DATE: With respect to the DIP Facility on the earlier of (i) July 31, 2003, or (ii) thirty (30) business days following execution of the accompanying Commitment Letter and satisfying the terms thereof (specifically including payment of any required fees), subject only to the Bankruptcy Court having entered the Final Order in form and substance reasonably satisfactory to Foothill. Borrowings under the DIP Facility are subject to entry of the Final Order, in form and substance reasonably satisfactory to Foothill.

COLLATERAL: DIP Facility: All obligations of the Loan Parties to Foothill shall be: (a) entitled to super-priority administrative expense claim status pursuant to Section 364(c)(l) of the Bankruptcy Code in each Chapter 11 Case, subject only to (i) the payment of allowed professional fees and disbursements incurred by the Loan Parties and any official committees appointed in the Chapter 11 Cases, in an aggregate amount not in excess of $5,000,000 (plus all unpaid professional fees and disbursements incurred, accrued or invoiced prior to the occurrence of an Event of Default, to the extent allowed by the Bankruptcy Court) (ii) the payment of fees pursuant to 28 U.S.C. Section 1930 (collectively, the "Carve-Out Expenses") and (b) secured pursuant to Sections 364(c)(2), (c)(3) and (d) of the Bankruptcy Code by a security interest in and lien on all now owned or hereafter acquired property and assets of the Loan Parties, both tangible and intangible, and real property (the "Real Property Collateral") and personal property (including, without limitation, capital stock or other equity interests of their subsidiaries), and the proceeds thereof, excluding (i) Borrowers' real estate subject to any currently existing synthetic lease arrangements and to the existing promissory notes issued to Amerco Real Estate Company by SAC Holdings and its subsidiaries, and (ii) causes of action arising under Sections 502(d), 544, 545, 547, 548, 549, 550 or

551 of the Bankruptcy Code. The security interests in and liens on the aforementioned assets of the Loan Parties shall be first priority, senior secured liens not subject to subordination, but subject to the Carve-Out Expenses.

Emergence Facility: Subject to a confirmed Plan acceptable to Foothill, all obligations of the Loan Parties to Foothill shall be secured by a first priority perfected security interest in substantially all the assets of Borrowers and Guarantors, but excluding (i) the existing promissory notes issued to Amerco Real Estate Company by SAC Holdings and its subsidiaries and (ii) Borrowers' real estate subject to any currently existing synthetic lease arrangements. The Emergence Facility shall include provisions authorizing the granting of a junior lien in substantially all of the assets of Borrowers in favor of those parties receiving new notes in connection with the confirmed Plan, subject to an intercreditor agreement, the terms and conditions of which shall be satisfactory to Foothill. Such intercreditor agreement shall, at a minimum, provide for both lien subordination and payment subordination and shall, in all respects, be a "deeply subordinated" instrument.

All borrowings by Borrowers, all reimbursement obligations with respect to letters of credit, all costs, fees and expenses of Foothill, and all other obligations owed to Foothill shall be secured as described above and charged to the loan account to be established under the Facilities.

INTEREST RATES: Advances outstanding under the DIP Facility shall bear interest, at Borrowers' option, at (a) the LIBOR Rate plus 3.50%, or (b) the Base Rate plus 1.00%.

Advances outstanding under (i) the Emergence Facility Revolver would bear interest, at Borrowers' option, at (a) the LIBOR Rate plus 4.00%, or (b) the Base Rate plus 1.00%, and (ii) advances outstanding under the Emergence Facility Term Loan A would bear interest at the LIBOR Rate plus 4.00%. In addition, the interest rate could be periodically reduced subject to Borrowers achieving certain financial performance and leverage ratios ("Performance Pricing Grid") to be determined.

Advances outstanding under the Emergence Facility Term Loan B would bear interest at (i) the greater of the Base Rate plus 4.75% (ii) or 9.00% per annum; provided that 1.75% of such interest will be payment-in-kind (PIK).

	As used herein (x) "Base Rate" means the rate of interest publicly announced from time to time by Wells Fargo Bank, N.A. at its principal office in San Francisco, California, as its reference rate, base rate or prime rate. The LIBOR Rate means the rate per annum, determined by Foothill in accordance with its customary procedures, at which dollar deposits are offered to major banks in the London interbank market, adjusted by the reserve percentage prescribed by governmental authorities as determined by Foothill. With respect to the Emergence Facility only, at no time shall the LIBOR Rate utilized prior to application of the appropriate margin be less than 2.00%. All interest and fees for the Financing Facilities shall be computed on the basis of a year of 360 days for the actual days elapsed. If any Event of Default shall occur, interest shall accrue under the Facilities at a rate per annum equal to 2.00% in excess of the rate of interest otherwise in effect.	
FEES:	Unused Line Fee (for the Financing Facilities):	One half of one percent (0.50%) on the unused portion of the respective Revolver Facility, payable monthly in arrears.
	Letter of Credit Fees (for the Financing Facilities):	Three and one-half percent (3.50%) per annum of the face amount of each letter of credit issued under the DIP Facility and four percent (4.00%) per annum of the face amount of each letter of credit issued under the Emergence Facility, in each case, payable monthly in advance, plus the customary charges imposed by the letter of credit issuing bank.
	Field Examination Fee (for the Financing Facilities):	Without limiting the foregoing, Borrowers would be required to pay (a) a fee of $850 per day, per analyst, plus out-of-pocket expenses, for each financial audit of Borrowers performed by personnel employed by Foothill, and (b) the actual charges paid or incurred by Foothill if it elects to employ the services of one or more third parties to perform financial audits of Borrowers, to appraise Borrowers' collateral, or to assess Borrowers' business valuation.

Borrowers shall also pay all applicable fees set forth in one or more of the fee letters of even date herewith (collectively, the "Fee Letters").

USE OF PROCEEDS: DIP Facility: To refinance a certain amount of Amerco's existing $205 million revolving credit facility and fund working capital in the ordinary course of business (including for the fees and transaction costs in connection with the DIP Facility and for the payment of such pre-petition claims as may be permitted by the Court pursuant to "first day" orders or other pre-petition claims permitted under the DIP Facility) with agreed limitations on use of proceeds to fund or capitalize non-debtor entities affiliated with Borrowers and Guarantors.

Emergence Facility: To refinance the DIP Facility, fund Borrowers' confirmed Plan and for general corporate purposes including the financing of working capital and capital expenditures.

CONDITIONS PRECEDENT: Financing under DIP Facility:

The obligation of Foothill to make any loans in connection with the DIP Facility will be subject to customary conditions precedent including, without limitation, the following:

(a) Execution and delivery of appropriate legal documentation in form and substance satisfactory to Foothill and the satisfaction of the conditions precedent contained therein.

(b) Amerco Real Estate Company shall have become a debtor-in-possession under the Chapter 11 Cases

(c) No material adverse change in the business operations, assets, financial condition or prospects of Borrowers and Guarantors ("Material Adverse Change") other than the filing of the Chapter 11 Cases and the events resulting from the filing of the Chapter 11 Cases, as determined by Foothill in its sole discretion.

(d) Entry of the Final Order in the Chapter 11 Cases, reasonably satisfactory in form and substance to Foothill, which Final Order (i) shall approve the transactions contemplated herein, grant the super priority administrative expense claim status and senior liens referred to above, (ii) shall not have been reversed, modified, amended, stayed or vacated, and (iii) shall have been entered no later than July 31,2003.

(e) Foothill shall have been granted a deemed perfected, first priority senior lien on all Collateral, as defined earlier. Foothill shall have received real estate UCC, tax and judgment lien searches and other appropriate evidence, confirming the absence of any liens on the Collateral, except existing liens acceptable to Foothill. Foothill acknowledges that it has already reviewed real estate title reports on over 95% of Borrowers' properties, have negotiated a form of title insurance commitment and have reviewed issued title insurance commitments on over 350 of Borrowers' properties.

(f) Opinions from the Loan Parties' counsel as to such matters as Foothill and its counsel may reasonably request.

(g) Insurance satisfactory to Foothill, such insurance to include liability insurance for which Foothill, will be named as an additional insured and property insurance with respect to the Collateral for which Foothill will be named as loss payee.

(h) Foothill's completion of and satisfaction in all respects with the results of its ongoing due diligence investigation of the business, assets, operations, properties (including compliance with FIRREA), condition (financial or otherwise), contingent liabilities, prospects and material agreements of Borrowers and their respective Subsidiaries.

(i) Borrowers shall have paid to Foothill all fees and expenses, including all appraisal fees and expenses, then owing to Foothill.

(j) Receipt of the Budget as provided to the Bankruptcy Court.

(k) Borrowers shall, at loan closing, have a minimum of $40,000,000 in the aggregate of unrestricted cash and available but unused credit availability (defined as the difference between (i) the lesser of the (X) the Borrowing Base or (Y) $300,000,000 and
(ii) the sum of the loans and LC's outstanding) under the DIP Facility.

(l) Satisfying any conditions precedent in the Commitment Letter.

Emergence Facility:

The obligation of Foothill to make any loans or assist in the issuance of any letters of credit in connection with the $650,000,000 Emergence Facility will be subject to customary conditions precedent including, without limitation, the following:

(a) Foothill shall have closed the DIP Facility with Borrowers as provided herein.

(b) Receipt of evidence of the entry of a final Order confirming Borrowers' Plan and accompanying disclosure statement, and satisfaction of all other conditions to the confirmation of such Plan, which Plan, disclosure statement, and confirmation Order shall be in form and substance reasonably acceptable to Foothill and which Plan will include, among things, a level of assets both hi number and value, acceptable to Foothill.

(c) Receipt of management's projections and business plan for the succeeding twelve (12) month period on a month-by-month basis and the succeeding four year period on an annual basis in form and substance acceptable to Foothill.

(d) Payment of all reasonable fees and expenses owing to Foothill in connection with the Emergence Facility.

(e) Execution and delivery of appropriate legal documentation in form and substance satisfactory to Foothill and the satisfaction of the conditions precedent contained therein and delivery of all appropriate opinions of counsel relating thereto, reasonably satisfactory in all respects to Foothill.

(f) Payment in full of obligations owing and amounts outstanding under the DIP Facility.

(g) Foothill shall have been granted a perfected, first priority lien on all Collateral including without limitation mortgages on all owned real property in form and substance satisfactory to Foothill. Foothill shall have received real estate, UCC, tax and judgment lien searches and other appropriate evidence, confirming the absence of any liens on the Collateral, except existing liens acceptable to Foothill.

(h) No default or event of default shall exist under the loan documents for the DIP Facility or the Emergence Facility, and no pending claim, investigation or litigation by any governmental entity shall exist with respect to the Loan Parties or the transactions contemplated hereby.

(i) The absence of (i) a Material Adverse Change in the business operations, assets, condition (financial or otherwise) or prospects of Borrowers and Guarantors since March 31, 2002, as determined by Foothill in its sole discretion, other than (x) the filing of the Chapter 11 Cases and the events resulting from the filing of the Chapter 11 Cases, (y) the withdrawal by PriceWaterhouseCoopers of its audit letter with respect to the Borrowers' financial statements for the fiscal year ended as of March 31, 2002, and (z) such other matters as have been disclosed in writing by Borrowers to Foothill on or before June 20, 2003 or (ii) an adverse change or disruption in the loan syndication, financial, banking or capital markets generally that, in
Foothill's judgment, could materially impair the syndication of the Emergence Facility.

(j) Foothill's commencement and completion of, and satisfaction in all respects with, the results of its ongoing due diligence investigation of the business, assets, operations, properties, condition (financial or otherwise), contingent liabilities, prospects and material agreements of Borrowers and their respective Subsidiaries.

REPRESENTATIONS AND WARRANTIES:	Usual representations and warranties, including, but not limited to, corporate existence and good standing, permits and licenses, authority to enter into the respective loan documents, occurrence of the closing date for the respective Financing Facilities, validity of the Final Order, governmental approvals, non-violation of other agreements, financial statements, litigation, compliance with environmental, pension and other laws, taxes, insurance, absence of Material Adverse Change, absence of default or unmatured default and priority of Foothill's liens.
COVENANTS:	With respect to the DIP Facility, Borrowers will be required to maintain agreed upon minimum levels of EBITDA, EBITDAR and fixed charge coverage ratios. With respect to the Emergence Facility, Borrowers will be required to maintain agreed upon minimum levels of EBITDA, EBITDAR, leverage and fixed charge coverage ratios. All such covenants will be not less than 80% of Borrowers' projected operating performance. Borrowers will also have a limitation on capital expenditures (to be determined). All such financial covenants shall be tested quarterly. Financial reporting shall include, without limitation, the delivery to Agent of monthly financial statements, audited annual financial statements and annual updated projections and any financial and other reporting material filed in the Bankruptcy Cases or shared with any Committees appointed in the Bankruptcy Cases. Other customary covenants (both positive and negative), including, but not limited to, notices of litigation, defaults and unmatured defaults and other information (including pleadings, motions, applications and other documents filed with the Bankruptcy Court or distributed to any official committee appointed in the Chapter 11 Cases), compliance with laws, permits and licenses, inspection of properties, books and records, maintenance of insurance, limitations with respect to liens and encumbrances, dividends, retirement of capital stock and repurchases of subordinated debt (except for certain repurchases to be agreed upon based on performance ratios and liquidity at levels to be determined at the time of the proposed repurchase), guarantees, sale and lease back transactions, consolidations and mergers, investments, capital expenditures, loans and advances, indebtedness, compliance with pension, environmental and other laws, operating leases, transactions with affiliates and prepayment of other indebtedness.
CASH MANAGEMENT:	Borrowers shall institute a cash management system satisfactory to Agent, including without limitation, establishing one or more concentration accounts at financial institutions acceptable to

Agent.

EVENTS OF DEFAULT:	Usual events of default, including, but not limited to, payment, cross-default, violation of covenants, breach of representations or warranties, judgments, ERISA, environmental, change of control and other events of default which are customary in facilities of this nature. In addition, an Event of Default shall occur if: (i) (A) any of the Chapter 11 Cases shall be dismissed or converted to a chapter 7 case, a chapter 11 trustee or an examiner with enlarged powers shall be appointed in any of the cases, any other superpriority administrative expense claim which is senior to or pari passu with Foothill's claims shall be granted and the Final Order shall be stayed, amended, modified, reversed or vacated; (B) a Plan shall be confirmed in any of the Chapter 11 Cases which does not provide for termination of the commitment under the DIP Facility and payment in full in cash of the Loan Parties' obligations thereunder on the effective date of the Plan; or an order shall be entered which dismisses any of the Loan Parties' Chapter 11 Cases and which order does not provide for termination of the Financing Facility then outstanding and payment in full in cash of all obligations thereunder; (C) the Loan Parties shall take any action, including the filing of an application, in support of any of the foregoing or any person other than the Loan Parties shall do so and such application is not contested in good faith by the Loan Parties and the relief requested is granted in an order that is not stayed pending appeal; (ii) the Bankruptcy Court shall enter an order granting relief from the automatic stay to the holder of any security interest in any asset of the Loan Parties having a book value in an amount equal to or exceeding an amount to be agreed upon; and (iii) such other similar Events of Default as are usual and customary in DIP credit facilities.
GOVERNING LAW:	All documentation in connection with the Financing Facilities shall be governed by the laws of the State of New York applicable to agreements made and performed in such State except as governed by the Bankruptcy Code.
ASSIGNMENTS AND PARTICIPATIONS:	Foothill shall be permitted to assign its rights and obligations hereunder, or any part thereof, to any person or entity without the consent of the Loan Parties. Foothill shall be permitted to grant participations in such rights and obligations, or any part thereof, to any person or entity without the consent of the Loan Parties.

EXPENSES:	The Loan Parties shall pay on demand all fees and expenses of Foothill (including legal fees, financial consultant fees (if any), audit fees, search fees, filing fees, and documentation fees, and expenses in excess of the Deposit), incurred in connection with the transactions contemplated by this Term Sheet, whether or not such transactions close.
SYNDICATION:	Foothill shall underwrite the DIP Facility and syndicate to other qualified financial institutions and, to the extent set forth in the Commitment Letter, Foothill shall underwrite the Emergence Facility and syndicate to other qualified financial institutions.

Exhibit 10.69

STATE OF ARIZONA

DEPARTMENT OF INSURANCE

In the Matter of	DOCKET NO. 03A-098-INS
REPUBLIC WESTERN INSURANCE COMPANY (NAIC NO. 31089) Respondent.	NOTICE OF DETERMINATION, ORDER FOR SUPERVISION AND CONSENT THERETO

The State of Arizona, Department of Insurance (the "Department"), has received evidence that Republic Western Insurance Company ("Respondent") is out of compliance with the provisions of Arizona Revised Statutes ("A.R.S."), Title 20. Respondent wishes to resolve this matter without the commencement of contested proceedings, and admits the following Findings of Fact are true and consents to the entry of the following Conclusions of Law and Order.

FINDINGS OF FACT

1. Respondent Republic Western Insurance Company is domiciled in Arizona and presently holds a certificate of authority issued by the Department to transact property, casualty with workers' compensation, disability, marine and transportation, surety and vehicle insurance.

2. Respondent is a wholly-owned subsidiary of AMERCO, a publicly owned and traded holding company. AMERCO defaulted on the payment of approximately $130 million in senior debt obligations in October 2002, and according to its public filings is, in the aggregate, directly or indirectly as a result of technical cross-defaults, in default on approximately $1.2 billion of obligations.

3. The Director performed a limited scope examination of Respondent as of December 31, 2002, pursuant to Title 20, to ascertain the nature and extent of affiliate exposures, confirm that affiliated assets and liabilities are reported in accordance with Statutory Accounting

Practices, and evaluate the impact on Respondent's financial condition should AMERCO's debt default damage its ability to fulfill obligations to Respondent.

4. Based upon the Director's Report of Examination dated May 1, 2003, filed in accordance with A.R.S. Section 20-158 and A.A.C. R20-6-1704, the Respondent has consented to the entry of this Consent Order.

5. The Director is exercising his authority under A.R.S. Section 20-158 to withhold the Report of Examination from public inspection. This does not preclude Respondent from making the Report of Examination available to any person. The Director may release the Report of Examination for public inspection at any time.

CONCLUSIONS OF LAW

1. The Director has jurisdiction over this matter.

2. Grounds exist for the Director to place the Respondent under supervision of the Department in accordance with A.R.S. Section 20-169.

ORDER

IT IS ORDERED:

1. Respondent is hereby notified of the determination of the Director to place Respondent under the supervision of the Department in accordance with A.R.S. Section 20-169.

2. Respondent is hereby under the supervision of the Director and the Director is applying and effectuating the provisions of Article 2, Chapter 1, Title 20, Arizona Revised Statutes.

3. The requirements to abate the Director's determination are that:

a. Respondent shall establish that it has eliminated the specific credit risk associated with the exposures to AMERCO and its affiliates identified in the Report of Examination.

b. Respondent shall establish that it possesses surplus sufficient to comply with A.R.S. Section 20-488.01(F) and as the Director may require based on the type, volume or nature of its business pursuant to A.R.S. Section 20-211.

4. Pursuant to A.R.S. Section 20-170, the Director hereby appoints Examination Supervisor Rodney B. Frantz, CPA, as Supervisor of Respondent.

5. Pursuant to A.R.S. Section 20-170, the Director orders that Respondent, during the period of Supervision, may not do any of the following things without the prior approval of the Director or his Supervisor:

a. dispose of, convey or encumber any of its assets or its business in force;

b. withdraw any of its bank accounts;

c. lend any of its funds;

d. invest any of its funds;

e. transfer any of its property;

f. incur any debt, obligation or liability including the insurance of all new and renewal business;

g. merge or consolidate with another company;

h. enter into any new reinsurance contract or treaty; or

i. enter into any affiliate transactions.

6. If Respondent fails to satisfy the requirements to abate the Director's determination within sixty (60) days from the date hereof, the Director may take appropriate action including but not limited to commencing a conservatorship pursuant to A.R.S. Section 20-171.

7. Pursuant to A.R.S. Section 20-171(C), the costs incident to the services of the Director, or his Supervisor, or both, shall be charged against the assets and funds of Respondent and shall be paid when fixed and determined by the Director.

EFFECTIVE this 20th day of May, 2003.

/s/ Charles R. Cohen

CHARLES R. COHEN
Director of Insurance

CONSENT TO ORDER

1. Respondent has reviewed the foregoing Findings of Fact, Conclusions of Law and Order.

2. Respondent admits the jurisdiction of the Director of Insurance, State of Arizona, and admits the foregoing Findings of Fact and consents to the entry of the foregoing Conclusions of Law and Order.

3. Respondent is aware of its right to notice and a hearing at which it may be represented by counsel, present evidence and cross-examine witnesses. Respondent irrevocably waives its right to such notice and hearing and to any court appeals relating to this Consent Order.

4. Respondent states that no promise of any kind or nature whatsoever, except as expressly contained in this Consent Order, was made to it to induce it to enter into this Consent Order and that it has entered into this Consent Order voluntarily.

5. Respondent acknowledges that the purpose of this Consent Order is solely to enter the Order herein and does not preclude any agency, officer or subdivision of this State from instituting such administrative, civil or criminal proceedings as may be appropriate at any time.

6. Respondent acknowledges that nothing herein precludes the Department from taking any appropriate regulatory action at any time, including but not limited to initiation of delinquency proceedings.

7. Respondent attests that Richard M. Amoroso is the President of Respondent and is authorized to execute this Consent Order on behalf of Respondent.

REPUBLIC WESTERN
INSURANCE COMPANY

/s/ Richard M. Amoroso
By: Richard M. Amoroso
Its: President

May 20, 2003
Date

COPY of the foregoing mailed/hand-delivered this 20th day of May, 2003, to:

Richard M. Amoroso
President
Republic Western Insurance Company
272l N. Central Avenue
Phoenix, Arizona 85004

J. Michael Low
Low & Childers
2999 N. 44th Street, Suite 250
Phoenix, Arizona 85018

Michael E. Surguine
Executive Director
Arizona Property and Casualty Insurance Guaranty Fund Arizona Life and Disability Insurance Guaranty Fund 1110 W. Washington, Suite 270

Phoenix, Arizona 85007

Rodney B. Frantz, Examination Supervisor Sara Begley, Deputy Director
Steve Ferguson, Assistant Director
Deloris Williamson, Assistant Director
Paul Hogan, Market Conduct Chief Examiner Kurt Regner, Chief Financial Analyst
Leslie Hess, Financial Affairs Legal Analyst Arizona Department of Insurance
2910 N. 44th Street, Second Floor
Phoenix, Arizona 85018

Jennifer Boucek
Assistant Attorney General
Arizona Attorney General's Office
1275 West Washington
Phoenix, Arizona 85007

/s/ Curvey Walters Burton

Curvey Walters Burton

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Exhibit 21

AMERCO (NEVADA)
CONSOLIDATED SUBSIDIARIES

Republic Western Insurance Company	AZ
Republic Claims Service Company	AZ
Republic Western Syndicate, Inc.	NY
North American Fire and Casualty Insurance Company	LA
RWIC Investments, Inc.	AZ
Republic Western Specialty Underwriters, Inc.	AZ
Ponderosa Insurance Agency, Inc.	AZ
Oxford Life Insurance Company	AZ
Oxford Life Insurance Agency, Inc.	AZ
Christian Fidelity Life Insurance Company	TX
Encore Financial, Inc.	WI
North American Insurance Company	WI
Encore Agency, Inc.	LA
Community Health, Inc.	WI
Community Health Partners, Inc.	IL
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
One PAC Company	NV
Two PAC Company	NV
Three PAC Company	NV
Four PAC Company	NV
Five PAC Company	NV
Six PAC Company	NV
Seven PAC Company	NV
Eight PAC Company	NV
Nine PAC Company	NV
Ten PAC Company	NV
Eleven PAC Company	NV
Twelve PAC Company	NV
Sixteen PAC Company	NV
Seventeen PAC Company	NV
Nationwide Commercial Company	AZ
Yonkers Property Corporation	NY
PF&F Holdings Corporation	DE
Fourteen PAC Company	NV
Fifteen PAC Company	NV

U-Haul International, Inc.	NV
United States:	
INW Company	WA
A & M Associates, Inc	AZ
EMove, Inc.	NV
U-Haul Business Consultants, Inc	AZ
U-Haul Leasing & Sales Co.	NV
U-Haul Self-Storage Corporation	NV
U-Haul Co. of Alaska	AK
U-Haul Co. of Alabama, Inc.	AL
U-Haul Co. of Arkansas	AR
U-Haul Co. of Arizona	AZ
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 Georgia	GA
U-Haul of Hawaii, Inc.	HI
U-Haul Co. of Iowa, Inc.	IA
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 Kansas, Inc.	KS
U-Haul Co. of Kentucky	KY
U-Haul Co. of Louisiana	LA
U-Haul Co. of Massachusetts and Ohio, Inc.	MA
U-Haul Co. of Maryland, Inc.	MD
U-Haul Co. of Maine, Inc.	ME
U-Haul Co. of Michigan	MI
U-Haul Co. of Minnesota	MN
U-Haul Company of Missouri	MO
U-Haul Co. of Mississippi	MS
U-Haul Co. of Montana, Inc.	MT
U-Haul Co. of North Carolina	NC
U-Haul Co. of North Dakota	ND
U-Haul Co. of Nebraska	NE
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 Nevada, Inc.	NV
U-Haul Co. of New York, Inc.	NY
U-Haul Co. of Oklahoma, Inc.	OK
U-Haul Co. of Oregon	OR
U-Haul Co. of Pennsylvania	PA
U-Haul Co. of Rhode Island	RI
U-Haul Co. of South Carolina, Inc.	SC
U-Haul Co. of South Dakota, Inc.	SD
U-Haul Co. of Tennessee	TN
U-Haul Co. of Texas	TX
U-Haul Co. of Utah, Inc.	UT

U-Haul Co. of Virginia	VA
U-Haul Co. of Washington	WA
U-Haul Co. of Wisconsin, Inc.	WI
U-Haul Co. of West Virginia	WV
U-Haul Co. of Wyoming, Inc.	WY
Storage Realty LLC	NV

Canada:

U-Haul Co. (Canada) Ltd.	Ontario
U-Haul Inspections, Ltd.	B.C.

EXHIBIT 23.1

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

AMERCO
Reno, NV

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-10119, 333-73357, 333-48396 and 33-56571) of AMERCO and its subsidiaries of our report dated August 18, 2003, which contains an explanatory paragraph regarding the Company's ability to continue as a going concern, relating to the consolidated financial statements and financial statement schedules, which appears in the Form 10-K.

/s/ BDO Seidman, LLP

Los Angeles, CA
August 18, 2003

EXHIBIT 23.2

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Board of Directors and Stockholders of AMERCO

The audits referred to in our report dated August 18, 2003 relating to the consolidated financial statements of AMERCO, and subsidiaries and SAC Holdings Corporation and its subsidiaries and SAC Holdings Corporation II and its subsidiaries which is incorporated in Item 8 of the Form 10-K by reference to the annual report to stockholders for the year ended March 31, 2003 included the audit of the financial statement schedules listed in the accompanying index. These financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statement schedules based upon our audits.

In our opinion such financial statement schedules present fairly, in all material respects, the information set forth therein.

/s/ BDO Seidman, LLP

Los Angeles, California

August 18, 2003

EXHIBIT 99.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of AMERCO (the "Registrant") on Form 10-K for the period ending March 31, 2003, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Edward J. Shoen, Chairman of the Board and President of the Registrant certify, to the best of my knowledge, 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 Registrant.

AMERCO,
a Nevada corporation

By: /s/ Edward J. Shoen

Title: Chairman of the Board and President

Date: August 22, 2003

EXHIBIT 99.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of AMERCO (the "Registrant") on Form 10-K for the period ending March 31, 2003, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I Gary B. Horton, Treasurer of the Registrant certify, to the best of my knowledge, 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 Registrant.

AMERCO,
a Nevada corporation

By: /s/ Gary B. Horton

Title: Treasurer

Date: August 22, 2003

EXHIBIT 99.3

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of U-Haul International, Inc. (the "Registrant") on Form 10-K for the period ending March 31, 2003, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I Edward J. Shoen, Chairman of the Board and President of the Registrant certify, to the best of my knowledge, 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 Registrant.

U-Haul International, Inc.,
a Nevada corporation

By: /s/ Edward J. Shoen

Title: Chairman of Board and President

Date: August 22, 2003

EXHIBIT 99.4

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of U-Haul International, Inc. (the "Registrant") on Form 10-K for the period ending March 31, 2003, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I Gary B. Horton, Assistant Treasurer of the Registrant certify, to the best of my knowledge, 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 Registrant.

U-Haul International, Inc.,
a Nevada corporation

By: /s/ Gary B. Horton

Title: Assistant Treasurer

Date: August 22, 2003