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U-HAUL HOLDING CO /NV/

FORM 10-Q
(Quarterly Report)

Filed 09/10/03 for the Period Ending 06/30/03

Address	5555 KIETZKE LANE STE 100 RENO, NV, 89511
Telephone	7756886300
CIK	0000004457
Symbol	UHAL
SIC Code	7510 - Services-Auto Rental and Leasing (No Drivers)
Industry	Ground Freight & Logistics
Sector	Industrials
Fiscal Year	03/31

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AMERCO /NV/

FORM 10-Q
(Quarterly Report)

Filed 9/10/2003 For Period Ending 6/30/2003

Address	1325 AIRMOTIVE WAY STE 100
	RENO, Nevada 89502
Telephone	775-688-6300
CIK	0000004457
Industry	Rental & Leasing
Sector	Services
Fiscal Year	03/31

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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

(Mark One)

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

For the quarterly period ended June 30, 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, Ste. 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**

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

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑ .

20,514,958 shares of AMERCO Common Stock, $0.25 par value were outstanding at June 30, 2003.

5,385 shares of U-Haul International, Inc. Common Stock, $0.01 par value, were outstanding at September 8, 2003.

TABLE OF CONTENTS

	PART I FINANCIAL INFORMATION	
Item 1.	Financial Statements	
	a) Condensed Consolidated Balance Sheets as of June 30, 2003 (unaudited) and March 31, 2003	2
	b) Condensed Consolidated Statements of Operations for the Quarters ended June 30, 2003 and 2002 (unaudited)	3
	c) Condensed Consolidated Statements of Comprehensive Income for the Quarters ended June 30, 2003 and 2002 (unaudited)	4
	d) Condensed Consolidated Statements of Cash Flows for the Quarters ended June 30, 2003 and 2002 (unaudited)	5
	e) Notes to Condensed Consolidated Financial Statements	6
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	24
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	39
Item 4.	Controls and Procedures	39
	PART II OTHER INFORMATION	
Item 1.	Legal Proceedings	40
Item 2.	Not applicable	
Item 3.	Defaults Upon Senior Securities	42
Item 5.	Not applicable	
Item 6.	Exhibits and Reports on Form 8-K	43

PART I. FINANCIAL INFORMATION

ITEM 1. ***Financial Statements***

AMERCO (Debtor in Possession) AND CONSOLIDATED SUBSIDIARIES AND SAC HOLDING CORPORATIONS AND CONSOLIDATED SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2003	March 31, 2003
Assets	(Unaudited)	
	(In thousands)	
Cash and cash equivalents	$ 85,460	$ 66,834
Trade receivables, net	262,208	263,737
Notes and mortgage receivables, net	10,531	2,868
Inventories, net	54,250	53,270
Prepaid expenses	20,360	21,846
Investments, fixed maturities	834,530	860,600
Investments, other	440,769	389,252
Deferred policy acquisition costs, net	103,707	105,100
Deferred income taxes	10,615	32,242
Other assets	88,132	63,600
	1,910,562	1,859,349
Property, plant and equipment, at cost:		
Land	158,583	157,987
Building and Improvements	751,601	747,853
Furniture and Equipment	292,218	291,383
Rental trailers and other rental equipment	152,573	149,707
Rental trucks	1,177,683	1,140,294
SAC Holdings property, plant and equipment(1)	726,668	757,292
	3,259,326	3,244,516
Less accumulated depreciation	(1,327,515)	(1,298,199)
Total property, plant and equipment	1,931,811	1,946,317
Total assets	$ 3,842,373	$ 3,805,666
Liabilities and Stockholders' Equity		
Liabilities:		
Accounts payable and accrued expenses	379,773	387,017
AMERCO's notes and loans payable, non-recourse to AMERCO	93,977	954,856
SAC Holdings' notes and loans payable	589,641	589,019
Policy benefits and losses, claims and loss expenses Payable	847,005	836,632
Liabilities from investment contracts	641,257	639,998
Other policyholders' funds and liabilities	24,432	30,309
Deferred income	37,072	40,387
Liabilities subject to compromise	861,058	—
Total liabilities	3,474,215	3,478,218
Commitments and Contingent Liabilities	—	—
Stockholders' equity:		
Serial preferred stock, with or without par value		
Series A preferred stock, with no par value		
Series B preferred stock, with no par value	—	—
Serial common stock, with or without par value		
Series A common stock of $0.25 par value	1,441	1,441
Common stock of $0.25 par value	9,122	9,122
Additional paid-in capital	238,983	238,983
Accumulated other comprehensive loss	(39,927)	(55,765)
Retained earnings	592,717	568,222
Cost of common shares in treasury, net	(421,376)	(421,378)

Unearned ESOP shares	(12,802)	(13,177)
Total stockholders' equity	368,158	327,448
Total liabilities and stockholders' equity	$3,842,373	$3,805,666

(1) Property, plant and equipment totaled $984.9 million and $1,015.6 million before eliminations; intercompany eliminations were $258.3 million at June 30, 2003 and March 31, 2003.

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

AMERCO (Debtor in Possession) AND CONSOLIDATED SUBSIDIARIES AND SAC HOLDING CORPORATIONS AND CONSOLIDATED SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Quarters Ended June 30,	
	2003	2002
		(Restated)
	(Unaudited) (In thousands, except per share data)	
Revenues		
Revenues Rental revenue	$ 435,042	$ 411,577
Net sales	69,209	68,189
Premiums	64,456	84,653
Net investment and interest income	11,409	14,875
Total revenues	580,116	579,294
Costs and expenses		
Operating expense	292,976	276,220
Commission expense	40,194	42,130
Cost of sales	32,219	35,527
Benefits and losses	53,399	76,418
Amortization of deferred policy acquisition costs	9,100	10,334
Lease expense	38,630	41,356
Depreciation, net	38,038	33,712
Total costs and expenses	504,556	515,697
Earnings from operations	75,560	63,597
Interest expense	30,898	28,695
Pretax earnings	44,662	34,902
Income tax expense	(16,926)	(11,123)
Net earnings	$ 27,736	$ 23,779
Less: Preferred stock dividends	(3,241)	(3,241)
Earnings available to common shareholders	$ 24,495	$ 20,538
Basic and diluted earnings per common share	$ 1.24	$ 1.00
Weighted average common shares Outstanding: Basic and diluted	19,825,852	20,592,858

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

AMERCO (Debtor in Possession) AND CONSOLIDATED SUBSIDIARIES AND SAC HOLDING CORPORATIONS AND CONSOLIDATED SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Quarters Ended June 30,	
	2003	2002
		(Restated)
	(Unaudited) (In thousands)	
Comprehensive income:		
Net earnings	$27,736	$23,779
Changes in other comprehensive income:		
Foreign currency translation	5,751	(2,277)
Unrealized gain/(loss) on investments	10,087	(322)
Total comprehensive income	$43,574	$21,180

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

AMERCO (Debtor in Possession) AND CONSOLIDATED SUBSIDIARIES AND SAC HOLDING CORPORATIONS AND CONSOLIDATED SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Quarters Ended June 30,	
	2003	2002
		(Restated)
	(Unaudited) (In thousands)	
Net cash provided by operating activities	$ 42,628	$ 117,328
Cash flows from investing activities:		
Purchases of investments:		
Property, plant and equipment	(48,137)	(61,215)
Investments, fixed maturities	(13,917)	(60,986)
Other asset investment	(25,474)	(362)
Proceeds from sale of investments:		
Property, plant and equipment	3,157	3
Investments, fixed maturities	53,150	70,324
Preferred stock	—	2,578
Real estate	6,344	4,545
Mortgage loans	203	560
Other investments	1,114	7,348
Net cash used by investing activities	(23,560)	(37,205)
Cash flows from financing activities:		
Net change in short-term borrowings	—	(100,485)
Proceeds from notes	—	99,991
Leveraged employee stock ownership plan:		
Purchase of shares	—	(84)
Payments on loan	375	—
Principal payments on notes	(1,595)	(105,837)
Treasury stock acquisitions, net	—	(572)
Investment contract deposits	20,334	36,628
Investment contract withdrawals	(19,556)	(19,211)
Net cash used by financing activities	(442)	(89,570)
Increase (decrease) in cash and cash equivalents	18,626	(9,447)
Cash and cash equivalents at beginning of period	66,834	41,446
Cash and cash equivalents at end of period	$ 85,460	$ 31,999

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

AMERCO (Debtor in Possession) AND CONSOLIDATED SUBSIDIARIES AND SAC HOLDING CORPORATIONS AND CONSOLIDATED SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2003, March 31, 2003 and June 30, 2002
(Unaudited)

1. Proceedings Under Chapter 11 of the Bankruptcy Code

On June 20, 2003, AMERCO (the "Debtor") filed a petition for relief under Chapter 11 of the federal bankruptcy laws in the United States Bankruptcy Court for the District of Nevada. On August 13, 2003, the company's wholly owned subsidiary Amerco Real Estate Company ("AREC") filed a petition for relief under Chapter 11 of the federal bankruptcy laws of the United States Bankruptcy Court for the District of Nevada. Under Chapter 11, certain claims against the Debtor in existence prior to the filing of the petition for relief under the federal bankruptcy laws are stayed while the Debtor continues business operations as Debtor–in-possession. These claims are reflected in the June 30, 2003, balance sheet as "liabilities subject to compromise." Additional claims (liabilities subject to compromise) may arise subsequent to the filing date resulting from rejection of executory contracts, including leases, and from the determination by the court (or agreed to by parties in interest) of allowed claims for contingencies and other disputed amounts. Claims secured against the Debtor's assets ("secured claims") also are stayed, although the holders of such claims have the right to move the court for relief from the stay. Secured claims are secured primarily by liens of the Debtor's property, plant and equipment.

2. Organization and Principles of Consolidation

Organization

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-Q, unless the context otherwise requires, the term "Company" refers to AMERCO and all of its legal subsidiaries. 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).

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. Mark V. Shoen, a significant shareholder and executive officer of AMERCO, owns all of the equity interest of SAC Holdings.

Principles of Consolidation

The condensed consolidated financial statements presented here 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. 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. 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. The condensed consolidated financial statements and notes are presented as permitted by Form 10-Q and do not contain certain information included in AMERCO's annual financial statements and notes. For a more detailed presentation of the accounts and transactions of AMERCO, refer to AMERCO's Form 10-K.

The condensed consolidated balance sheet as of June 30, 2003 and the related condensed consolidated statements of operations, comprehensive income, and cash flows for the quarters ended June 30, 2003 and 2002 are unaudited. In our opinion, all adjustments necessary for a fair presentation of such condensed

consolidated financial statements have been included. Such adjustments consist only of normal recurring items. Interim results are not necessarily indicative of results for a full year.

The operating results and financial position of RepWest and Oxford have been consolidated on the basis of a calendar year and, accordingly, are determined on a one-quarter lag for financial reporting purposes. There were no effects related to intervening events, which would materially affect the consolidated financial position or results of operations for the financial statements presented herein, with the exception of various Agreements of Exchange entered into between SAC Holdings and RepWest and SAC Holdings and Oxford. The exchanges were effective June 30, 2003, were non-monetary and were recorded on the basis of the book values of the assets exchanged. Under the terms of these Agreements of Exchange, RepWest and Oxford exchanged their respective interests in Private Mini Storage Realty, L.P., a Texas based self-storage operator, for real estate owned by SAC Holdings. For the purposes of consolidating the operations of RepWest and Oxford and to facilitate proper eliminations among the various entities as of and for the quarter ended June 30, 2003, the transaction was accounted for as if it were effective March 31, 2003 with respect to RepWest and Oxford.

Revenues, expenses (including professional fees), realized gains and losses, and provisions for losses directly associated with the reorganization and restructuring of the business are reported as part of operating expenses in the Condensed Consolidated Statements of Operations. The Condensed Consolidated Balance Sheets distinguish pre-petition liabilities subject to compromise from both those pre-petition liabilities that are not subject to compromise and from post-petition liabilities. Liabilities subject to compromise are reported at the amounts expected to be allowed, even if they may be settled for lesser amounts.

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 Bankruptcy filing and the events of default on substantially all of the Company’s debt raises substantial doubt about the ability of the Company to continue as a going concern. 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 these uncertainties.

Restatements and Reclassifications

In connection with the recently completed audit of the Company’s financial statement for the year ended March 31, 2003, it was determined that there was a need for the Company to record adjustments that resulted in the restatement of the Company’s financial statements, including financial statements for the quarter ended June 30, 2002. The condensed consolidated statement of operations, comprehensive income and cash flows for the quarter ended June 30, 2002 contained in this report have been restated. Net income for the three months ended June 30, 2002 as originally reported was $40.5 million, or $1.81 per basic and diluted share. Net income for this period as restated is $23.8 million or $1.00 per basic and diluted share. The major components of the restatement were related to an adjustment to accrue for fully-developed actuarial estimates of the Company’s insurance reserves and to recognize equity-method losses relating to the Company’s investments in Private Mini Storage Realty, L.P. For a detailed discussion of the adjustments to our financial statements for the fiscal

years ended March 31, 2002 and 2001, see footnote 2 to the consolidated financial statements contained in our Annual Report on Form 10-K.

3. Investments

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

March 31, 2003 Consolidated Held-to-Maturity	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
		(In thousands)		
U.S. government agency mortgage-backed Securities	$ 510	$173	$ —	$ 683
Mortgage-backed securities	12,549	420	(49)	12,920
	$13,059	$593	$(49)	$13,603

March 31, 2003 Consolidated Available-for-Sale	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
		(In thousands)		
U.S. treasury securities and government Obligations	$ 27,343	$ 3,176	$ —	$ 30,519
U.S. government agency mortgage-backed securities	10,915	588	—	11,503
Obligations of states and political subdivisions	2,625	172	—	2,797
Corporate securities	565,750	29,533	(27,825)	567,458
Mortgage-backed securities	84,809	3,147	(3,423)	84,533
Redeemable preferred stocks	123,305	1,721	(1,377)	123,649
Common stocks	1,012	—	—	1,012
	815,759	38,337	(32,625)	821,471
Total	$828,818	$38,930	$(32,674)	$835,074

4. Contingent Liabilities and Commitments

Following are the lease commitments which have a term of more than one year:

Quarter Ending June 30,	Lease Commitments
	(In thousands)
2004	$236,793
2005	100,740
2006	85,503
2007	66,892
2008	21,941
Thereafter	7,522
	$519,391

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 clean up of underground fuel storage tanks. In our opinion, none of such suits, claims or proceedings involving AMERCO, individually, or in the aggregate, are expected to result in a material loss.

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.

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 federal bankruptcy laws in May of 2001. The potential liability to INW could be in the range of $750,000 to $1.25 million.

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

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.

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 occurred on 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, virtually 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 his 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 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 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.

5. New Accounting Standards

Statement of Financial Accounting Standards No. 143 ("SFAS 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 adopted this statement effective April 1, 2003, and it did not affect our consolidated financial position or results of operations.

In April 2002, the FASB issued SFAS No. 145 ("SFAS 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 will be effective for fiscal years beginning after May 15, 2002. We previously reclassified all extraordinary loss on debt extinguishment to interest expense. The changes related to lease accounting will be effective for transactions occurring after May 15, 2002. We have adopted the lease accounting provisions effective May 16, 2002 and it did not affect our consolidated financial position or results of operations.

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 the Statement effective January 1, 2003 and it did not affect our consolidated financial position or results of operations.

In November 2002, the FASB issued FASB Interpretation No. 45 (“FIN 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 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. As a result of FIN 45, the Company has recorded a $70 million liability at March 31, 2003 and June 30, 2003, which is management’s estimate of the liability associated with the guarantee of the indebtedness of an affiliate of Private Mini Storage Realty, L.P. which was entered into in February 2003.

In December 2002, the FASB issued Statement of Financial Accounting Standards No. 148 (“SFAS 148”), “Accounting for Stock-Based Compensation — Transition and Disclosure”, which amends Statement of Financial Accounting Standards No. 123 (“SFAS 123”), “Accounting for Stock-Based Compensation”. SFAS 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, SFAS 148 amends the disclosure requirement of SFAS 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 SFAS 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. We have adopted this statement and it did have a material impact on the Company’s consolidated balance sheet or results of operations.

In April 2003, the FASB issued Statement of Financial Accounting Standards No. 149 (“SFAS 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 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 FIN 45, and (4) amends certain other existing pronouncements. SFAS 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 150 ("SFAS 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 150 currently has no impact on the Company.

In January 2003, the FASB issued FASB Interpretation No. 46 ("FIN 46"), Consolidation of Variable Interest Entities, an interpretation of Accounting Research Bulletins ("ARB") No. 51, Consolidated Financial Statements). 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. SAC Holdings has determined that Private Mini is a Variable Interest Entity and will need to be consolidated beginning in July 2003. Based on December 31, 2002 financial information for Private Mini, 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.

CONSOLIDATING BALANCE SHEETS BY INDUSTRY SEGMENT AND GEOGRAPHIC AREA DATA
AMERCO has four industry segments represented by moving and storage operations (AMERCO and U-Haul), real estate (Real Estate), property and casualty insurance (RepWest), and life insurance (Oxford). SAC Holdings consist of one moving and storage industry segment.
AMERCO (Debtor in Possession) AND CONSOLIDATED SUBSIDIARIES AND SAC HOLDING CORPORATIONS AND CONSOLIDATED SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(Unaudited)

6. Consolidating balance sheets by industry segment as of June 30, 2003 are as follows:

	AMERCO	U-Haul Moving and Storage Operations	Real Estate	Property and Casualty Insurance(1)	Life Insurance(1)	Eliminations
			(In thousands)			
ASSETS						
Cash and cash equivalents	$ 32,741	41,245	272	3,310	2,687	—
Trade receivables, net	—	16,339	13,739	229,145	22,827	—
Notes and mortgages receivables, net	—	34,887	5,771	—	—	—
Inventories, net	—	49,944	4	—	—	—
Prepaid expenses	84	24,512	11	—	—	—
Investments, fixed maturities	—	—	—	238,291	601,278	—
Investments, other	135,000	171,241	217,618	110,706	255,224	(50,027)
Deferred policy acquisition costs, net	—	—	—	12,815	90,892	—
Other assets	514,578	212,435	3,990	105,586	1,476	(773,922)
	682,403	550,603	241,405	699,853	974,384	(823,949)
Investment in Subsidiaries	1,066,859	—	—	—	—	(1,066,859)
Investment in SAC	(43,771)	—	—	—	—	—
Property, plant and equipment, at cost:						
Land	—	19,418	139,165	—	—	—
Buildings and improvements	—	148,359	603,242	—	—	—
Furniture and equipment	460	273,718	18,040	—	—	—
Rental trailers and other rental equipment	—	152,573	—	—	—	—
Rental trucks	—	1,177,683	—	—	—	—
SAC Holdings– property, plant and equipment	—	—	—	—	—	—
	460	1,771,751	760,447	—	—	—
Less accumulated depreciation	(318)	(1,012,129)	(256,559)	—	—	—
Total property, plant and equipment	142	759,622	503,888	—	—	—
TOTAL ASSETS	1,705,633	1,310,225	745,293	699,853	974,384	(1,890,808)

(1) Balance as of March 31, 2003

[Additional columns below]

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

	AMERCO Consolidated	SAC Moving and Storage Operations	Eliminations	Total Consolidated
		(In thousands)		
ASSETS				
Cash and cash equivalents	80,255	5,205	—	85,460
Trade receivables, net	282,050	—	(19,842)	262,208
Notes and mortgages receivables, net	40,658	—	(30,127)	10,531
Inventories, net	49,948	4,302	—	54,250
Prepaid expenses	24,607	973	(5,220)	20,360
Investments, fixed maturities	839,569	—	(5,039)	834,530
Investments, other	839,762	1,701	(400,694)	440,769
Deferred policy acquisition costs, net	103,707	—	—	103,707
Other assets	64,143	55,574	(31,585)	88,132
	2,324,699	67,755	(492,507)	1,899,947
Investment in Subsidiaries	—	—	—	—
Investment in SAC	(43,771)	—	43,771	—
Property, plant and equipment, at cost:				
Land	158,583	—	—	158,583
Buildings and improvements	751,601	—	—	751,601
Furniture and equipment	292,218	—	—	292,218
Rental trailers and other rental equipment	152,573	—	—	152,573
Rental trucks	1,177,683	—	—	1,177,683
SAC Holdings–property, plant and equipment	—	984,939	(258,271)	726,668
	2,532,658	984,939	(258,271)	3,259,326
Less accumulated depreciation	(1,269,006)	(65,607)	7,098	(1,327,515)
Total property, plant and equipment	1,263,652	919,332	(251,173)	1,931,811
TOTAL ASSETS	3,544,580	987,087	(699,909)	3,831,758

(1) Balance as of March 31, 2003

AMERCO (Debtor in Possession) AND CONSOLIDATED SUBSIDIARIES AND SAC HOLDING CORPORATIONS AND CONSOLIDATED SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

(Unaudited)

6. Consolidating Balance Sheets by Industry Segment and Geographic Area Data, Continued:

Consolidating balance sheets by industry segment as of June 30, 2003 are as follows — Continued:

	AMERCO	Moving and Storage Operations U-Haul	Real Estate	Property and Casualty Insurance(1)	Life Insurance(1)	Eliminations
				(In thousands)		
LIABILITIES						
Accounts payable and accrued expenses	$ 181,545	295,656	3,800	—	666	(101,326)
AMERCO's notes and loans payable	—	31,693	101,503	—	—	(39,219)
SAC Holdings' notes and loans payable	—	—	—	—	—	—
Policy benefits and losses, claims and loss expenses payable	—	182,254	—	483,128	181,623	—
Liabilities from investment contracts	—	—	—	—	641,257	—
Other policyholders' funds and liabilities	—	—	—	17,105	7,327	—
Deferred income	—	31,214	1,009	17,306	14,279	—
Deferred income taxes	125,686	222,519	94,914	—	11,730	(346,669)
Other liabilities	—	—	325,565	—	11,170	(336,735)
Liabilities subject to compromise	861,058	—	—	—	—	—
Total liabilities	1,168,289	763,336	526,791	517,539	868,052	(823,949)
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	(6,341)
Additional paid-in-capital	396,048	121,230	147,481	70,023	16,435	(355,169)
Additional paid-in-capital-SAC	3,199	—	—	—	—	—
Accumulated other comprehensive loss	(40,139)	(35,796)	—	(3,058)	(1,308)	40,162
Accumulated other comprehensive loss-SAC Holdings	212	—	—	—	—	—
Retained earnings	585,619	473,737	71,020	112,049	88,705	(745,511)
Cost of common shares in treasury, net	(418,178)	—	—	—	—	—
Unearned ESOP shares	20	(12,822)	—	—	—	—
Total stockholders'						

equity	537,344	546,889	218,502	182,314	106,332	(1,066,859)
Total Liabilities and Stockholders' Equity	1,705,633	1,310,225	745,293	699,853	974,384	(1,890,808)

(1) Balance as of March 31, 2003

[Additional columns below]

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

	AMERCO Consolidated	SAC Moving and Storage Operations	Eliminations	Total Consolidated
		(In thousands)		
LIABILITIES				
Accounts payable and accrued expenses	380,341	49,403	(49,971)	379,773
AMERCO's notes and loans payable	93,977	—	—	93,977
SAC Holdings' notes and loans payable	—	982,728	(393,087)	589,641
Policy benefits and losses, claims and loss expenses payable	847,005	—	—	847,005
Liabilities from investment contracts	641,257	—	—	641,257
Other policyholders' funds and liabilities	24,432	—	—	24,432
Deferred income	63,808	10,069	(36,805)	37,072
Deferred income taxes	108,180	(20,790)	(98,005)	(10,615)
Other liabilities	—	—	—	—
Liabilities subject to compromise	861,058	—	—	861,058
Total liabilities	3,020,058	1,021,410	(577,868)	3,463,600
Minority Interest	—	12,646	(12,646)	—
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	9,122	—	—	9,122
Additional paid-in-capital	396,048	—	(160,264)	235,784
Additional paid-in-capital-SAC	3,199	3,199	(3,199)	3,199
Accumulated other comprehensive loss	(40,139)	—	—	(40,139)
Accumulated other comprehensive loss- SAC Holdings	212	212	(212)	212
Retained earnings	585,619	(47,182)	54,280	592,717
Cost of common shares in treasury, net	(418,178)	(3,198)	—	(421,376)

Unearned ESOP shares	(12,802)	—	—	(12,802)
Total stockholders' equity	524,522	(46,969)	(109,395)	368,158
Total Liabilities and Stockholders' Equity	3,544,580	987,087	(699,909)	3,831,758

(1) Balance as of March 31, 2003

AMERCO (Debtor in Possession) AND CONSOLIDATED SUBSIDIARIES AND SAC HOLDING CORPORATIONS AND CONSOLIDATED SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

6. Consolidating Industry Segment and Geographic Area Data, 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)	Eliminations
			(Unaudited) (In thousands)			
ASSETS						
Cash and cash equivalents	$ 18,524	30,046	174	4,108	9,320	—
Trade receivables, net	—	22,444	1,558	224,427	23,062	—
Notes and mortgage receivable, 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	(79,707)
Deferred policy acquisition costs				13,206	91,894	—
Other assets	471,884	161,825	3,991	88,660	2,289	(689,684)
	625,495	472,292	240,642	704,644	964,375	(769,391)
Investment in Subsidiaries	1,037,756	—	—	—	—	(1,037,756)
Investment in SAC	(41,938)	—	—	—	—	—
Property, plant and equipment, at cost:						
Land	—	18,849	139,138	—	—	—
Buildings and improvements	—	145,177	602,676	—	—	—
Furniture 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	—	—	—	—	—	—
	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	(1,807,147)

[Additional columns below]

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

	AMERCO Consolidated	SAC Moving and Storage Operations	Eliminations	Total Consolidated
		(Unaudited) (In thousands)		
ASSETS				
Cash and cash equivalents	62,172	4,662	—	66,834
Trade receivables, net	271,491	—	(7,754)	263,737
Notes and mortgage receivable, net	27,747	—	(24,879)	2,868
Inventories, net	49,233	4,037	—	53,270
Prepaid expenses	27,498	811	(6,463)	21,846
Investments, fixed maturities	867,077	—	(6,477)	860,600
Investments, other	788,774	—	(399,522)	389,252
Deferred policy acquisition costs	105,100	—	—	105,100
Other assets	38,965	24,635	—	63,600
	2,238,057	34,145	(445,095)	1,827,107
Investment in Subsidiaries	—	—	—	—
Investment in SAC	(41,938)	—	41,938	—
Property, plant and equipment, at cost:				
Land	157,987	—	—	157,987
Buildings and improvements	747,853	—	—	747,853
Furniture 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	—	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	3,438,207	990,029	(654,812)	3,773,424

(1) Balances as of December 31, 2002

AMERCO (Debtor in Possession) AND CONSOLIDATED SUBSIDIARIES AND SAC HOLDING CORPORATIONS AND CONSOLIDATED SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

6. Consolidating Balance Sheets By Industry Segment And Geographic Area Data, Continued:

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

	AMERCO	Moving and Storage Operations U-Haul	Real Estate	Property and Casualty Insurance(1)	Life Insurance(1)	Eliminations
			(Unaudited) (In thousands)			
LIABILITIES						
Accounts payable and accrued expenses	$ 139,496	263,394	7,892	—	570	(39,735)
AMERCO's notes and loans payable	861,158	31,693	101,505	—	—	(39,500)
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 policyholders' 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	(353,058)
Other liabilities	—	—	325,783	—	11,315	(337,098)
Total liabilities	1,123,963	709,411	531,105	505,547	853,275	(769,391)
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	(6,341)
Additional paid-in-capital	396,050	121,230	147,481	70,023	16,435	(355,169)
Additional paid-in-capital — SAC	3,199	—	—	—	—	—
Accumulated other comprehensive loss	(54,278)	(39,849)	—	13,589	4,166	22,094
Accumulated other comprehensive loss — SAC	(1,487)	—	—	—	—	—
Retained earnings	561,606	430,656	67,500	112,185	87,999	(698,340)
Cost of common shares in treasury	(418,179)	—	—	—	—	—
Unearned ESOP shares	20	(13,197)	—	—	—	—
Total stockholders' equity	497,494	499,380	214,982	199,097	111,100	(1,037,756)
Total Liabilities and stockholders' equity	$1,621,457	1,208,791	746,087	704,644	964,375	(1,087,147)

[Additional columns below]

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

	AMERCO Consolidated	SAC Moving and Storage Operations	Eliminations	Total Consolidated
		(Unaudited) (In thousands)		
LIABILITIES				
Accounts payable and accrued expenses	371,617	48,033	(32,633)	387,017
AMERCO's notes and loans payable	954,856	—	—	954,856
SAC Holdings' notes and loans payable	—	983,190	(394,171)	589,019
Policy benefits and losses, claims and loss expenses payable	836,632	—	—	836,632
Liabilities from investment contracts	639,998	—	—	639,998
Other policyholders' funds and liabilities	30,309	—	—	30,309
Deferred income	34,817	12,033	(6,463)	40,387
Deferred income taxes	85,681	(19,918)	(98,005)	(32,242)
Other liabilities	—	—	—	—
Total liabilities	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	9,122	—	—	9,122
Additional paid-in-capital	396,050	—	(160,266)	235,784
Additional paid-in-capital — SAC	3,199	3,199	(3,199)	3,199
Accumulated other comprehensive loss	(54,278)	—	—	(54,278)
Accumulated other comprehensive loss — SAC	(1,487)	(1,487)	1,487	(1,487)
Retained earnings	561,606	(43,650)	50,266	568,222
Cost of common shares in treasury	(418,179)	(3,199)	—	(421,378)
Unearned ESOP shares	(13,177)	—	—	(13,177)
Total stockholders' equity	484,297	(45,137)	(111,712)	327,448
Total Liabilities and				

stockholders' equity	3,438,207	990,029	(654,812)	3,773,424

(1) Balances as of December 31, 2002

AMERCO (Debtor in Possession) AND CONSOLIDATED SUBSIDIARIES AND SAC HOLDING CORPORATIONS AND CONSOLIDATED SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

6. Consolidating Industry Segment and Geographic Area Data, Continued:

Consolidating statements of operations by industry segment for the quarter ended June 30, 2003 are as follows:

	AMERCO	U-Haul Moving and Storage Operations	Real Estate	Property and Casualty Insurance(1)	Life Insurance(1)	Eliminations
			(Unaudited) (In thousands)			
Revenues						
Rental revenue	$ —	407,047	14,828	—	—	(15,319)
Net sales	—	54,276	15	—	—	—
Premiums	—	—	—	28,567	38,084	(2,195)
Net investment and interest income	244	8,028	1,992	5,804	5,353	—
Total revenues	244	469,351	16,835	34,371	43,437	(17,514)
Costs and expenses						
Operating expenses	11,530	262,735	(2,534)	5,278	8,650	(17,514)
Commission expenses	—	47,153	—	—	—	—
Cost of sales	—	25,627	6	—	—	—
Benefits and losses	—	—	—	25,582	27,817	—
Amortization of deferred policy acquisition costs	—	—	—	3,710	5,390	—
Lease expense	230	37,520	4,444	—	—	—
Depreciation, net	3	30,580	2,171	—	—	—
Total costs and expenses	11,763	403,615	4,087	34,570	41,857	(17,514)
Equity in Earnings of Subsidiary	47,171	—	—	—	—	(47,171)
Equity in Earning of SAC	(3,532)	—	—	—	—	—
Earnings (loss) from operations	32,120	65,736	12,748	(199)	1,580	(47,171)
Interest expense	14,375	(1,069)	6,797	—	—	—
Pretax earnings (loss)	17,745	66,805	5,951	(199)	1,580	(47,171)
Income tax benefit (expense)	9,509	(23,724)	(2,431)	63	(874)	—
Net earnings/(loss)	27,254	43,081	3,520	(136)	706	(47,171)
Less: Preferred stock dividends	(3,241)	—	—	—	—	—
Earnings (loss) available to common shareholders	$24,013	43,081	3,520	(136)	706	(47,171)

[Additional columns below]

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

AMERCO Consolidated	SAC Moving and Storage Operations	Eliminations	Total Consolidated

		(Unaudited) (In thousands)		
Revenues				
Rental revenue	406,556	42,300	(13,814)	435,042
Net sales	54,291	14,918	—	69,209
Premiums	64,456	—	—	64,456
Net investment and interest income	21,421	—	(10,012)	11,409
Total revenues	546,724	57,218	(23,826)	580,116
Costs and expenses				
Operating expenses	268,145	28,122	(3,291)	292,976
Commission expenses	47,153	—	(6,959)	40,194
Cost of sales	25,633	6,586	—	32,219
Benefits and losses	53,399	—	—	53,399
Amortization of deferred policy acquisition costs	9,100	—	—	9,100
Lease expense	42,194	—	(3,564)	38,630
Depreciation, net	32,754	5,766	(482)	38,038
Total costs and expenses	478,378	40,474	(14,296)	504,556
Equity in Earnings of Subsidiary	—	—	—	—
Equity in Earning of SAC	(3,532)	—	3,532	—
Earnings (loss) from operations	64,814	16,744	(5,998)	75,560
Interest expense	20,103	20,807	(10,012)	30,898
Pretax earnings (loss)	44,711	(4,063)	4,014	44,662
Income tax benefit (expense)	(17,457)	531	—	(16,926)
Net earnings/(loss)	27,254	(3,532)	4,014	27,736
Less: Preferred stock dividends	(3,241)	—	—	(3,241)
Earnings (loss) available to common shareholders	24,013	(3,532)	4,014	24,495

(1) For the quarter ended March 31, 2003

AMERCO (Debtor in Possession) AND CONSOLIDATED SUBSIDIARIES AND SAC HOLDING CORPORATIONS AND CONSOLIDATED SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

6. Consolidating Industry Segment and Geographic Area Data, Continued:

Consolidating statements of operations by industry segment for the restated quarter ended June 30, 2002 are as follows:

	AMERCO	U-Haul Moving and Storage Operations	Real Estate	Property and Casualty Insurance(1)	Life Insurance(1)	Eliminations
				(Unaudited) (In thousands)		
Revenues						
Rental revenue	$ —	383,709	15,384	—	—	(15,695)
Net sales	—	53,624	16	—	—	—
Premiums	—	—	—	46,609	39,658	(1,614)
Net investment and interest income	811	7,589	2,777	7,568	5,384	—
Total revenues	811	444,922	18,177	54,177	45,042	(17,309)
Costs and expenses						
Operating expenses	1,079	257,788	(588)	5,210	8,363	(17,309)
Commission expenses	—	49,039	—	—	—	—
Cost of sales	—	29,448	7	—	—	—
Benefits and losses	—	—	—	45,647	30,771	—
Amortization of deferred acquisition costs	—	—	—	5,309	5,025	—
Lease expense	230	41,219	1,962	—	—	—
Depreciation, net	4	27,421	2,125	—	—	—
Total costs and expenses	1,313	404,915	3,506	56,166	44,159	(17,309)
Equity in Earnings of Subsidiary	30,024	—	—	—	—	(30,024)
Equity in Earning of SAC	(389)	—	—	—	—	—
Earnings (loss) from operations	29,133	40,007	14,671	(1,989)	883	(30,024)
Interest expense	9,249	3,751	5,302	—	—	—
Pretax earnings (loss)	19,884	36,256	9,369	(1,989)	883	(30,024)
Income tax benefit (expense)	3,413	(11,917)	(3,279)	1,005	(304)	—
Net earnings/(loss)	23,297	24,339	6,090	(984)	579	(30,024)
Less: Preferred stock dividends	(3,241)	—	—	—	—	—
Earnings (loss) available to common shareholders	$20,056	24,339	6,090	(984)	579	(30,024)

[Additional columns below]

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

	SAC Moving and

	AMERCO Consolidated	Storage Operations	Eliminations	Total Consolidated
		(Unaudited) (In thousands)		
Revenues				
Rental revenue	383,398	40,198	(12,019)	411,577
Net sales	53,640	14,549	—	68,189
Premiums	84,653	—	—	84,653
Net investment and interest income	24,129	—	(9,254)	14,875
Total revenues	545,820	54,747	(21,273)	579,294
Costs and expenses				
Operating expenses	254,543	24,732	(3,055)	276,220
Commission expenses	49,039	—	(6,909)	42,130
Cost of sales	29,455	6,072	—	35,527
Benefits and losses	76,418	—	—	76,418
Amortization of deferred acquisition costs	10,334	—	—	10,334
Lease expense	43,411	—	(2,055)	41,356
Depreciation, net	29,550	4,644	(482)	33,712
Total costs and expenses	492,750	35,448	(12,501)	515,697
Equity in Earnings of Subsidiary	—	—	—	—
Equity in Earning of SAC	(389)	—	389	—
Earnings (loss) from operations	52,681	19,299	(8,383)	63,597
Interest expense	18,302	19,647	(9,254)	28,695
Pretax earnings (loss)	34,379	(348)	871	34,902
Income tax benefit (expense)	(11,082)	(41)	—	(11,123)
Net earnings/(loss)	23,297	(389)	871	23,779
Less: Preferred stock dividends	(3,241)	—	—	(3,241)
Earnings (loss) available to common shareholders	20,056	(389)	871	20,538

(1) For the quarter ended March 31, 2002

6. Consolidating Industry Segment and Geographic Area Data, Continued:

Consolidating cash flow statements by industry segment for the quarter ended June 30, 2003 are as follows:

	AMERCO	U-Haul Moving and Storage Operations	Real Estate	Property and Casualty Insurance(1)	Life Insurance(1)	Eliminations
			(Unaudited) (In thousands)			
Net cash flows provided by (used in) operating activities	$14,217	48,133	604	(28,193)	(1,233)	—
Cash flows from investing activities:						
Purchases of investments:						
Property, plant and equipment	—	(41,895)	—	—	—	—
Fixed maturities	—	—	—	(70)	(13,847)	—
Common Stock	—	—	—	—	—	—
Preferred Stock	—	—	—	—	—	—
Other asset investment	—	—	—	9,386	(34,860)	—
Real estate	—	—	—	—	—	—
Mortgage loans	—	—	—	—	—	—
Proceeds from sale of investments:			—	—	—	
Property, plant and equipment	—	4,513	(634)	—	—	—
Fixed maturities	—	—	—	17,597	35,553	—
Common Stock	—	—	—	—	—	—
Preferred Stock	—	—	—	—	—	—
Real estate	—	—	—	482	5,862	—
Mortgage loans	—	73	130	—	—	—
Changes in other investments	—	—	—	—	1,114	—
Net cash provided by (used in) investing activities	—	(37,309)	(504)	27,395	(6,178)	—
Cash flows from financing activities:						
Net change in short-term borrowings	—	—	—	—	—	—
Proceeds from notes	—	—	—	—	—	—
Debt issuance costs	—	—	—	—	—	—
Leveraged ESOP:	—	—	—	—	—	—
Purchase of shares	—		—	—	—	—
Payments on loans	—	375	—	—	—	—
Principal payments on notes	—	—	(2)	—	—	—
Preferred stock dividends paid	—	—	—	—	—	—
Treasury stock acquisitions, net	—	—	—	—	—	—
Dividends paid	—	—	—	—	—	—
Investment contract deposits	—	—	—	—	20,334	—

Investment contract withdrawals	—	—	—	—	(19,556)	—
Net cash provided by (used in) financing activities	—	375	(2)	—	778	—
Increase (decrease) in cash and cash equivalents	14,217	11,199	98	(798)	(6,633)	—
Cash and cash equivalents at the beginning of period	18,524	30,046	174	4,108	9,320	—
Cash and cash equivalents at the end of period	$32,741	41,245	272	3,310	2,687	—

[Additional columns below]

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

	AMERCO Consolidated	SAC Moving and Storage Operations	Eliminations	Total Consolidated
		(Unaudited) (In thousands)		
Net cash flows provided by (used in) operating activities	33,528	(27,569)	36,669	42,628
Cash flows from investing activities:				
Purchases of investments:				
Property, plant and equipment	(41,895)	(6,242)	—	(48,137)
Fixed maturities	(13,917)	—	—	(13,917)
Common Stock	—	—	—	—
Preferred Stock	—	—	—	—
Other asset investment	(25,474)	—	—	(25,474)
Real estate	—	—	—	—
Mortgage loans	—	—	—	—
Proceeds from sale of investments:	—			
Property, plant and equipment	3,879	37,029	(37,751)	3,157
Fixed maturities	53,150	—	—	53,150
Common Stock	—	—	—	—
Preferred Stock	—	—	—	—
Real estate	6,344	—	—	6,344
Mortgage loans	203	—	—	203
Changes in other investments	1,114	—		1,114
Net cash provided by (used in) investing activities	(16,596)	30,787	(37,751)	(23,560)
Cash flows from financing activities:				
Net change in short-term borrowings	—	—	—	—
Proceeds from notes	—	357	(357)	—

Debt issuance costs	—	—	—	—
Leveraged ESOP:	—	—	—	—
Purchase of shares				
Payments on loans	375	—	—	375
Principal payments on notes	(2)	(3,032)	1,439	(1,595)
Preferred stock dividends paid	—	—	—	—
Treasury stock acquisitions, net	—	—	—	—
Dividends paid	—	—	—	—
Investment contract deposits	20,334	—	—	20,334
Investment contract withdrawals	(19,556)	—	—	(19,556)
Net cash provided by (used in) financing activities	1,151	(2,675)	1,082	(442)
Increase (decrease) in cash and cash equivalents	18,083	543	—	18,626
Cash and cash equivalents at the beginning of period	62,172	4,662	—	66,834
Cash and cash equivalents at the end of period	80,255	5,205	—	85,460

(1) For the quarter ended March 31, 2003

AMERCO (Debtor in Possession) AND CONSOLIDATED SUBSIDIARIES AND
SAC HOLDING CORPORATIONS AND CONSOLIDATED SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

6. Consolidating Industry Segment and Geographic Area Data, Continued:

Consolidating cash flow statements by industry segment for the quarter ended June 30, 2002 are as follows:

	AMERCO	U-Haul Moving and Storage Operations	Real Estate	Property and Casualty Insurance(1)	Life Insurance(1)	Eliminations
			(Unaudited) (In thousands)			
Net cash flows provided by (used in) operating activities	$ 208,844	49,252	(99,525)	(27,956)	(16,869)	—
Cash flows from investing activities:						
Purchases of investments:						
Property, plant and equipment	—	(55,735)	(445)	—	—	—
Fixed maturities	—	—	—	—	(60,986)	—
Common Stock	—	—	—	—	—	—
Preferred Stock	—	—	—	—	—	—
Other asset investment	—	—	—	—	(362)	—
Real estate	—	—	—	—	—	—
Mortgage loans	—	—	—	—	—	—
Proceeds from sale of investments:				—	—	
Property, plant and equipment	3	—	—	—	—	—
Fixed maturities	—	—	—	20,745	49,579	—
Common Stock	—	—	—	—	—	—
Preferred Stock	—	—	—	—	2,578	—
Real estate	—	—	—	—	4,545	—
Mortgage loans	—	—	—	560	—	—
Changes in other investments	—	—	—	11,376	(4,028)	—
Net cash provided by (used in) investing activities	3	(55,735)	(445)	32,681	(8,674)	—
Cash flows from financing activities:						
Net change in short-term borrowings	(100,485)	—	—	—	—	—
Proceeds from notes	—	—	99,991	—	—	—
Debt issuance costs	—	—	—	—	—	—
Leveraged ESOP:	—	—	—	—	—	—
Purchase of shares	—	(84)	—	—	—	—
Payments on loans	—	—	—	—	—	—
Principal payments on notes	(107,290)	—	—	—	—	—
Preferred stock dividends paid	—	—	—	—	—	—
Treasury stock acquisitions, net	(572)	—	—	—	—	—
Dividends paid	—	—	—	—	—	—
Investment contract						

deposits	—	—	—	—	36,628	—
Investment contract withdrawals	—	—	—	—	(19,211)	—
Net cash provided by (used in) financing activities	(208,347)	(84)	99,991	—	17,417	—
Increase (decrease) in cash and cash equivalents	500	(6,567)	21	4,725	(8,126)	—
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	$ 571	19,152	597	10,637	1,032	—

[Additional columns below]

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

	AMERCO Consolidated	SAC Moving and Storage Operations	Eliminations	Total Consolidated
		(Unaudited) (In thousands)		
Net cash flows provided by (used in) operating activities	113,746	5,146	(1,564)	117,328
Cash flows from investing activities:				
Purchases of investments:				
Property, plant and equipment	(56,180)	(5,035)	—	(61,215)
Fixed maturities	(60,986)	—	—	(60,986)
Common Stock	—	—	—	—
Preferred Stock	—	—	—	—
Other asset investment	(362)	—	—	(362)
Real estate	—	—	—	—
Mortgage loans	—	—	—	—
Proceeds from sale of investments:	—			—
Property, plant and equipment	3	—	—	3
Fixed maturities	70,324	—	—	70,324
Common Stock	—	—	—	—
Preferred Stock	2,578	—	—	2,578
Real estate	4,545	—	—	4,545
Mortgage loans	560	—	—	560
Changes in other investments	7,348	—	—	7,348
Net cash provided by (used in) investing activities	(32,170)	(5,035)	—	(37,205)
Cash flows from financing activities:				
Net change in short-term borrowings	(100,485)	—	—	(100,485)
Proceeds from notes	99,991	(1,564)	1,564	99,991
Debt issuance costs	—	—	—	—

Leveraged ESOP:	—	—	—	—
Purchase of shares	(84)	—	—	(84)
Payments on loans	—	—	—	—
Principal payments on notes	(107,290)	1,453	—	(105,837)
Preferred stock dividends paid	—	—	—	—
Treasury stock acquisitions, net	(572)	—	—	(572)
Dividends paid	—	—	—	—
Investment contract deposits	36,628	—	—	36,628
Investment contract withdrawals	(19,211)	—	—	(19,211)
Net cash provided by (used in) financing activities	(91,023)	(111)	1,564	(89,570)
Increase (decrease) in cash and cash equivalents	(9,447)	—	—	(9,447)
Cash and cash equivalents at the beginning of period	41,436	10	—	41,446
Cash and cash equivalents at the end of period	31,989	10	—	31,999

(1) For the quarter ended March 31, 2002

6. Industry Segment and Geographic Area Data, Continued:

Geographic Area Data — (All amounts are in U.S. $'s)	United States	Canada	Consolidated
	Quarter Ended		
	(Unaudited) (In thousands)		
June 30, 2003			
Total revenues	$ 561,570	$ 18,546	$ 580,116
Depreciation/amortization	45,606	1,532	47,138
Interest expense	29,532	1,366	30,898
Pretax earnings	40,251	4,411	44,662
Income tax benefit (expense)	(16,926)	—	(16,926)
Identifiable assets	3,699,208	143,165	3,842,373
June 30, 2002			
Total revenues	564,107	15,392	579,499
Depreciation/amortization	42,716	1,330	44,046
Interest expense	27,587	1,108	28,695
Pretax earnings	31,922	2,980	34,902
Income tax benefit (expense)	(11,123)	—	(11,123)
Identifiable assets	3,499,642	130,082	3,629,724

7. Liabilities Subject to Compromise

Under the Bankruptcy Code certain claims against AMERCO in existence prior to the Petition Date are stayed while AMERCO continues operating as a debtor-in-possession. AMERCO has received approval from the Court to (a) pay pre-petition and post-petition employee wages, salaries, benefits and other employee obligations; (b) pay vendors and other providers in the ordinary course for goods and services received from and after the Petition Date. Substantially all other pre-petition liabilities of AMERCO have been classified as liabilities subject to compromise in the unaudited Condensed Consolidated Balance Sheets. Adjustments to these liabilities may result from negotiations, payments authorized by Court order, additional rejection of executory contracts including leases, or other events.

Shortly after the Chapter 11 filing, AMERCO began notifying all known or potential creditors of the filing for the purpose of identifying all pre-petition claims against the Company. Amounts that AMERCO has recorded may be different than amounts filed by its creditors. The number and amount of allowable claims cannot be presently ascertained. The claims reconciliation process may result in adjustments to allowable claims.

The following table summarizes the components of Liabilities subject to compromise included in AMERCO's Condensed Consolidated Balance Sheets as of June 30, 2003 (in thousands):

Debt	$860,873
Accounts payable	185
Total liabilities subject to compromise	$861,058

Reorganization items represent amounts incurred as a direct result of the Company's Chapter 11 filing and are included in operating expenses and interest expense in the Company's Statement of Operations. Professional fees of $8.8 million and default interest payments of $4.4 million were paid during the quarter ended June 30, 2003.

7. Certain Relationships and Related Transactions

During the quarter ended June 30, 2003, the Company purchased $140,280, of printing from Form Builders, Inc. Mark V. Shoen, his daughter and Edward J. Shoen's sons are major stockholders of Form Builders, Inc. The Company ceased doing business with Form Builders on April 18, 2003.

Item 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

Cautionary Statements Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements. We may make additional written or oral forward-looking statements from time to time in filings with the Securities and Exchange Commission or otherwise. We believe such forward-looking statements are within the meaning of the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements may include, but are not limited to, projections of revenues, income or loss, estimates of capital expenditures, our plans and intentions regarding the recapitalization of our balance sheet and the payment of dividends arrearages, plans for future operations, products or services and financing needs and plans, our perceptions of our 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" 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 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 industry segments is incorporated by reference from — Notes 1 and 6 of Notes to Condensed Consolidated Financial Statements. The notes discuss the principles of consolidation, summarized consolidated financial information and industry segment and geographical area data, respectively. In consolidation, all intersegment premiums are eliminated and the benefits, losses and expenses are retained by the insurance companies.

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 of America. The preparation of our 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. Our estimates are based on historical experience, observance of trends in particular areas, information and/ or valuations available from outside sources and on various other assumptions that we believe 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. We consider the following to be critical accounting policies:

Principles of Consolidation

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 June 30, 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.

Results of Operations

Quarter Ended June 30, 2003 Versus Quarter Ended June 30, 2002

U-HAUL Moving and Storage Operations

Revenues consist of rental revenues, net sales and investment earnings. Rental revenue was $407.0 million and $383.7 million for the quarter ended June 30, 2003 and 2002. The increase was due to a 6% increase in the rental transactions of trucks and trailers.

Net sales revenues were $54.3 million and $53.6 million for the quarter ended June 30, 2003 and 2002. The increase in sales was due to increased volume.

Cost of sales were $25.6 million and $29.4 million for the quarter ended June 30, 2003 and 2002. The decrease was due to better material cost margins and increased labor efficiency.

Operating expenses before inter-company eliminations were $262.7 million and $257.8 million for the quarter ended June 30, 2003 and 2002.

Lease expense was $37.5 million and $41.2 million for the quarter ended June 30, 2003 and 2002. This decrease reflects a decline in the number of leased rental trucks.

Net depreciation expense was $30.6 million and $27.4 million for the quarter ended June 30, 2003 and 2002.

Operating profit before inter-company eliminations was $65.7 million and $40.0 million for the quarter ended June 30, 2003 and 2002.

SAC Moving and Storage Operations

Total revenues consist of storage rental revenues, vehicle rental commissions and net sales. Total rental revenue was $42.3 million and $40.2 million for the quarter ended June 30, 2003 and 2002. The increase is due to a 9% increase in storage rental transactions.

Net sales revenues were $14.9 million and $14.5 million for the quarter ended June 30, 2003 and 2002. Net sales stayed about constant for the same time period.

Operating expenses before inter-company eliminations were $28.1 million and $24.7 million for the quarter ended June 30, 2003 and 2002. Increased expenses were the result of increased property taxes, management fees, and utilities.

Cost of sales were $6.6 million and $6.1 million for the quarter ended June 30, 2003 and 2002. The increase is proportional to increases in net sales.

Net depreciation expense was $5.8 million and $4.6 million for the quarter ended June 30, 2003 and 2002.

Operating profits were $16.7 million and $19.3 million for the quarter ended June 30, 2003 and 2002.

Amerco's Real Estate Operations

Rental revenue before inter-company eliminations was $14.8 million and $15.4 million for the quarter ended June 30, 2003 and 2002. Intercompany revenue was $14.0 and $14.7 million for the quarter ended June 30, 2003 and 2002.

Net investment and interest income was $2.0 million and $2.8 million for the quarter ended June 30, 2003 and 2002.

Lease expense was $4.4 million and $2.0 for the quarter ended June 30, 2003 and 2002. The increase is a result of the increase in synthetic lease expense.

Net depreciation expense was $2.2 million and $2.1 million for the quarter ended June 30, 2003 and 2002. The increase in net depreciation expense is the result of a decline in gross profits recognized on the sales of surplus properties.

Operating profit before inter-company eliminations was $12.7 million and $14.7 million for the quarter ended June 30, 2003 and 2002.

Property and Casualty

RepWest's earned premiums were $28.6 million and $46.6 million for the quarter ended March 31, 2003 and 2002 respectively. General agency premiums were $21.0 million and 28.1 million for the quarters ended March 31, 2003 and March 31, 2002, respectively. The decrease in 2003 is due to the reduction of the Company's non-core lines of business. Assumed treaty reinsurance premium was $2.0 million and $9.3 million for the quarters ended March 31, 2003 and March 31, 2002, respectively. The decrease from 2002 to 2003 is due to the non-renewal and cancellation of Company's assumed treaty business. Rental industry earnings were $5.5 million and $9.2 million for the quarters ended March 31, 2003 and March 31, 2002, respectively. The 2003 decrease was from a change in policy structure on U-Haul business effective April 1, 2002. Under the new policy U-Haul is now responsible for the losses from $0 — $2,000,000.

Net investment income was $5.8 million and $7.6 million for the quarter ended March 31, 2003 and 2002. The decrease is primarily attributable to lower annual average invested assets.

Operating expenses were $5.3 million and $5.2 million for the quarter ended March 31, 2003 and 2002.

Benefits and losses incurred were $25.6 million and $45.6 million for the quarter ended March 31, 2003 and 2002. The decrease in 2003 is due to decreased underwritings in all segments of the Company's business.

The amortization of deferred acquisition costs (DAC) was $3.7 million and $5.3 million for the quarter ended March 31, 2003 and 2002. The 2003 decrease is due to the Company's premium writings.

Operating loss before inter-company eliminations was $0.2 million and $2.0 million for the quarter ended March 31, 2003 and 2002. The decrease is due to the cancellation of multiple unprofitable lines of business.

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. Management estimates that approximately 78% of net earned premium and balance sheet reserves relate to the operations being discontinued. The process will be conducted in a fashion to help insure an orderly transition and minimize related costs. However, this exit may result in near term losses.

REPUBLIC WESTERN BUSINESS BREAKDOWN

	Net Earned Premium 03/03	Net Earned Premium 03/02	Outstanding Reserves 03/03	Outstanding Reserves 12/02
Total Company	28,566,943	46,609,350	405,398,104	399,448,036
U-Haul business	584,004	3,108,917	77,956,115	85,196,799
Safes	3,184,075	3,291,201	2,821,145	2,698,114
Storage	1,464,553	1,871,330	6,784,737	6,871,358
NAFCIC	1,071,216	1,114,400	3,238,375	3,627,634
Total U-Haul	6,303,848	9,385,848	90,800,372	98,393,905
Agency	21,209,852	28,943,746	244,681,534	227,776,323
Assumed business	1,053,243	8,279,756	69,916,198	73,277,808
Total non-U-Haul	22,263,095	37,223,502	314,597,732	301,054,131

Life Insurance

Net premiums were $38.1 million and $39.7 million for the quarter ended March 31, 2003 and 2002, respectively. Oxford increased Medicare supplement premiums by $0.3 million through direct writings and rate management activity. Credit insurance premiums decreased $1.0 million for the quarter. Other health premiums decreased $0.6 million from terminated programs. Other lines had premium decreases totaling $0.3 million.

Net investment income before inter-company eliminations increased $0.02 million to $5.4 million from $5.4.

Operating expenses were $8.7 million and $8.4 million for the quarter ended March 31, 2003 and 2002. Non-deferrable commissions have increased $0.9 million from 2002 primarily due to the increase in Medicare supplement and life premiums. General and administrative expenses net of fees collected decreased $0.6 million.

Benefits incurred were $27.8 million and $30.8 million for the quarter ended March 31, 2003 and 2002. Medicare supplement incurred claims decreased $1.4 million for the quarter and Credit incurred claims decreased $1.3 million. Other lines had decreases of $0.3 million.

Amortization of deferred acquisition cost (“DAC”) and the value of business acquired (“VOBA”) was $5.4 million and $5.0 million for the quarter ended March 31, 2003 and 2002.

Operating profit/(loss) before tax and inter-company eliminations was $1.6 million and $0.9 million for the quarter ended March 31, 2003 and 2002. The increase from 2002 is due primarily to improved loss ratios in Medicare supplement.

Consolidated Group

Interest Expense

Interest expense was $30.9 million and $28.7 million for the quarter ended June 30, 2003 and 2002, respectively.

Interest expense of SAC Holdings on third party debt was $10.8 million and $10.4 million for the quarter ended June 30, 2003 and 2002, respectively. AMERCO’s interest expense on third party debt was $20.1 and $18.3 million for the quarter ended June 30, 2003 and 2002, respectively.

Earnings

Pretax earnings were $44.7 million and $34.9 million for the quarter ended June 30, 2003 and 2002, respectively. After providing for income taxes, net earnings were $27.7 million and $23.8 million for the quarter ended June 30, 2003 and 2002, respectively.

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 $85.5 million at June 30, 2003, compared to $66.8 million at March 31, 2003.

U-Haul Moving and Storage Operations

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

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.

In addition, AMERCO has entered into a restructuring agreement with the revolver lenders and Amerco Real Estate Company has entered into a restructuring agreement with the holders of $100 million of its notes. Both agreements govern the consensual treatment of such creditors under AMERCO's contemplated Plan of Reorganization and such creditors have agreed to support confirmation of the Plan. These agreements are filed as exhibits to this report.

Credit Agreements

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 June 30, 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 $26.6 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 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.

U-Haul Moving and Storage Operations

At June 30, 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 $295.7 million. U-Haul Moving and Storage financial assets (cash, receivables, inventories, and short term investments) at June 30, 2003 were $142.4 million. These assets, if converted to cash, are available to meet the financial obligations of AMERCO.

SAC Moving and Storage Operations

At June 30, 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 $49.4 million. SAC Holdings financial assets (cash, receivables, inventories, and short term investments) at June 30, 2003 were $9.5 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 June 30, 2003, Real Estate had $101.5 million of notes and loans payable due in less than one year and its accounts payable and accrued expenses total $3.8 million. Real Estate financial assets (cash, receivables, inventories, and short term investments) at June 30, 2003 were $19.8 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 March 31, 2003, Property and Casualty had no notes and loans due in less than one year and its accounts payable and accrued expenses were $17.1 million. Property and Casualty financial assets (cash, receivables, inventories, and short term investments) at March 31, 2003 were $343.2 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.”

Life Insurance

At March 31, 2003, Life Insurance had no notes and loans payable due in less than one year and its accounts payable and accrued expenses total $0.7 million. Life Insurance financial assets (cash, receivables, inventories, and short term investments) at March 31, 2003 were $280.7 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 June 30, 2003, total outstanding notes and mortgages payable for AMERCO and consolidated subsidiaries was $955.0 million compared to $954.9 million at March 31, 2003.

At June 30, 2003, total outstanding notes and mortgages payable for SAC Holdings and consolidated subsidiaries, before intercompany eliminations were $982.7 million as compared to $983.2 million at March 31, 2003. 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 has notes, loans and lease obligations due in one year of $1.2 billion. The group also had accounts payable and accrued expenses of $380.0 million. Liquid assets for the group totaled $412.5 million. AMERCO is in the process of refinancing and restructuring its debt to meet it's liquidity needs.

U-HAUL Moving and Storage Operations

Cash provided by operating activities was $48.1 million and $49.2 million for the quarter ended June 30, 2003 and 2002, respectively.

SAC Moving and Storage Operations

SAC Holdings' operations are funded by various mortgage loans and unsecured notes, with interest rates ranging from 7.5% to 13.0%. SAC Holdings' does not utilize revolving lines of credit to finance its operations or acquisitions. Certain of SAC Holdings' agreements contain restrictive covenants including coverage ratios and restrictions on incurring additional subsidiary indebtedness. At June 30, 2003, SAC Holdings was in compliance with all of these covenants.

Property and Casualty

Cash used by operating activities was $28.2 million and $28.0 million for the quarter ended March 31, 2003 and 2002, respectively. The decrease is due to less change in unearned premiums offset by increased receivables.

RepWest's cash and cash equivalents and short-term investment portfolio was $25.1 million and $11.6 million at March 31, 2003 and 2002, respectively.

RepWest maintains a diversified securities investment portfolio, primarily in bonds, at varying maturity levels with 71.2% of the fixed-income securities consisting of investment grade securities. The maturity distribution is designed to provide sufficient liquidity to meet future cash needs. Current liquidity remains stable with current invested assets equal to 72.9% of total liabilities.

The liability for reported and unreported losses based upon RepWest's historical results and industry averages. Unpaid loss adjustment expenses are based on historical ratios of loss adjustment expenses paid to losses paid. Unpaid loss and loss expenses are not discounted.

Stockholder's equity was $183.1 million and $199.1 million at March 31, 2003 and 2002, respectively. RepWest considers current shareholder's equity to be adequate to support future growth and absorb unforeseen risk events.

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 flows used by operating activities was $1.2 million, and $16.9 million for the quarters ended March 31, 2003 and March 31, 2002. Cash flows provided by financing activities were $0.8 million, and $17.4 million for the quarters ended March 31, 2003 and 2002. Cash flows from deferred annuity sales increased investment contract deposits, which are a component of financing activities.

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 March 31, 2003 and 2002 short-term investments amounted to $115.2 million and $57.5 million respectively. Management believes that the overall sources of liquidity will continue to meet foreseeable cash needs.

Stockholders' equity of Oxford decreased to $106.3 million from $111.1 for the quarters ended March 31, 2003 and March 31, 2002, respectively.

Applicable laws and regulations of the State of Arizona require the Company's insurance subsidiaries to maintain minimum capital and surplus determined in accordance with statutory accounting practices. With respect to Oxford, the amount is $0.4 million. In addition, the amount of dividends that can be paid to shareholders by insurance companies domiciled in the State of Arizona is limited. Any dividends in excess of the limit requires prior regulatory approval. As of March 31, 2003, Oxford must receive regulatory approval before any statutory surplus can be distributed as dividends. These restrictions are not expected to have a material adverse effect on the ability of the Company to meet its cash obligations.

Consolidated Group

Cash provided by operating activities was $42.6 million and $117.3 million for the quarter ended June 30, 2003 and 2002, respectively.

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 Bankruptcy filing and the events of default on substantially all of the Company's debt raises substantial doubt about the ability of the Company to continue as a going concern. 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 liability that might result from these uncertainties. The Company's independent auditors qualified their opinion on the company's March 31, 2003 financial statements by including an explanatory paragraph in which they expressed substantial doubt about the Company's ability to continue as a going concern.

At June 30, 2003, total outstanding notes and mortgages payable for AMERCO and wholly owned subsidiaries was $955.0 million compared to $954.9 million at March 31, 2003. At June 30, 2003, total outstanding notes and mortgages payable for SAC Holdings and consolidated subsidiaries was $982.7 million compared to $983.2 million at March 31, 2003. SAC Holdings' securitized loan agreements have no guarantees, or triggers that could create a guarantee, from AMERCO. There are no cross default provisions on indebtedness between AMERCO and SAC Holdings.

On October 15, 2002 the AMERCO failed to make a $100 million principal payment and a $3.6 million interest payment due to the Series 1997-C Bond Backed Asset Trust ("BBAT") holders. On that date, the AMERCO also failed to pay a $26.6 million obligation, in the aggregate, to Citibank and Bank of America in connection with the BBATs. This expense was recognized in the third quarter of fiscal year 2003.

As a result of the foregoing, the 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 $205.0 million. In addition to the cross-default under the Revolver, the Company is also in default under that agreement as a result of the Company's 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 the Company currently in default (either directly or as a result of a cross-default) are approximately $1,178.1 million.

AMERCO does not have any ownership interest in SAC Holdings or its subsidiaries, except for investments made by RepWest and Oxford in a SAC Holdings — controlled limited partnership which holds Canadian self-storage properties. The presentation of the consolidated statements has no bearing on the credit agreements or the operations of either AMERCO or SAC Holdings.

Due to the defaults that exist with respect to certain obligations of the Company we suspended the dividend payment to the holders of our Series A 8 1/2% preferred stock.

Credit Agreements

Our operations are funded by various credit and financing arrangements, including unsecured long-term borrowings, unsecured medium-term notes, revolving lines of credit with banks and operating leases. The operating leases are primarily used to finance the Company's fleet of trucks and trailers. As of June 30, 2003, we had $954.8 million in total notes and loans payable outstanding.

On June 28, 2002, AMERCO entered into an agreement replacing an existing five year $400.0 million revolving credit agreement with the Revolver.

Certain of our credit agreements contain 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, placing certain additional liens on our properties and assets, and restricting the issuance of certain types of preferred stock. Although AMERCO was in compliance with these covenants at September 30, 2002, we were in default as of October 15, 2002 as a result of our failure to make the principal payment due to the BBAT holders and a covenant contained in the Revolver that required the completion of a $150 million financing.

Disclosures About Contractual Obligations and Commercial Commitments

	Payments Due by Period (as of June 30, 2003)				
Financial Obligations	**Total**	**Prior to 06-03-04**	**07-01-04 06/01/06**	**07-01-06 06-01-08**	**07-01-08 and thereafter**
			(in thousands)		
AMERCO's notes and loans	$ 954,850	$ 954,850	$ —	$ —	$ —
AMERCO's operating leases	519,391	519,391	—	—	—
SAC Holdings' financed lease obligations	122,238	48,893	73,345	—	—
SAC Holdings' notes and loans	861,929	36,466	46,123	18,580	760,760
Elimination of SAC Holdings' Obligations to AMERCO	(394,526)	—	(23,618)	—	(370,908)
Total Contractual Obligations	$2,063,882	$1,559,600	$ 95,850	$18,580	$ 389,852

As discussed above and in Part II, Item III "Defaults Upon Senior Securities", on October 15, 2002 we defaulted on our BBATs and related obligations. This default triggered cross-default provisions in most of

AMERCO's other debt agreements. As a result, approximately $1,178.1 million of AMERCO's contractual obligations and commercial commitments listed below are classified as current.

	(In millions)
Bank of Montreal synthetic lease	$ 149.0
Citibank synthetic lease	101.7
3yr 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

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 June 30, 2003, we held $393.1 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 $982.7 million at June 30, 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. 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-K for the year ended March 31, 2002 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 have requested a modification of the above deadlines and intend to take all actions available to maintain our 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.

Item 3. ***Quantitative and Qualitative Disclosures About Market Risk***

Reference is made to Part II, Item 7A, Quantitative and Qualitative Disclosure About Market Risk, in AMERCO's Annual Report on Form 10-K for the fiscal year ended March 31, 2002.

Item 4. ***Controls and Procedures***

Evaluation of Controls and Procedures

We maintain disclosure controls 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. We believe our pre-existing disclosure controls and procedures are adequate to enable us to comply with our disclosure obligations.

As of the end of the period covered by this report, 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 concluded that the Company's disclosure controls and procedures are effective in causing material information to be recorded, processed, summarized and reported by management of the Company on a timely basis and to ensure that the quality and timeliness of the Company's public disclosures complies with its SEC disclosure obligations.

Changes in Internal Control Over Financial Reporting

During the period covered by this report and during our second fiscal quarter of 2003, there were significant changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. These changes are summarized below:

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 sub ledgers maintained throughout the organization;

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

e. We have hired additional accounting personnel; and

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

These changes are largely a result of a material weaknesses letter we received from our independent auditors in July. The Company is developing a plan to address these issues and implement a strategy to improve the overall control environment.

PART II. OTHER INFORMATION

Item 1. *Legal Proceedings*

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 occurred on 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, virtually 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 he dismissed them on May 8, 2003. Plaintiffs have filed a notice of appeal. These lawsuits falsely alleged that the AMERCO Board lacked independence. In reaching his 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 potential liability to INW will be in the range of $750,000 to $1.25 million.

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.

Item 3. ***Defaults Upon Senior Securities***

(a) On October 15, 2002, AMERCO failed to make a $100 million principal payment and a $3.6 million interest payment due to the Series 1997-C Bond Backed Asset Trust. On that date, AMERCO also failed to pay $26.6 million in the aggregate to Citibank and Bank of America in connection with the early extinguishment of the Series 1997-C bonds. As a result of the foregoing, AMERCO is in default with respect to the other contractual obligations and commercial commitments listed below, which contain cross-default provisions, including its 3-Year Credit Agreement dated June 28, 2002 (the "Revolver"). In addition to the cross-default under the Revolver, the 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 an aggregate amount of at least $150.0 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 total amount of indebtedness currently in default (either directly or as a result of a cross-default) is approximately $1,178.1 million.

	(In millions)
Bank of Montreal synthetic lease	$ 149.0*
Citibank synthetic lease	101.7
3yr 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

* $14.8 million of such amount is owed by U-Haul International, Inc.

(b) AMERCO has not paid the December 1, 2002 or March 1, June 1, or September 1, 2003 dividend payments to holders of its Series A 8.5% Preferred Stock. Due to the Chapter 11 filing, AMERCO does not expect to make any dividend payments 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 total amount of Series A 8.5% Preferred Stock dividends in arrears is $12.96 million.

Item 6. ***Exhibits and Reports on Form 8-K***

(a) Exhibits

Exhibit No.	Description
3.1	Restated Articles of Incorporation of AMERCO(1)
3.2	Restated By-Laws of AMERCO as of August 27, 1997(2)
3.3	Restate Articles of Incorporation of U-Haul International, Inc. (3)
3.4	Bylaws of U-Haul International, Inc.(3)
10.70	Senior Secured Super-Priority Debtor-In-Possession Loan and Security Agreement
10.71	AMERCO Revolver Lenders Restructuring Agreement
10.72	Restructuring Agreement with Amerco Real Estate Company Noteholders
31.1	Rule 13a-14(a)/15d-14(a) Certificate of Edward J. Shoen, President and Chairman of the Board of AMERCO and U-Haul International, Inc.
31.2	Rule 13a-14(a)/15d-14(a) Certificate of Gary B. Horton, Treasurer of AMERCO and Assistant Treasurer of U-Haul International, Inc.
32.1	Certificate of Edward J. Shoen, President and Chairman of the Board of U-Haul International, Inc. pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certificate of Gary B. Horton, Treasurer of AMERCO and Assistant Treasurer of U-Haul International, Inc. pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

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

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

(3) Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2003, file no. 1-11255.

(b) Reports on Form 8-K.

On May 13, 2003, we filed a Form 8-K relating to a press release announcing that BDO Seidman was in the process of reauditing the financial statements of AMERCO and its subsidiaries for fiscal years 2001 and 2002; (ii) that AMERCO received notice from PricewaterhouseCoopers that its most recent audit report should no longer be associated with AMERCO's fiscal 2001 and 2002 financial statement; and (iii) that the Securities and Exchange Commission has been conducting an investigation regarding AMERCO's financial statements.

On June 23, 2003, we filed a Form 8-K disclosing that AMERCO filed a voluntary petition for relief under Chapter 11 of the United Bankruptcy Code.

On July 16, 2003, we filed a Form 8-K relating to a press release announcing that the filing of our Annual Report on Form 10-K had been delayed.

On August 11, 2003, we filed a Form 8-K disclosing that Andrew Stevens had relinquished his role as Chief Financial Officer of AMERCO.

On August 27, 2003, we filed a Form 8-K relating to a press release announcing our financial results for the fiscal years ended March 31, 2001, 2002 and 2003 as well as some guidance for our results for the quarter ended June 30, 2003.

SIGNATURES

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

AMERCO

Date: September 9, 2003

/s/ EDWARD J. SHOEN

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

Date: September 9, 2003

/s/ GARY B. HORTON

Gary B. Horton
Treasurer
(Principal Financial Officer)

U-HAUL INTERNATIONAL, INC.

Date: September 9, 2003

/s/ EDWARD J. SHOEN

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

Date: September 9, 2003

/s/ GARY B. HORTON

Gary B. Horton
Assistant Treasurer
(Principal Financial Officer)

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

(3) Incorporated by reference to AMERCO's Annual Report on Form 10-K for the year ended March 31, 2003, file no. 1-11255.

Exhibit 10.70

SENIOR SECURED, SUPER-PRIORITY DEBTOR-IN-POSSESSION
LOAN AND SECURITY AGREEMENT

BY AND AMONG

AMERCO,
A NEVADA CORPORATION
AND

AMERCO REAL ESTATE COMPANY,
A NEVADA CORPORATION

AS BORROWERS,

THE LENDERS THAT ARE SIGNATORIES HERETO
AS THE LENDERS,

AND

WELLS FARGO FOOTHILL, INC.
AS THE LEAD ARRANGER,
ADMINISTRATIVE AGENT, SYNDICATION AGENT AND COLLATERAL AGENT

DATED AS OF AUGUST 15, 2003

TABLE OF CONTENTS

		Page
1.	DEFINITIONS AND CONSTRUCTION	2
1.1	Definitions	2
1.2	Accounting Terms; GAAP	32
1.3	Code	32
1.4	Construction	32
1.5	Schedules and Exhibits	33
2.	LOAN AND TERMS OF PAYMENT	33
2.1	Revolver Advances	33
2.2	Term Loan	34
2.3	Borrowing Procedures and Settlements	34
2.4	Payments	41
2.5	Overadvances	44
2.6	Interest Rates and Letter of Credit Fee: Rates, Payments, and Calculations	44
2.7	Cash Management	46
2.8	Crediting Payments	47
2.9	Designated Account	47
2.10	Maintenance of Loan Account; Statements of Obligations	47
2.11	Fees	48
2.12	Letters of Credit	48
2.13	LIBOR Option	51
2.14	Capital Requirements	54
2.15	Joint and Several Liability of Borrowers	54
2.16	Registered Notes	56
3.	CONDITIONS; TERM OF AGREEMENT	57
3.1	Conditions Precedent to the Initial Extension of Credit	57
3.2	Conditions Subsequent to the Initial Extension of Credit	61
3.3	Conditions Precedent to all Extensions of Credit	63
3.4	Term	64
3.5	Effect of Termination	64
3.6	Early Termination by Borrowers	64

TABLE OF CONTENTS
(continued)

		Page
4.	CREATION OF SECURITY INTEREST	65
4.1	Grant of Security Interest	65
4.2	Negotiable Collateral and Chattel Paper	65
4.3	Collection of Accounts, General Intangibles, and Negotiable Collateral	65
4.4	Delivery of Additional Documentation Required	66
4.5	Power of Attorney	66
4.6	Right to Inspect	67
4.7	Control Agreements	67
4.8	Commercial Tort Claims	67
4.9	Vehicle Registration	68
4.10	Grants, Rights and Remedies	69
4.11	No Filings Required	69
4.12	Survival	70
5.	REPRESENTATIONS AND WARRANTIES	71
5.1	No Encumbrances	71
5.2	[Intentionally Omitted.]	71
5.3	[Intentionally Omitted.]	71
5.4	Equipment	71
5.5	Location of Equipment	71
5.6	Equipment Records	71
5.7	Location of Chief Executive Office; FEIN; Organizational ID Number	71
5.8	Due Organization and Qualification; Subsidiaries; Affiliates	71
5.9	Due Authorization; No Conflict	72
5.10	Litigation	74
5.11	Financial Statements	74
5.12	[Intentionally Omitted.]	74
5.13	Employee Benefits	74
5.14	Environmental Condition	75
5.15	Brokerage Fees	75
5.16	Intellectual Property	75

TABLE OF CONTENTS
(continued)

			Page
	5.17	[Intentionally Omitted.]	75
	5.18	DDAs	75
	5.19	Complete Disclosure	75
	5.20	Indebtedness, Etc.	76
	5.21	Interim Order	76
	5.22	Reservation Management System	76
	5.23	Administrative Priority	76
	5.24	Appointment of Trustee or Examiner; Liquidation	76
6.	AFFIRMATIVE COVENANTS		76
	6.1	Accounting System	76
	6.2	Collateral Reporting	76
	6.3	Financial Statements, Reports, Certificates	77
	6.4	Guarantor Reports	79
	6.5	Documents Filed with the Court or Delivered to the U.S. Trustee or Committee	79
	6.6	Maintenance of Properties	79
	6.7	Taxes	79
	6.8	Insurance	80
	6.9	Location of Equipment	80
	6.10	Compliance with Laws	81
	6.11	Leases	81
	6.12	Brokerage Commissions	81
	6.13	Existence	81
	6.14	Environmental	81
	6.15	Disclosure Updates	82
	6.16	Material Contracts; Affiliate Contracts	82
	6.17	Employee Benefits	82
	6.18	Real Estate	83
7.	NEGATIVE COVENANTS		83
	7.1	Indebtedness, Etc.	83

TABLE OF CONTENTS
(continued)

			Page
	7.2	Liens	84
	7.3	Restrictions on Fundamental Changes	84
	7.4	Disposal of Assets	85
	7.5	Change Name	85
	7.6	Guarantee	85
	7.7	Nature of Business	85
	7.8	Prepayments and Amendments	85
	7.9	Change of Control	86
	7.10	[Intentionally Omitted.]	86
	7.11	Distributions	86
	7.12	Accounting Methods	86
	7.13	Formation of Subsidiaries; Investments	86
	7.14	Transactions with Affiliates	87
	7.15	Suspension	87
	7.16	[Intentionally Omitted.]	87
	7.17	Use of Proceeds	87
	7.18	Change in Location of Chief Executive Office; Equipment with Bailees	87
	7.19	Securities Accounts	88
	7.20	Financial Covenants	88
	7.21	No Prohibited Transactions Under ERISA	90
	7.22	Sales and Leasebacks	91
	7.23	Interim Financing Order; Final Financing Order; Administrative Expense Priority; Lien Priority; Payments	91
8.	EVENTS OF DEFAULT		92
9.	THE LENDER GROUP'S RIGHTS AND REMEDIES		95
	9.1	Rights and Remedies	95
	9.2	Remedies Cumulative	97
10.	TAXES AND EXPENSES		98
11.	WAIVERS; INDEMNIFICATION		98
	11.1	Demand; Protest; etc	98

TABLE OF CONTENTS
(continued)

		Page
	11.2 The Lender Group's Liability for Collateral	98
	11.3 Indemnification	98
12.	NOTICES	99
13.	CHOICE OF LAW AND VENUE; JURY TRIAL WAIVER	100
14.	ASSIGNMENTS AND PARTICIPATIONS; SUCCESSORS	101
	14.1 Assignments and Participations	101
	14.2 Successors	105
15.	AMENDMENTS; WAIVERS	105
	15.1 Amendments and Waivers	105
	15.2 Replacement of Holdout Lender	107
	15.3 No Waivers; Cumulative Remedies	107
16.	AGENT; THE LENDER GROUP	107
	16.1 Appointment and Authorization of Agent	107
	16.2 Delegation of Duties	108
	16.3 Liability of Agent	108
	16.4 Reliance by Agent	109
	16.5 Notice of Default or Event of Default	109
	16.6 Credit Decision	109
	16.7 Costs and Expenses; Indemnification	110
	16.8 Agent in Individual Capacity	111
	16.9 Successor Agent	111
	16.10 Lender in Individual Capacity	111
	16.11 Withholding Taxes	112
	16.12 Collateral Matters	113
	16.13 Restrictions on Actions by Lenders; Sharing of Payments	115
	16.14 Agency for Perfection	115
	16.15 Payments by Agent to the Lenders	115
	16.16 Concerning the Collateral and Related Loan Documents	115
	16.17 Field Audits and Examination Reports; Confidentiality; Disclaimers by Lenders; Other Reports and Information	116

TABLE OF CONTENTS
(continued)

			Page
	16.18	Several Obligations; No Liability	117
	16.19	[Intentionally Omitted.]	117
	16.20	Additional Agents	117
	16.21	Quebec Security	117
17.	GENERAL PROVISIONS		118
	17.1	Effectiveness	118
	17.2	Section Headings	119
	17.3	Interpretation	119
	17.4	Severability of Provisions	119
	17.5	Amendments in Writing	119
	17.6	Counterparts; Telefacsimile Execution	119
	17.7	Revival and Reinstatement of Obligations	119
	17.8	Integration	119
	17.9	Parent as Agent for Borrowers	120
	17.10	Confidentiality	120
	17.11	Agent as Party in Interest	121

EXHIBITS AND SCHEDULES

Exhibit A-1	Form of Assignment and Acceptance Agreement
Exhibit B-1	Form of Borrowing Base Certificate
Exhibit B-2	Budget
Exhibit C-1	Form of Compliance Certificate
Exhibit L-1	Form of LIBOR Notice
Schedule A-1	Affiliate Contracts
Schedule A-2	Agent's Account
Schedule C-1	Commercial Tort Claims
Schedule C-2	Commitments
Schedule D-1	Designated Account
Schedule E-1	Excluded Assets
Schedule G-1	Guarantors
Schedule M-1	Material Contracts
Schedule P-1	Permitted Liens
Schedule R-1	Real Property Collateral
Schedule S-1	Senior Claims
Schedule S-2	Surplus Real Property Collateral
Schedule W-1	WPCarey Transaction
Schedule 2.7(a)	Cash Management Banks
Schedule 3.1(w)	Contracts with SAC Holding, SSI or PMSR
Schedule 3.1(ee)	Book Value of Trucks
Schedule 3.2(h)	Zoning Letters
Schedule 3.2(i)	Subordinated, Non-Disturbance and Attornment Agreements
Schedule 3.2(j)	AREC Transfer Properties
Schedule 5.7	Chief Executive Office; FEIN; Organizational ID Number
Schedule 5.8(b)	Capitalization of Borrowers
Schedule 5.8(c)	Capitalization of Borrowers' and Guarantors' Subsidiaries
Schedule 5.8(d)	Subscriptions; Options; Warrants
Schedule 5.8(e)	Affiliates
Schedule 5.10	Litigation
Schedule 5.13	Employee Benefits
Schedule 5.14	Environmental Matters
Schedule 5.16	Intellectual Property
Schedule 5.18	Demand Deposit Accounts
Schedule 5.20(a)	Indebtedness as of the Closing Date
Schedule 5.20(b)	TRAC Lease Transactions as of the Closing Date

SENIOR SECURED SUPER-PRIORITY DEBTOR-IN-POSSESSION
LOAN AND SECURITY AGREEMENT

THIS SENIOR SECURED, SUPER-PRIORITY DEBTOR-IN-POSSESSION LOAN AND SECURITY AGREEMENT (this "Agreement"), is entered into as of August 15, 2003, between and among, on the one hand, the lenders identified on the signature pages hereof (such lenders, together with their respective successors and assigns, are referred to hereinafter each individually as a "Lender" and collectively as the "Lenders"), WELLS FARGO FOOTHILL, INC., a California corporation, as the lead arranger, administrative agent, syndication agent and collateral agent for the Lenders ("Agent") and, on the other hand, AMERCO, a Nevada corporation ("Parent"), and AMERCO REAL ESTATE COMPANY, a Nevada corporation ("AREC") (AREC and Parent are referred to hereinafter each individually as a "Borrower," and individually and collectively, jointly and severally, as "Borrowers").

WHEREAS, on June 20, 2003 (the "Parent Relief Date"), Parent filed a voluntary petition for relief pursuant to Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Nevada (the "Court"), and Parent continues to operate its business and manage its properties as debtor-in-possession pursuant to Section 1107 and 1108 of the Bankruptcy Code; and

WHEREAS, on August 14, 2003 (the "Second Relief Date"), AREC filed voluntary petitions for relief pursuant to Chapter 11 of the Bankruptcy Code with the Court, and such Borrowers continue to operate their respective businesses and manage their properties as debtors-in-possession pursuant to
Section 1107 and 1108 of the Bankruptcy Code; and

WHEREAS, Borrowers have requested that the Lenders provide a senior secured, super-priority debtor-in-possession revolving and term loan credit facility of up to $300,000,000 to fund ongoing working capital requirements of Borrowers, to refinance certain indebtedness of Borrowers arising prior to the Second Relief Date, and for other general corporate purposes of Borrowers, and the Lenders are willing to provide such financing to Borrowers in accordance with and subject to the terms and conditions set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the agreements, provisions and covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrowers, Agent and the Lenders do hereby agree as follows:

The parties agree as follows:

1. DEFINITIONS AND CONSTRUCTION.

1.1 DEFINITIONS. As used in this Agreement, the following terms shall have the following definitions:

"Account Debtor" means any Person who is or who may become obligated under, with respect to, or on account of, an Account, Chattel Paper, or a General Intangible.

"Accounts" means any Person's now owned or hereafter acquired right, title, and interest with respect to "accounts" as such term is defined in the Code, and any and all Supporting Obligations in respect thereof.

"ACH Transactions" means any cash management or related services (including the Automated Clearing House processing of electronic funds transfers through the direct Federal Reserve Fedline system) provided by a Bank Product Provider for the account of Administrative Borrower or its Subsidiaries.

"Additional Documents" has the meaning set forth in Section 4.4.

"Adequate Protection Liens" means, to the extent approved by order of the Court, (a) a lien under Section 361(2) of the Bankruptcy Code in favor of BMO Global Capital Solutions, Inc. ("BMO") and Citibank, N.A. ("Citibank"), as the agents under certain synthetic lease facilities owned and managed by AREC, on a pari passu basis, on all property owned by AREC other than property which is currently encumbered by the BMO and Citibank synthetic lease facilities, which lien shall secure only the amount of any actual diminution in the value of each such party's interest in its existing collateral during the pendency of the Chapter 11 Case, and (b) a lien under Section 361(2) of the Bankruptcy Code, in favor of the Existing Secured Lender in the real property and improvements owned by Subsidiaries of AREC, which lien shall secure only the amount of any actual diminution in the value during the pendency of the Chapter 11 Case of the Existing Secured Lender's interests in intercompany receivables owed AREC by any direct or indirect Subsidiary of Parent; provided, the liens under clauses (a) and (b) above shall at all times be junior and subordinate to the Lien of Agent securing the Obligations.

"Administrative Borrower" has the meaning set forth in Section 17.9.

"Advances" has the meaning set forth in Section 2.1.

"Affiliate" means, as applied to any Person, any other Person who, directly or indirectly, controls, is controlled by, or is under common control with, such Person. For purposes of this definition, "control" means the possession, directly or indirectly, of the power to direct the management and policies of a Person, whether through the ownership of Stock, by contract, or otherwise; provided, however, that, for purposes of Section 7.14 hereof: (a) any Person which owns directly or indirectly 10% or more of the securities having ordinary voting power for the election of directors or other members of the governing body of a Person or 10% or more of the partnership or other ownership interests of a Person (other than as a limited partner of such Person) shall be deemed to control such Person, (b) each director (or comparable manager) of a Person shall be deemed to be an Affiliate of such Person, and (c) each partnership

or joint venture in which a Person is a partner or joint venturer shall be deemed to be an Affiliate of such Person.

"Affiliate Contracts" means each of the agreements set forth on Schedule A-1 which shall include any agreement to which any Loan Party is a party, on the one hand, and any Affiliate of such Loan Party is a party, on the other hand, as such agreements are in place as of the Closing Date.

"Agency Letter" means that certain letter agreement executed and delivered by Roberta Holmes, Joan Gibson and Agent, the form and substance of which are reasonably satisfactory to Agent.

"Agent" means Foothill, solely in its capacity as administrative agent and collateral agent for the Lenders hereunder, and any successor thereto.

"Agent Advances" has the meaning set forth in Section 2.3(e)(i).

"Agent's Account" means the account identified on Schedule A-2.

"Agent's Liens" means the Liens granted by Borrowers and Guarantors to Agent under this Agreement or the other Loan Documents.

"Agent-Related Persons" means Agent, together with its Affiliates, officers, directors, employees, and agents.

"Agreement" has the meaning set forth in the preamble hereto.

"AREC" has the meaning set forth in the recitals of this Agreement.

"Assignee" has the meaning set forth in Section 14.1.

"Assignment and Acceptance" means an Assignment and Acceptance Agreement in the form of Exhibit A-1.

"Authorized Person" means any officer or employee of Administrative Borrower.

"Availability" means, as of any date of determination, if such date is a Business Day, and determined at the close of business on the immediately preceding Business Day, if such date of determination is not a Business Day, the amount that Borrowers are entitled to borrow as Advances under
Section 2.1 (after giving effect to all then outstanding Obligations (other than Bank Product Obligations) and all sublimits and reserves applicable under this Agreement).

"Avoidance Actions" means actions available to the bankruptcy estate of Borrowers in the Chapter 11 Case pursuant to Sections 502(d), 544, 545, 547, 548, 549, 550 or 551 of the Bankruptcy Code.

"Bank Product" means any financial accommodation extended to Administrative Borrower or its Subsidiaries by a Bank Product Provider (other than pursuant to this Agreement)

including: (a) credit cards, (b) credit card processing services, (c) debit cards, (d) purchase cards, (e) ACH Transactions, (f) cash management, including controlled disbursement, accounts or services, or (g) transactions under Hedge Agreements.

"Bank Product Agreements" means those agreements entered into from time to time by Administrative Borrower or its Subsidiaries with a Bank Product Provider in connection with the obtaining of any of the Bank Products.

"Bank Product Obligations" means all obligations, liabilities, contingent reimbursement obligations, fees, and expenses owing by Administrative Borrower or its Subsidiaries to any Bank Product Provider pursuant to or evidenced by the Bank Product Agreements and irrespective of whether for the payment of money, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, and including all such amounts that Administrative Borrower or its Subsidiaries are obligated to reimburse to Agent or any member of the Lender Group as a result of Agent or such member of the Lender Group purchasing participations from, or executing indemnities or reimbursement obligations to, a Bank Product Provider with respect to the Bank Products provided by such Bank Product Provider to Administrative Borrower or its Subsidiaries.

"Bank Product Provider" means Wells Fargo or any of its Affiliates.

"Bank Product Reserves" means, as of any date of determination, the lesser of (a) zero, and (b) the amount of reserves that Agent has established (based upon the Bank Product Providers' reasonable determination of the credit exposure in respect of then extant Bank Products) for Bank Products then provided or outstanding.

"Bankrupt Subsidiaries" means, collectively, Fourteen PAC Company, a Nevada corporation, Fifteen PAC Company, a Nevada corporation, and INW Company, a Washington corporation.

"Bankruptcy Code" means Title 11 of the United States Code, as in effect from time to time.

"Bankruptcy Professionals" means (a) professionals retained by any Borrower in connection with the Chapter 11 Case, (b) to the extent not included in clause (a) above, other Persons appointed pursuant to Sections 327, 330, 331 and 1103 of the Bankruptcy Code, and (c) professionals retained by the Committee, in each case, as appointed by the Court.

"Base LIBOR Rate" means the rate per annum, determined by Agent in accordance with its customary procedures, and utilizing such electronic or other quotation sources as it considers appropriate (rounded upwards, if necessary, to the next 1/100%), to be the rate at which Dollar deposits (for delivery on the first day of the requested Interest Period) are offered to major banks in the London interbank market on or about 11:00 a.m. (California time) 2 Business Days prior to the commencement of the applicable Interest Period, for a term and in an amount comparable to the Interest Period and amount of the LIBOR Rate Loan requested (whether as an initial LIBOR Rate Loan or as a conversion of a Base Rate Loan to a LIBOR Rate Loan) by Administrative Borrower in accordance with this Agreement, which determination shall be conclusive in the absence of manifest error.

"Base Rate" means, the rate of interest announced within Wells Fargo at its principal office in San Francisco as its "prime rate", with the understanding that the "prime rate" is one of Wells Fargo's base rates (not necessarily the lowest of such rates) and serves as the basis upon which effective rates of interest are calculated for those loans making reference thereto and is evidenced by the recording thereof after its announcement in such internal publications as Wells Fargo may designate.

"Base Rate Loan" means each portion of an Advance or the Term Loan that bears interest at a rate determined by reference to the Base Rate.

"Base Rate Margin" means 1.00 percentage points.

"Benefit Plan" means a "defined benefit plan" (as defined in
Section 3(35) of ERISA) for which any Borrower or any Subsidiary or ERISA Affiliate of any Borrower has been an "employer" (as defined in Section 3(5) of ERISA) within the past six years.

"Board of Directors" means the board of directors (or comparable managers) of Parent or any committee thereof duly authorized to act on behalf thereof.

"Books" means any Person's now owned or hereafter acquired books and records (including all of its Records indicating, summarizing, or evidencing its assets (including the Collateral) or liabilities, all of any Person's Records relating to its or their business operations or financial condition, and all of its goods or General Intangibles related to such information).

"Borrower" and "Borrowers" have the respective meanings set forth in the preamble to this Agreement.

"Borrowing" means a borrowing hereunder consisting of Advances (or term loans, in the case of the Term Loan) made on the same day by the Lenders (or Agent on behalf thereof), or by Swing Lender in the case of a Swing Loan, or by Agent in the case of an Agent Advance, in each case, to Administrative Borrower.

"Borrowing Base" means, as of any date of determination, the result of:

(a) 40.0% of the Fair Market Valuation, minus

(b) the sum of (i) the Bank Product Reserves, (ii) the Environmental Remediation Reserve, (iii) the Title Reserve and
(iv) the aggregate amount of other reserves, if any, established by Agent under Section 2.1(b).

"Borrowing Base Certificate" means a certificate in the form of Exhibit B-1 delivered by the chief financial officer of Parent to Agent.

"Budget" means the operating budget of Borrowers relative to Borrowers' operations in the Chapter 11 Case, delivered to and accepted by the Agent on behalf of the Lender Group on the Second Relief Date, in substantially the same form as Exhibit B-2 attached hereto, together with any replacement budget delivered thereafter that is satisfactory to the Agent and the Required Lenders in their Permitted Discretion.

"Business Day" means any day that is not a Saturday, Sunday, or other day on which banks are authorized or required to close in the State of California, except that, if a determination of a Business Day shall relate to a LIBOR Rate Loan, the term "Business Day" also shall exclude any day on which banks are closed for dealings in Dollar deposits in the London interbank market.

"Capital Expenditures" means, with respect to any Person for any period, gross expenditures that are capital expenditures as determined in accordance with GAAP for such period, whether such expenditures are paid in cash or financed; minus lease funding received pursuant to operating and capital lease commitments for such period; minus Net Dispositions for such period.

"Capital Lease" means a lease that is required to be capitalized for financial reporting purposes in accordance with GAAP.

"Capitalized Lease Obligation" means that portion of the obligations under a Capital Lease that is required to be capitalized in accordance with GAAP.

"Carve-Out Amount" means an aggregate amount equal to the sum of (a) $5,000,000, plus (b) the Holdback Amount; provided, however, that such amount shall not include (a) professional fees and expenses payable to Bankruptcy Professionals that are accrued and paid prior to the Maturity Date, or (b) fees payable to the U.S. Trustee in the Chapter 11 Case pursuant to the Bankruptcy Code, 28 U.S.C. Section 1930, or other similar statute mandating payment of U.S. Trustee fees.

"Carve-Out Expenses" means fees and expenses payable (a) to Bankruptcy Professionals, and (b) pursuant to 28 U.S.C. Section 1930 in connection with the Chapter 11 Case, provided, that Carve-Out Expenses shall not include any other claims that are or may be senior to or pari passu with any of the Carve-Out Expenses.

"Cash Collateral" has the meaning ascribed to such term in
Section 363(a) of the Bankruptcy Code.

"Cash Equivalents" means (a) marketable direct obligations issued or unconditionally guaranteed by the United States or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within 1 year from the date of acquisition thereof, (b) marketable direct obligations issued by any state of the United States or any political subdivision of any such state or any public instrumentality thereof maturing within 1 year from the date of acquisition thereof and, at the time of acquisition, having one of the two highest ratings obtainable from either Standard & Poor's Rating Group ("S&P") or Moody's Investors Service, Inc. ("Moody's"), (c) commercial paper maturing no more than 270 days from the date of creation thereof and, at the time of acquisition, having a rating of at least A-1 from S&P or at least P-1 from Moody's, (d) certificates of deposit or bankers' acceptances maturing within 1 year from the date of acquisition thereof issued by any bank organized under the laws of the United States or any state thereof having at the date of acquisition thereof combined capital and surplus of not less than $250,000,000, (e) demand Deposit Accounts maintained with any bank organized under the laws of the United States or any state thereof so long as the amount

maintained with any individual bank is less than or equal to $100,000 and is insured by the Federal Deposit Insurance Corporation, and (f) Investments in money market funds substantially all of whose assets are invested in the types of assets described in clauses (a) through (e) above.

"Cash Management Account" has the meaning set forth in Section 2.7(a).

"Cash Management Agreements" means those certain cash management agreements, in form and substance satisfactory to Agent, including without limitation the cash management agreement with respect to the Concentration Account, each of which is among the Administrative Borrower or one of its Subsidiaries, Agent, and one of the Cash Management Banks.

"Cash Management Bank" has the meaning set forth in Section 2.7(a).

"Certificate(s) of Title" has the meaning set forth in Section 4.9(a).

"Change of Control" means (a) any "person" or "group" (within the meaning of Sections 13(d) and 14(d) of the Exchange Act), other than Permitted Holders, becomes the beneficial owner (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of 10%, or more, of the Stock of Parent having the right to vote for the election of members of the Board of Directors, or (b) a majority of the members of the Board of Directors do not constitute Continuing Directors, or (c) any Borrower ceases to own, directly or indirectly, and control 100% of the outstanding capital Stock of any of its Subsidiaries extant as of the Closing Date unless the disposition, liquidation or merger of such Subsidiary was permitted by Section 7.3 hereof.

"Chapter 11 Case" means the voluntary petitions for relief under Chapter 11 of the Bankruptcy Code filed by Borrowers in the Court on June 20, 2003, with respect to Parent, and August 14, 2003, with respect to AREC and consolidated for purposes of administration only in the Chapter 11 case of Parent.

"Chattel Paper" means any Person's now owned or hereafter acquired right, title and interest in respect of "chattel paper" as such term is defined in the Code, including, without limitation, any tangible or electronic chattel paper.

"Closing Date" means the date of the making of the initial Advance (or other extension of credit) hereunder.

"Code" means the New York Uniform Commercial Code, as in effect from time to time.

"Collateral" means all of each Borrower's now owned or hereafter acquired right, title, and interest in and to each of the following:

(a) Accounts,

(b) Books,

(c) Chattel Paper,

(d) Commercial Tort Claims,

(e) Deposit Accounts,

(f) Equipment,

(g) General Intangibles,

(h) Inventory,

(i) Investment Property,

(j) Negotiable Collateral,

(k) Real Property Collateral,

(l) Supporting Obligations,

(m) money, cash, Cash Equivalents, or other assets of each such Borrower that now or hereafter come into the possession, custody, or control of any member of the Lender Group,

(n) the proceeds and products, whether tangible or intangible, of any of the foregoing, including proceeds of insurance covering any or all of the foregoing, and any and all Accounts, Books, Chattel Paper, Deposit Accounts, Equipment, General Intangibles, Inventory, Investment Property, Negotiable Collateral, Real Property, Supporting Obligations, money, deposit accounts, or other tangible or intangible property resulting from the sale, exchange, collection, or other disposition of any of the foregoing, or any portion thereof or interest therein, and the proceeds thereof; and

(o) to the extent not included in the foregoing, all other personal property of Borrowers of any kind or description;

provided, however, that the Excluded Assets shall not be included in the Collateral.

"Collateral Access Waiver" means a waiver contained in the Interim Order and the Final Order with respect to any lessor, warehouseman, processor, consignee, or other Person in possession of, having a Lien upon, or having rights or interests in the Collateral.

"Collections" means all cash, checks, notes, instruments, and other items of payment (including insurance proceeds, proceeds of cash sales, rental proceeds, and tax refunds) of Borrowers.

"Commercial Tort Claims" means any Person's now owned or hereafter acquired right, title and interest with respect to any "commercial tort claim" as such term is defined in the Code, including, without limitation, the commercial tort claims listed on Schedule C-1, but specifically excluding the PWC Litigation.

"Commitment" means, with respect to each Lender, its Revolver Commitment, its Term Loan Commitment or its Total Commitment, as the context requires, and, with respect to all Lenders, their Revolver Commitments, their Term Loan Commitments, or their Total Commitments, as the context requires, in each case as such Dollar amounts are set forth beside such Lender's name under the applicable heading on Schedule C-2 or on the signature page of the Assignment and Acceptance pursuant to which such Lender became a Lender hereunder in accordance with the provisions of Section 14.1.

"Committee" means the official committee of unsecured creditors formed, appointed or approved by the U.S. Trustee in the Chapter 11 case.

"Compliance Certificate" means a certificate substantially in the form of Exhibit C-1 delivered by the chief financial officer of Parent to Agent.

"Concentration Account" means account number 42-4903 of U-Haul maintained at Bank One, Arizona or such other deposit account (located in the United States) established by Borrower with the consent of Agent.

"Consent" means the written approval or consent to the transactions contemplated by this Agreement and the Loan Documents duly executed and delivered by the Existing Secured Lender, or the inclusion of such provisions in the Interim Order and the Final Order as may be acceptable to Agent.

"Consolidated" means, with respect to Parent, the consolidation of the income statement accounts of Parent's Subsidiaries with those of Parent, all in accordance with GAAP, provided, that "consolidated" will not include (i) the consolidation of the accounts of SAC Holding with the accounts of Parent but for the inclusion of interest income earned on the Junior Notes of SAC Holding and management fees earned by U-Haul related to properties it manages that are owned by SAC Holding; and (ii) the consolidation of the accounts of the Insurance Subsidiaries with the accounts of Parent but for the inclusion of pre-tax net income earned by (or losses of) the Insurance Subsidiaries.

"Consolidated Charges" means, for any period, any extraordinary and/or non-recurring Consolidated charges of Parent for such period in an aggregate amount not to exceed $50,000,000 per year or $10,000,000 in each of the first two fiscal quarters following the Closing Date, and $20,000,000 in each of the next two succeeding fiscal quarters, including restructuring charges, payments to restructuring financial advisors and legal counsel, non-cash impairment of asset charges and other non-cash write-off's that were deducted in arriving at Consolidated Net Income.

"Consolidated Cash Interest Expense" means, for any period, the Consolidated interest expense of Parent paid in cash for such period (including, without limitation, the Unused Line Fees, the interest component of any deferred payment obligations, the interest component of all payments associated with Capitalized Lease Obligations, commissions, discounts and other fees and charges incurred in respect of a Letter of Credit or bankers' acceptance financing and net payment pursuant to Hedge Agreements), provided that Consolidated Cash Interest Expense shall exclude interest expense accrued or capitalized during such period.

"Consolidated EBITDA" means, for any period, the sum, without duplication, of (i) Consolidated Net Income for such period; plus (ii) Consolidated Interest Expense for such period; plus (iii) provision for Consolidated taxes of Parent based on income or profits for such period (to the extent such income or profits were included in computing the Consolidated Net Income for such period); plus (iv) Consolidated depreciation, amortization and other non-cash expense of Parent; plus (v) Consolidated Charges in each case that were deducted in determining the Consolidated Net Income for such period; minus (vi) pre-tax net income of the Insurance Subsidiaries; plus (vii) losses of the Insurance Subsidiaries; minus (viii) gains from sales of any Real Property; plus (ix) losses from sales of any Real Property.

"Consolidated EBITDAR" means, for any period, the sum of Consolidated EBITDA, plus, to the extent deducted in computing Consolidated Net Income for such period and to the extent not added back to Consolidated Net Income in the calculation of Consolidated EBITDA for such period, Consolidated rent expense of Parent in connection with operating leases as determined in accordance with GAAP.

"Consolidated Interest Expense" means, for any period, the Consolidated interest expense of Parent for such period, whether paid, accrued or capitalized (including, without limitation, amortization of original issue discount, non-cash interest payments, Unused Line Fees, the interest component of any deferred payment obligations, the interest component of all payments associated with Capitalized Lease Obligations, commissions, discounts and other fees and charges incurred in respect of a Letter of Credit or bankers' acceptance financing and net payments pursuant to Hedge Agreements).

"Consolidated Net Income" means, for any period, the net income of Parent for such period, determined in accordance with GAAP, provided that such net income is calculated pursuant to the income statement presentation set forth in the definition of "Consolidated".

"Continuing Director" means (a) any member of the Board of Directors who was a director (or comparable manager) of Parent on the Closing Date, and (b) any individual who becomes a member of the Board of Directors after the Closing Date if such individual was appointed or nominated for election to the Board of Directors by a majority of the Continuing Directors, but excluding any such individual originally proposed for election in opposition to the Board of Directors in office at the Closing Date in an actual or threatened election contest relating to the election of the directors (or comparable managers) of Parent (as such terms are used in Rule 14a-11 under the Exchange Act) and whose initial assumption of office resulted from such contest or the settlement thereof.

"Control Agreement" means a control agreement, in form and substance reasonably satisfactory to Agent, executed and delivered by Administrative Borrower or one of its Subsidiaries, Agent, and the applicable securities intermediary with respect to a Securities Account or a bank with respect to a Deposit Account.

"Copyright Security Agreement" means that certain copyright security agreement executed and delivered by all Borrowers and Guarantors that own copyrights as of the Closing Date, and Agent, the form and substance of which are reasonably satisfactory to Agent.

"Court" has the meaning set forth in the recitals of this Agreement.

"Credit Card Agreements" means those certain agreements between Agent and the credit card processors of Borrowers or Guarantors pursuant to which such credit card processors agree to transfer on a daily basis all credit card receipts of Borrowers or Guarantors, as applicable, into the Concentration Account or other Cash Management Account acceptable to Agent.

"Daily Balance" means, with respect to any Obligation and each day during the term of this Agreement, the amount of such Obligation owed at the end of such day.

"DDA" means any checking or other demand deposit account maintained by any Borrower.

"Dealer List" has the meaning set forth in Section 6.2(d).

"Default" means an event, condition, or default that, with the giving of notice, the passage of time, or both, would be an Event of Default.

"Defaulting Lender" means any Lender that fails to make any Advance (or other extension of credit) that it is required to make hereunder on the date that it is required to do so hereunder.

"Defaulting Lender Rate" means (a) the Base Rate for the first 3 days from and after the date the relevant payment is due, and (b) thereafter, at the interest rate then applicable to Advances that are Base Rate Loans (inclusive of the Base Rate Margin) applicable thereto.

"Deposit Accounts" means any Person's now owned or hereafter acquired right, title and interest with respect to any "deposit account" as such term is defined in the Code, including, without limitation, any DDAs.

"Designated Account" means that certain DDA of Administrative Borrower identified on Schedule D-1.

"Designated Account Bank" means the designated institution that has been designated as such on Schedule D-1 or has otherwise been designated as such, in writing, by Borrowers to Agent.

"Disbursement Letter" means an instructional letter executed and delivered by Administrative Borrower to Agent regarding the initial extensions of credit to be made on the Closing Date, the form and substance of which are reasonably satisfactory to Agent.

"Dollars" or "$" means United States dollars.

"Dormant Subsidiaries" means, collectively, EJOS, Inc., an Arizona corporation, Japal, Inc., a Nevada corporation, M.V.S., Inc., a Nevada corporation, Pafran, Inc., a Nevada corporation, Sophmar, Inc., a Nevada corporation, Picacho Peak Investments Co, a Nevada corporation, and U-Haul Inspections, Ltd., a British Columbia company.

"Drawdown Date" means the earlier of (a) August 29, 2003, or
(b) three Business Days after Agent's receipt of a written notice from Administrative Borrower requesting the advance of the Term Loan.

"Due Diligence Letter" means the due diligence letter sent by Agent's counsel to Administrative Borrower, together with Administrative Borrower's completed responses to the inquiries set forth therein, the form and substance of such responses to be reasonably satisfactory to Agent.

"Eligible Transferee" means (a) a commercial bank organized under the laws of the United States, or any state thereof, and having total assets in excess of $250,000,000, (b) a commercial bank organized under the laws of any other country which is a member of the Organization for Economic Cooperation and Development or a political subdivision of any such country and which has total assets in excess of $250,000,000, provided that such bank is acting through a branch or agency located in the United States, (c) a finance company, insurance company, or other financial institution or fund that is engaged in making, purchasing, or otherwise investing in commercial loans in the ordinary course of its business and having (together with its Affiliates) total assets in excess of $250,000,000, (d) any Affiliate (other than individuals) of a Lender that was party hereto as of the Closing Date, including, without limitation, a fund or account managed by such Lender or an Affiliate of such Lender or its investment manager (a "Related Fund"), (e) so long as no Event of Default has occurred and is continuing, any other Person approved by Agent and Administrative Borrower (which approval of Administrative Borrower shall not be unreasonably withheld, delayed or conditioned), and (f) during the continuation of an Event of Default, any other Person approved by Agent.

"Environmental Actions" means any complaint, summons, citation, notice, directive, order, claim, litigation, investigation, judicial or administrative proceeding, judgment, letter, or other communication from any Governmental Authority, or any third party involving violations of Environmental Laws or releases of Hazardous Materials from (a) any assets, properties, or businesses of any Borrower or any predecessor in interest, (b) from adjoining properties or businesses, or (c) from or onto any facilities which received Hazardous Materials generated by any Borrower or any predecessor in interest.

"Environmental Indemnity Agreements" means, collectively, those certain environmental indemnity agreements executed and delivered by Borrowers and Guarantors in favor of Agent, for the benefit of the Lender Group and the Bank Product Providers, in form and substance reasonably satisfactory to Agent.

"Environmental Law" means any applicable federal, state, provincial, foreign or local statute, law, rule, regulation, ordinance, code, binding and enforceable guideline, binding and enforceable written policy, or rule of common law now or hereafter in effect and in each case as amended, or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent decree or judgment, to the extent binding on Borrowers, relating to the environment, employee health and safety, or Hazardous Materials, including CERCLA; RCRA; the Federal Water Pollution Control Act, 33 U.S.C. Section 1251 et seq.; the Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq.; the Clean Air Act, 42 U.S.C. Section 7401 et seq.; the Safe Drinking Water Act, 42 U.S.C. Section 3803 et seq.; the Oil Pollution Act of 1990, 33 U.S.C. Section 2701 et

seq.; the Emergency Planning and the Community Right-to-Know Act of 1986, 42 U.S.C. Section 11001 et seq.; the Hazardous Material Transportation Act, 49 U.S.C. Section 1801 et seq.; and the Occupational Safety and Health Act, 29 U.S.C. Section 651 et seq. (to the extent it regulates occupational exposure to Hazardous Materials); any state and local or foreign counterparts or equivalents, in each case as amended from time to time.

"Environmental Liabilities and Costs" means all liabilities, monetary obligations, Remedial Actions, losses, damages, punitive damages, consequential damages, treble damages, costs and expenses (including all reasonable fees, disbursements and expenses of counsel, experts, or consultants and costs of investigation and feasibility studies), fines, penalties, sanctions, and interest incurred as a result of any claim or demand by any Governmental Authority or any third party, and which relate to any Environmental Action.

"Environmental Lien" means any Lien in favor of any Governmental Authority for Environmental Liabilities and Costs.

"Environmental Remediation Reserve" means a reserve against Availability, in an amount determined by Agent upon consultation with its environmental experts, with respect to environmental remediation costs for certain of the Real Property Collateral, as the amount of such reserve may increase or decrease from time to time in Agent's Permitted Discretion; provided, however, the amount of such reserve established by Agent as of the Closing Date shall not (a) increase without prior consultation with Borrowers, or (b) decrease without the consent of the Required Lenders.

"Equipment" means any Person's now owned or hereafter acquired right, title, and interest with respect to equipment, machinery, machine tools, motors, furniture, furnishings, fixtures, Vehicles, tools, parts, goods (other than consumer goods, farm products, or Inventory), wherever located, including all attachments, accessories, accessions, replacements, substitutions, additions, and improvements to any of the foregoing.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and any successor statute thereto.

"ERISA Affiliate" means (a) any Person subject to ERISA whose employees are treated as employed by the same employer as the employees of a Borrower or a Subsidiary of a Borrower under IRC Section 414(b), (b) any trade or business subject to ERISA whose employees are treated as employed by the same employer as the employees of a Borrower or a Subsidiary of a Borrower under IRC Section 414(c), (c) solely for purposes of Section 302 of ERISA and Section 412 of the IRC, any organization subject to ERISA that is a member of an affiliated service group of which a Borrower or a Subsidiary of a Borrower is a member under IRC Section 414(m), or (d) solely for purposes of Section 302 of ERISA and Section 412 of the IRC, any Person subject to ERISA that is a party to an arrangement with a Borrower or a Subsidiary of a Borrower and whose employees are aggregated with the employees of a Borrower or a Subsidiary of a Borrower under IRC Section 414(o).

"ERISA Event" means (a) a Reportable Event with respect to any Benefit Plan or Multiemployer Plan, (b) the withdrawal of any Borrower, any of any Borrower's Subsidiaries or

ERISA Affiliates from a Benefit Plan during a plan year in which it was a "substantial employer" (as defined in Section 4001(a)(2) of ERISA), (c) the providing of notice of intent to terminate a Benefit Plan in a distress termination (as described in Section 4041(c) of ERISA), (d) the institution by the PBGC of proceedings to terminate a Benefit Plan or Multiemployer Plan, (e) any event or condition (i) that provides a basis under Section 4042(a)(1), (2) or (3) of ERISA for the termination of, or the appointment of a trustee to administer, any Benefit Plan or Multiemployer Plan, or (ii) that may result in termination of a Multiemployer Plan pursuant to Section 4041A of ERISA, (f) the partial or complete withdrawal within the meaning of Sections 4203 and 4205 of ERISA, of Borrower, any of Borrower's Subsidiaries or ERISA Affiliates from a Multiemployer Plan, or (g) providing any security to any plan under Section 401(a)(29) of the IRC by any Borrower or any of its Subsidiaries or any of their ERISA Affiliates.

"Event of Default" has the meaning set forth in Section 8.

"Excess Availability" means the amount, as of the date any determination thereof is to be made, equal to the difference between (a) the lesser of (i) the Borrowing Base or (ii) the sum of (1) the Maximum Revolver Amount plus (2) the Term Loan Amount, and (b) the Obligations then outstanding.

"Exchange Act" means the Securities Exchange Act of 1934, as in effect from time to time.

"Excluded Assets" means (i) the Avoidance Actions, (ii) Borrowers' Real Property subject to the Synthetic Leases, (iii) the Junior Notes and proceeds received from the monetization of Junior Notes, (iv) Borrowers' intercompany receivables subject to the Lien of Existing Secured Lender, (v) all Real Property set forth on Schedule E-1 under contract of sale, (vi) all Real Property subject to a first priority Lien of Oxford as of the Closing Date, as set forth on Schedule E-1, (vii) sale proceeds from the WPCarey Transaction to the extent such sale proceeds are fully utilized in such transaction, and (viii) any and all proceeds from any settlement, judgment or other recovery from the PWC Litigation.

"Existing Secured Lender" means JP MorganChase Bank, as Administrative Agent for the Lenders under that certain 3-Year Credit Agreement dated as of June 28, 2002.

"Fair Market Valuation" means the most recent fair market valuation acceptable to the Lender Group (and determined at the direction or request of Agent or the Lender Group by a third party appraiser acceptable to the Lender Group) of the Real Property Collateral acceptable to Agent which is subject to a valid and perfected first priority Agent's Lien, subject only to Permitted Liens.

"Family Member" means, with respect to any individual, any other individual having a relationship by blood (to the second degree of consanguinity) marriage, or adoption to such individual.

"Family Trusts" means, with respect to any individual, trusts or other estate planning vehicles established for the benefit of such individual or Family Members of such individual and in respect of which such individual serves as trustee or in a similar capacity.

"Fee Letter" means that certain fee letter, dated as of even date herewith, between Borrowers and Agent, in form and substance satisfactory to Agent.

"FEIN" means Federal Employer Identification Number.

"Final Order" means the order of the Court entered in the Chapter 11 Case after a final hearing under Bankruptcy Rule 4001(c)(2), in form and substance reasonably satisfactory to Agent or the Lender Group, as set forth in Section 3.2(b), and from which no appeal has been timely filed, or if timely filed, such appeal has been dismissed (unless Agent, on behalf of the Required Lenders, waives such requirement), together with all extensions, modifications and amendments thereto, that, among other matters but not by way of limitation, authorizes Borrowers to obtain credit and incur Indebtedness, and grant Liens under this Agreement and the other Loan Documents in favor of Agent to secure the Obligations, as the case may be, and provides for the super-priority of Agent's and the Lenders' claims, all as set forth in such Final Order.

"Final Order Date" means the date that the Final Order is entered by the Court.

"FIRREA" means Financial Institutions Reform, Recovery and Enforcement Act, as in effect from time to time.

"Fixed Charges" means, for any period, the sum, without duplication, of (i) Consolidated Cash Interest Expense, (ii) principal payments paid during such period in respect of Indebtedness (excluding principal payments made with the proceeds of the initial Advance on the Closing Date and proceeds of the Term Loan), (iii) all federal, state, and local income taxes paid in cash during such period, and (iv) dividends paid in cash during such period.

"Fixed Charge Coverage Ratio" means, with respect to Parent on a Consolidated basis for any period, the ratio of (i) Consolidated EBITDA for such period minus Capital Expenditures made (to the extent not already incurred in a prior period) or incurred during such period, to (ii) Fixed Charges for such period.

"Foothill" means Wells Fargo Foothill, Inc., a California corporation.

"Funding Date" means the date on which a Borrowing occurs.

"Funding Losses" has the meaning set forth in Section 2.13(b)(ii).

"GAAP" means generally accepted accounting principles as in effect from time to time in the United States, consistently applied.

"General Intangibles" means any Person's now owned or hereafter acquired right, title, and interest with respect to general intangibles (as that term is defined in the Code), including payment intangibles, contract rights, rights to payment, rights arising under common law, statutes, or regulations, choses or things in action, goodwill, patents, trade names, trademarks, servicemarks, copyrights, blueprints, drawings, purchase orders, customer lists, monies due or recoverable from pension funds, route lists, rights to payment and other rights under any royalty or licensing agreements, infringement claims, computer programs, information

contained on computer disks or tapes, software, literature, reports, catalogs, pension plan refunds, pension plan refund claims, insurance premium rebates, tax refunds, and tax refund claims, and any and all Supporting Obligations in respect thereof, and any other personal property other than goods, money, Accounts, Chattel Paper, Commercial Tort Claims, Deposit Accounts, Investment Property, and Negotiable Collateral.

"General Syndication Closing Date" has the meaning set forth in Section 14.1(k) hereof.

"Governing Documents" means, with respect to any Person, the certificate or articles of incorporation, bylaws, or other organizational documents of such Person.

"Governmental Authority" means any federal, state, local, or other governmental or administrative body, instrumentality, department, or agency or any court, tribunal, administrative hearing body, arbitration panel, commission, or other similar dispute-resolving panel or body.

"Guarantor" and "Guarantors" means U-Haul, all Subsidiaries of U-Haul, and all Subsidiaries of AMERCO, other than AREC, the Insurance Subsidiaries and any Subsidiary formed under the laws of a jurisdiction outside of the United States and Canada, Storage Realty, L.L.C., a Texas limited liability company, the Bankrupt Subsidiaries, and the Dormant Subsidiaries. As of the Closing Date, all Guarantors are listed on Schedule G-1.

"Guarantor Security Agreement" means, collectively, one or more security agreements, hypothecs or other similar agreements executed and delivered by Guarantors and Agent, the form and substance of which are reasonably satisfactory to Agent.

"Guaranty" means, collectively, one or more general continuing guaranty agreements executed and delivered by Guarantors in favor of Agent, for the benefit of the Lender Group and the Bank Product Providers, in form and substance reasonably satisfactory to Agent.

"Hazardous Materials" means (a) substances that are defined or listed in, or otherwise classified pursuant to, any applicable laws or regulations as "hazardous substances," "hazardous materials," "hazardous wastes," "toxic substances," or any other formulation intended to define, list, or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, reproductive toxicity, or "EP toxicity", (b) oil, petroleum, or petroleum derived substances, natural gas, natural gas liquids, synthetic gas, drilling fluids, produced waters, and other wastes associated with the exploration, development, or production of crude oil, natural gas, or geothermal resources, (c) any flammable substances or explosives or any radioactive materials, and (d) asbestos in any form or electrical equipment that contains any oil or dielectric fluid containing levels of polychlorinated biphenyls in excess of 50 parts per million.

"Hedge Agreement" means any and all agreements, or documents now existing or hereafter entered into by Administrative Borrower or its Subsidiaries that provide for an interest rate, credit, commodity or equity swap, cap, floor, collar, forward foreign exchange transaction, currency swap, cross currency rate swap, currency option, or any combination of, or option with respect to, these or similar transactions, for the purpose of hedging Administrative Borrower's or

its Subsidiaries' exposure to fluctuations in interest or exchange rates, loan, credit exchange, security or currency valuations or commodity prices.

"Holdback Amount" means, as of any date of determination prior to the Maturity Date, the unpaid fees (provided that such fees do not exceed 20% of the total fees on any statement) owed to any Bankruptcy Professional by Borrowers (as calculated pursuant to the Court order approving the procedure for interim compensation for such Bankruptcy Professional), provided that, with respect to such fees incurred, (a) the services of such Bankruptcy Professional were provided prior to the Maturity Date, (b) a statement for such services has been delivered to Agent within 15 days after the end of each quarter in which the services were performed, and (c) (i) there has been no objection filed with the Court by Borrowers, the U.S. Trustee, the Committee, Agent, or any Lender with respect to such fees, or (ii) a fee application has been approved by the Court.

"Holdout Lender" has the meaning set forth in Section 15.2.

"Indebtedness" means (a) all obligations for borrowed money,
(b) all obligations evidenced by bonds, debentures, notes, or other similar instruments and all reimbursement or other obligations in respect of letters of credit, bankers acceptances, interest rate swaps, or other financial products,
(c) all obligations as a lessee under Capital Leases, (d) all obligations or liabilities of others secured by a Lien on any asset of a Person or its Subsidiaries, irrespective of whether such obligation or liability is assumed,
(e) all obligations to pay the deferred purchase price of assets (other than trade payables incurred in the ordinary course of business and repayable in accordance with customary trade practices), (f) all obligations under Hedge Agreements, and (g) any obligation guaranteeing or intended to guarantee (whether directly or indirectly guaranteed, endorsed, co-made, discounted, or sold with recourse) any obligation of any other Person that constitutes Indebtedness under any of clauses (a) through (f) above.

"Indemnified Liabilities" has the meaning set forth in Section 11.3.

"Indemnified Person" has the meaning set forth in Section 11.3.

"Insolvency Proceeding" means any proceeding commenced by or against any Person under any provision of the Bankruptcy Code or under any other state or federal bankruptcy or insolvency law, assignments for the benefit of creditors, formal or informal moratoria, compositions, extensions generally with creditors, or proceedings seeking reorganization, arrangement, or other similar relief.

"Insurance Subsidiaries" means, collectively, Oxford and RepWest.

"Intangible Assets" means, with respect to any Person, that portion of the book value of all of such Person's assets that would be treated as intangibles under GAAP.

"Interest Period" means, with respect to each LIBOR Rate Loan, a period commencing on the date of the making of such LIBOR Rate Loan (or the continuation of a LIBOR Rate Loan or the conversion of a Base Rate Loan to a LIBOR Rate Loan) and ending 1, 2, or 3 months thereafter; provided, however, that (a) if any Interest Period would end on a day that is not a Business Day, such Interest Period shall be extended (subject to clauses (c)-(e)

below) to the next succeeding Business Day, (b) interest shall accrue at the applicable rate based upon the LIBOR Rate from and including the first day of each Interest Period to, but excluding, the day on which any Interest Period expires, (c) any Interest Period that would end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day, (d) with respect to an Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period), the Interest Period shall end on the last Business Day of the calendar month that is 1, 2, or 3 months after the date on which the Interest Period began, as applicable, and (e) Borrowers (or Administrative Borrower on behalf thereof) may not elect an Interest Period which will end after the Maturity Date.

"Interim Order" means the order of the Court entered in the Chapter 11 Case after a hearing, in form and substance reasonably satisfactory to the Lender Group, which, among other matters but not by way of limitation, authorizes Borrowers to obtain credit and incur Indebtedness on an interim basis, grants Liens under this Agreement and the other Loan Documents, as the case may be, in favor of Agent to secure the Obligations, and provides for the super-priority of Agent's and the Lenders' claims, all as set forth in such Interim Order.

"Interim Order Date" means the date that the Interim Order is entered by the Court.

"Inventory" means any Person's now owned or hereafter acquired right, title, and interest with respect to inventory, including goods held for sale or lease or to be furnished under a contract of service, goods that are leased by such Person as lessor, goods that are furnished by such Person under a contract of service, and raw materials, work in process, or materials used or consumed in such Person's business, including, without limitation, supplies and embedded software.

"Investment" means, with respect to any Person, any investment by such Person in any other Person (including Affiliates) in the form of loans, guarantees, advances, or capital contributions (excluding (a) commission, travel, and similar advances to officers and employees of such Person made in the ordinary course of business, and (b) bona fide Accounts arising in the ordinary course of business consistent with past practices), purchases or other acquisitions for consideration of Indebtedness or Stock, and any other items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP.

"Investment Property" means any Person's now owned or hereafter acquired right, title, and interest with respect to "investment property" as that term is defined in the Code, and any and all Supporting Obligations in respect thereof.

"IRC" means the Internal Revenue Code of 1986, as in effect from time to time.

"IRS" means the Internal Revenue Service of the United States and any successor thereto.

"Issuing Lender" means Foothill or any other Lender that, at the request of Administrative Borrower and with the consent of Agent agrees, in such Lender's sole discretion,

to become an Issuing Lender for the purpose of issuing L/Cs or L/C Undertakings pursuant to Section 2.12.

"Junior Notes" means those promissory notes issued by SAC Holding to Nationwide Commercial Co., an Arizona corporation, U-Haul and Oxford prior to the Closing Date.

"L/C" has the meaning set forth in Section 2.12(a).

"L/C Disbursement" means a payment made by the Issuing Lender pursuant to a Letter of Credit.

"L/C Undertaking" has the meaning set forth in Section 2.12(a).

"Lender" and "Lenders" have the respective meanings set forth in the preamble to this Agreement, and shall include any other Person made a party to this Agreement in accordance with the provisions of Section 14.1.

"Lender Group" means, individually and collectively, each of the Lenders (including the Issuing Lender) and Agent.

"Lender Group Expenses" means all (a) costs or expenses (including taxes, and insurance premiums) required to be paid by a Borrower or its Subsidiaries under any of the Loan Documents that are paid or incurred by the Lender Group, (b) out of pocket fees or charges paid, advanced or incurred by Agent in connection with the Lender Group's transactions with Borrowers or their Subsidiaries, including, fees or charges for photocopying, notarization, couriers and messengers, telecommunication, public record searches (including tax lien, litigation, and Uniform Commercial Code searches and including searches with the patent and trademark office, the copyright office, or the department of motor vehicles), filing, recording, publication, appraisal (including periodic Collateral appraisals or appraisals of any other collateral securing the obligations, business valuations to the extent of the fees and charges (and up to the amount of any limitation) contained in this Agreement, real estate surveys, real estate title policies and endorsements, and environmental audits, (c) costs and expenses incurred by Agent in the disbursement of funds to or for the account of Borrowers or other members of the Lender Group (by wire transfer or otherwise), (d) charges paid or incurred by Agent resulting from the dishonor of checks, (e) reasonable costs and expenses paid or incurred by the Lender Group to correct any default or enforce any provision of the Loan Documents, or in gaining possession of, maintaining, handling, preserving, storing, shipping, selling, preparing for sale, or advertising to sell the Collateral, or any portion thereof, irrespective of whether a sale is consummated, (f) audit fees and expenses of Agent related to audit examinations of the Loan Parties' Books to the extent of the fees and charges (and up to the amount of any limitation) contained in this Agreement,
(g) reasonable costs and expenses of third party claims or any other suit paid or incurred by the Lender Group, in either case in connection with enforcing or defending the Loan Documents or in connection with the transactions contemplated by the Loan Documents or the Lender Group's relationship with any Borrower or any Subsidiary of a Borrower, (h) Agent's and each Lender's reasonable fees and expenses (including attorneys' fees) incurred in advising, structuring, drafting, reviewing, administering, syndicating or

amending the Loan Documents, (i) fees and expenses of any financial advisor or consultant retained by the Lender Group in connection with the Chapter 11 Case, and (j) Agent's and each Lender's reasonable fees and expenses (including attorneys', accountants', consultants', and other advisors' fees and expenses) incurred in terminating, enforcing (including attorneys' accountants', consultants', and other advisors' fees and expenses incurred in connection with the Chapter 11 Case or any other "workout," "restructuring," or any other Insolvency Proceeding concerning any Borrower or in exercising rights or remedies under the Loan Documents), or defending the Loan Documents, irrespective of whether suit is brought, or in taking any Remedial Action concerning the Collateral or any other collateral securing the Obligations.

"Lender-Related Person" means, with respect to any Lender, such Lender, together with such Lender's Affiliates, and the officers, directors, employees, attorneys and agents of such Lender.

"Letter of Credit" means an L/C or an L/C Undertaking, as the context requires.

"Letter of Credit Usage" means, as of any date of determination, the aggregate undrawn amount of all outstanding Letters of Credit plus 100% of the amount of outstanding time drafts accepted by an Underlying Issuer as a result of drawings under Underlying Letters of Credit.

"LIBOR Deadline" has the meaning set forth in Section 2.13(b)(i).

"LIBOR Notice" means a written notice in the form of Exhibit L-1.

"LIBOR Option" has the meaning set forth in Section 2.13(a).

"LIBOR Rate" means, for each Interest Period for each LIBOR Rate Loan, the rate per annum determined by Agent (rounded upwards, if necessary, to the next 1/16%) by dividing (a) the Base LIBOR Rate for such Interest Period, by (b) 100% minus the Reserve Percentage. The LIBOR Rate shall be adjusted on and as of the effective day of any change in the Reserve Percentage.

"LIBOR Rate Loan" means each portion of an Advance or the Term Loan that bears interest at a rate determined by reference to the LIBOR Rate.

"LIBOR Rate Margin" means 3.50 percentage points.

"Lien" means any interest in an asset securing an obligation owed to, or a claim by, any Person other than the owner of the asset, irrespective of whether (a) such interest shall be based on the common law, statute, or contract, (b) such interest shall be recorded or perfected, and (c) such interest shall be contingent upon the occurrence of some future event or events or the existence of some future circumstance or circumstances, without limiting the generality of the foregoing, the term "Lien" includes the lien or security interest arising from a mortgage, deed of trust, encumbrance, pledge, hypothecation, assignment, deposit arrangement, security agreement, conditional sale or trust receipt, or from a lease, consignment, or bailment for security purposes and also including reservations, exceptions, encroachments, easements, rights-

of-way, covenants, conditions, restrictions, leases, and other title exceptions and encumbrances affecting Real Property.

"Loan Account" has the meaning set forth in Section 2.10.

"Loan Documents" means this Agreement (together with all exhibits and schedules hereto), the Agency Letter, the Bank Product Agreements, the Cash Management Agreements, the Consent, the Control Agreements, the Copyright Security Agreement, the Credit Card Agreements, the Disbursement Letter, the Due Diligence Letter, the Environmental Indemnity Agreements, the Fee Letter, the Final Order, the Guarantor Security Agreement, the Guaranty, the Interim Order, the Letters of Credit, the Mortgages, the Officers' Certificate, the Patent and Trademark Security Agreement, the Quebec Pledge Agreement, the Stock Pledge Agreement, any note or notes executed by a Borrower in connection with this Agreement and payable to a member of the Lender Group, and any other agreement entered into, now or in the future, by any Borrower or any Guarantor in connection with this Agreement.

"Loan Party" means any Borrower or any Guarantor, and "Loan Parties" means all Borrowers and all Guarantors.

"Loan Pledgee" has the meaning set forth in Section 14.1(j).

"Loan Pledgor" has the meaning set forth in Section 14.1(j).

"Major Space Leases" means lease agreements pursuant to which the proposed demised premises exceeds 5,000 square feet and the proposed term thereof, inclusive of all extensions and renewals, exceeds 5 years.

"Management Agreements" means, collectively, those certain property management agreements between Subsidiaries of U-Haul, on the one hand, and any of SAC Holding or SSI, on the other hand.

"Material Adverse Change" means (a) a material adverse change in the business, prospects, operations, results of operations, assets, liabilities or condition (financial or otherwise) of Borrowers and their Subsidiaries (other than the Insurance Subsidiaries) taken as a whole, (b) a material impairment of a Borrower's or Subsidiary of a Borrower's ability to perform its obligations under the Loan Documents to which it is a party or of the Lender Group's ability to enforce the Obligations or realize upon the Collateral or any other collateral securing the Obligations, or (c) a material impairment of the enforceability or priority of the Agent's Liens with respect to the Collateral or any other collateral securing the Obligations as a result of an action or failure to act on the part of a Borrower or a Subsidiary of a Borrower.

"Material Contracts" means the agreements set forth on Schedule M-1, which include each of the agreements (a) filed in connection with any Loan Party's SEC Filings and in existence as of the Closing Date, and (b) those agreements to which any Loan Party is a party and the loss or breach of which by such Loan Party would result in a Material Adverse Change, as such agreements are in existence on the Closing Date or as amended to the extent permitted hereunder.

"Maturity Date" has the meaning set forth in Section 3.4.

"Maximum Revolver Amount" means (a) from the Interim Order Date to the Final Order Date, $25,000,000, and (b) thereafter, $250,000,000.

"Mortgages" means, individually and collectively, one or more mortgages, deeds of trust, or deeds to secure debt, executed and delivered by a Borrower or a Guarantor in favor of Agent, for the benefit of the Lender Group and the Bank Product Providers, in form and substance reasonably satisfactory to Agent, that encumber the Real Property Collateral and the related improvements thereto.

"Multiemployer Plan" means a "multiemployer plan" (as defined in Section 4001(a)(3) of ERISA) to which Parent, any of its Subsidiaries, or any ERISA Affiliate has contributed, or was obligated to contribute, within the past six (6) years.

"Negotiable Collateral" means any Person's now owned and hereafter acquired right, title, and interest with respect to letters of credit, letter of credit rights, instruments, promissory notes, drafts, and documents, and any and all Supporting Obligations in respect thereof.

"Net Disposition" means the aggregate amount of Net Proceeds received from the disposition of any Equipment that is a capital asset during any period.

"Net Proceeds" means, with respect to any asset disposition by Parent or any Subsidiary of Parent or any proceeds from casualty insurance received by Parent or any Subsidiary or any issuance by Parent or any Subsidiary of Parent of Stock, the aggregate amount of cash or Cash Equivalents received for such assets or Stock, net of (a) reasonable and customary transaction costs and expenses, (b) transfer taxes (including sales and use taxes), (c) amounts payable to holders of applicable Permitted Liens hereunder to the extent that such Permitted Liens, if any, are senior in priority to the Agent's Liens, (d) an appropriate reserve for income taxes in accordance with GAAP, and (e) appropriate amounts to be provided as a reserve against liabilities or otherwise held in escrow in association with any such disposition, in each case clauses (a) though (e) to the extent the amounts so deducted are properly attributable to such transaction and payable (or reserved) by Parent or any Subsidiary of Parent in connection with such disposition or loss or the issuance of Stock, including without limitation reasonable and customary commissions and underwriting discounts, to a Person that is not an Affiliate of Parent or such Subsidiary.

"Obligations" means (a) all loans (including the Term Loan), Advances, debts, principal, interest, contingent reimbursement obligations with respect to outstanding Letters of Credit, premiums, liabilities (including all amounts charged to Borrowers' Loan Account pursuant hereto), obligations, fees (including the fees provided for in the Fee Letter), charges, costs, Lender Group Expenses, lease payments, guaranties, covenants, and duties of any kind and description owing by Borrowers to the Lender Group pursuant to or evidenced by the Loan Documents and irrespective of whether for the payment of money, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, and including all interest not paid when due and all Lender Group Expenses that Borrowers are required to pay or

reimburse by the Loan Documents, by law, or otherwise, and (b) all Bank Product Obligations. Any reference in this Agreement or in the Loan Documents to the Obligations shall include all amendments, changes, extensions, modifications, renewals replacements, substitutions, and supplements, thereto and thereof, as applicable.

"Officers' Certificate" means the representations and warranties of officers form submitted by Agent to Administrative Borrower, together with Administrative Borrower's completed responses to the inquiries set forth therein, the form and substance of such responses to be reasonably satisfactory to Agent.

"Organizational ID Number" means, with respect to any Person, the organizational identification number assigned to such Person by the applicable governmental unit or agency of the jurisdiction of organization or formation of such Person.

"Originating Lender" has the meaning set forth in Section 14.1(e).

"Overadvance" has the meaning set forth in Section 2.5.

"Oxford" means Oxford Life Insurance Company, an Arizona corporation, and its Subsidiaries, whether now existing or hereafter formed.

"Parent" has the meaning set forth in the preamble to this Agreement.

"Participant" has the meaning set forth in Section 14.1(e).

"Participant Register" has the meaning set forth in Section 14.1(i).

"Patent and Trademark Security Agreement" means that certain patent and trademark security agreement executed and delivered by all Borrowers and Guarantors that own patent or trademarks as of the Closing Date, and Agent, the form and substance of which are reasonably satisfactory to Agent.

"Permitted Discretion" means a determination made in good faith and in the exercise of reasonable (from the perspective of a secured asset-based lender) business judgment.

"Permitted Dispositions" means (a) sales or other dispositions by Administrative Borrower or its Subsidiaries of Equipment that is substantially worn, damaged, or obsolete in the ordinary course of business, as determined by Administrative Borrower, (b) the use or transfer of money or Cash Equivalents by Administrative Borrower or its Subsidiaries in a manner that is not prohibited by the terms of this Agreement or the other Loan Documents, (c) the licensing by Administrative Borrower or its Subsidiaries, on a non-exclusive basis, of patents, trademarks, copyrights, and other intellectual property rights in the ordinary course of business, (d) sales or dispositions of any Excluded Asset, (e) sales or dispositions of Surplus Real Property Collateral, so long as the Net Proceeds received for such Surplus Real Property Collateral are not less than 55% of the Fair Market Valuation for such Surplus Real Property Collateral, as set forth on Schedule S-2, and the Net Proceeds from such sale are delivered to Agent to be applied to the outstanding Obligations in accordance with the provisions of this Agreement, (f) leases and licenses of self-storage units to customers in the ordinary course of business, (g) the granting of

billboard and cell tower leases on any Real Property, (h) the granting of space leases in the ordinary course of business that do not constitute Major Space Leases, (i) dispositions required in connection with condemnations or takings, or dispositions in lieu thereof, where the just compensation paid on account thereof does not exceed $250,000, (j) sales of investment assets by the Insurance Subsidiaries, including, without limitation, bonds, real estate, partnership interests, and security interest in Real Property, (k) so long as no Event of Default has occurred and is continuing, dispositions of box-trucks, vans and pickup trucks in the ordinary course of Administrative Borrower's and U-Haul's fleet rotation program, so long as the book value of box-trucks and pickup trucks subject to Agent's Liens does not at any time decrease by more than $50,000,000 in the aggregate from the book value of such box-trucks and pickup trucks subject to Agent's Liens, as of the Closing Date set forth on Schedule 3.1(ee) (excluding decreases solely from depreciation charges on such trucks), (l) the granting of Permitted Easements, (m) so long as no Default has occurred and is then continuing, the sale in the ordinary course of business of Vehicles acquired within the previous 130 days in connection with a TRAC Lease Transaction to the extent the obligations thereunder are permitted by this Agreement, and (n) other dispositions in an aggregate amount not to exceed $2,500,000 per year.

"Permitted Easements" means (a) easements, licenses, rights-of-way and other rights and privileges in the nature of easements reasonably necessary or desirable for the use, repair, or maintenance of any Real Property as herein provided and (b) if required by applicable Governmental Authority, the dedication or transfer of unimproved portions of any Real Property for road, highway or other public purposes; so long as, in each case
(i) such grant, dedication or transfer does not materially impair the value of remaining useful life of the applicable Real Property or the fair market value of such Real Property or materially impair or interfere with the use or operations thereof, (ii) such grant, dedication or transfer, in Administrative Borrower's business judgment, is reasonably necessary in connection with the use, maintenance, alteration or improvement of the applicable Real Property and
(iii) such grant, dedication or transfer will not cause the applicable Real Property or any portion thereof to fail to comply with the provisions of the Loan Documents and all Applicable Law.

"Permitted Holder" means Edward J. Shoen, Mark V. Shoen, James P. Shoen, and their Family Members, and their Family Trusts.

"Permitted Investments" means (a) Investments in cash and Cash Equivalents, (b) Investments in negotiable instruments for collection, (c) advances made in connection with purchases of goods or services in the ordinary course of business, (d) Investments in any of the Insurance Subsidiaries in an aggregate amount not to exceed $95,000,000 in the aggregate provided such Investment is approved by the Court and is required to maintain compliance with the minimum capital requirements or demands proscribed by the Arizona Department of Insurance or other applicable Governmental Authorities, (e) Investments by any Loan Party in any other Loan Party; provided, to the extent such Investment is in the form of Indebtedness, such Indebtedness shall be unsecured, (f) Investments by the Insurance Subsidiaries from their respective portfolios in the ordinary course of business, including, without limitation, Investments in bonds, real estate, partnership interests, and security interests in Real Property, (g) Investments by U-Haul, Oxford and Nationwide Commercial Co. evidenced by the Junior Notes not to exceed the principal amount outstanding thereunder as of the Closing Date (except for increases in principal resulting solely from the accrual of interest thereon), and (h) payments

by U-Haul and its Subsidiaries of expenses on behalf of SAC Holdings pursuant to the Management Agreements, to the extent such payments are allowed by the Court and provided that all such expenses are promptly reimbursed by the appropriate other parties to the Management Agreements, and (i) other Investments in an aggregate amount not to exceed $2,500,000 per year.

"Permitted Liens" means (a) Liens held by Agent for the benefit of Agent and the Lenders, (b) Liens for unpaid taxes that (i) are not yet delinquent, (ii) to the extent non-payment thereof is permitted by the Bankruptcy Code or (iii) are the subject to a Permitted Protest so long as adequate reserves with respect thereto have been established in accordance with GAAP, (c) Liens set forth on Schedule P-1, (d) (i) the interests of lessors under operating leases (other than operating leases under a TRAC Lease Transaction), and (ii) the interests of lessors in Vehicles under TRAC Lease Transactions to the extent the obligations thereunder are permitted by this Agreement; (e) purchase money Liens or the interests of lessors under Capital Leases to the extent that such Liens or interests secure Purchase Money Indebtedness permitted hereunder and so long as such Lien attaches only to the asset purchased or acquired and the proceeds thereof, (f) Liens arising by operation of law in favor of warehousemen, landlords, carriers, mechanics, materialmen, laborers, or suppliers, incurred in the ordinary course of business and not in connection with the borrowing of money, and which Liens are subordinate to the Liens of Agent and the Lenders pursuant to the Interim Order and the Final Order; provided that if any such Lien arises from the nonpayment of such claims or demand when due, such claims or demands do not exceed the amounts, if any, set forth in the Interim Order or the Final Order, (g) Liens arising from deposits made in connection with obtaining worker's compensation or other unemployment insurance, (h) Liens or deposits to secure performance of bids, tenders, or leases incurred in the ordinary course of business and not in connection with the borrowing of money, (i) Liens granted as security for surety or appeal bonds in connection with obtaining such bonds in the ordinary course of business, (j) Liens with respect to the Real Property Collateral that are exceptions to the commitments for title insurance issued in connection with the Mortgages, as accepted by Agent, or are set forth in the preliminary title reports delivered to Agent with respect to Real Property Collateral owned by Borrowers, as accepted by Agent, (k) with respect to any Real Property, Permitted Easements, (l) Liens arising after the Second Relief Date from judgments and attachments in connection with court proceedings provided that the attachment or enforcement of such Liens would not result in an Event of Default hereunder and such Liens are subject to a Permitted Protest and no material Collateral is subject to a material risk of loss or forfeiture and the claims in respect of such Liens are fully covered by insurance (subject to ordinary and customary deductibles) and a stay of execution pending appeal or proceeding for review is in effect, (m) Liens for Carve-Out Expenses not exceeding the Carve Out Amount, (n) Liens securing Senior Claims, and (o) the Adequate Protection Liens.

"Permitted Protest" means the right of Administrative Borrower or any of its Subsidiaries, as applicable, to protest any Lien (other than any such Lien that secures the Obligations), taxes (other than payroll taxes or taxes that are the subject of a United States federal tax lien), or rental payment, provided that (a) a reserve with respect to such obligation is established on such Person's Books in such amount as is required under GAAP, (b) any such protest is instituted promptly and prosecuted diligently by Administrative Borrower or any of its Subsidiaries, as applicable, in good faith, and (c) Agent is satisfied that, while any such protest is

pending, there will be no impairment of the enforceability, validity, or priority of any of the Agent's Liens.

"Person" means any natural person, corporation, limited liability company, limited partnership, general partnership, limited liability partnership, joint venture, trust, land trust, business trust, or other organization, irrespective of whether it is a legal entity, and any government and agency or political subdivision thereof.

"Personal Property Collateral" means all Collateral other than Real Property.

"PBGC" means the Pension Benefit Guaranty Corporation as defined in Title IV of ERISA, or any successor thereto.

"Pledge" has the meaning set forth in Section 14.(j).

"PMSR" means Private Mini Storage Realty, L.P., a Texas limited partnership.

"PMSR Support Documents" means, collectively, (i) that certain Support Party Agreement dated as of December 30, 1997 by and between Parent and PMSR in favor of JPMorganChase Bank, as administrative agent, as successor to The Chase Manhattan Bank, (ii) that certain Non-Exoneration Agreement dated as of March 3, 2003 between Parent and JPMorganChase Bank, as administrative agent, and (iii) that certain Support Party Agreement dated as of February 28, 2003 by and between Parent and PM Preferred Properties, L.P. in favor of GMAC Commercial Holding Corp., as administrative agent, as amended by the First Amendment to Support Party Agreement dated as of June 13, 2003, in each case as amended from time to time with the approval of the Court (provided such amendment does not increase the obligations of any Loan Party thereunder).

"Projections" means Parent's forecasted (a) balance sheets,
(b) profit and loss statements, and (c) cash flow statements together with appropriate supporting details and a statement of underlying assumptions, all prepared on a basis consistent with the presentation set forth in the definition of "Consolidated" and on a basis consistent with Parent's financial statements delivered to Lenders prior to the Closing Date.

"Pro Rata Share" means, as of any date of determination:

(a) with respect to a Lender's obligation to make Advances and receive payments of principal, interest, fees, costs, and expenses with respect thereto, (i) prior to the Revolver Commitments being terminated or reduced to zero, the percentage obtained by dividing (y) such Lender's Revolver Commitment, by (z) the aggregate Revolver Commitments of all Lenders, and (ii) from and after the time that the Revolver Commitments have been terminated or reduced to zero, the percentage obtained by dividing (y) the aggregate outstanding principal amount of such Lender's Advances by (z) the aggregate outstanding principal amount of all Advances,

(b) with respect to a Lender's obligation to participate in Letters of Credit, to reimburse the Issuing Lender, and to receive payments of fees with respect thereto, (i) prior to the Revolver Commitments being terminated or reduced to zero, the percentage obtained by

dividing (y) such Lender's Revolver Commitment, by (z) the aggregate Revolver Commitments of all Lenders, and (ii) from and after the time that the Revolver Commitments have been terminated or reduced to zero, the percentage obtained by dividing (y) the aggregate outstanding principal amount of such Lender's Advances by (z) the aggregate outstanding principal amount of all Advances,

(c) with respect to a Lender's obligation to make the Term Loan and receive payments of interest, fees, and principal with respect thereto, (i) prior to the making of the Term Loan, the percentage obtained by dividing (y) such Lender's Term Loan Commitment, by (z) the aggregate amount of all Lenders' Term Loan Commitments, and (ii) from and after the making of the Term Loan, the percentage obtained by dividing (y) the principal amount of such Lender's portion of the Term Loan by (z) the principal amount of the Term Loan, and

(d) with respect to all other matters as to a particular Lender (including the indemnification obligations arising under Section 16.7), the percentage obtained by dividing (i) such Lender's Revolver Commitment plus the outstanding principal amount of such Lender's portion of the Term Loan, by
(ii) the aggregate amount of Revolver Commitments of all Lenders plus the outstanding principal amount of the Term Loan; provided, however, that in the event the Revolver Commitments have been terminated or reduced to zero, Pro Rata Share under this clause shall be the percentage obtained by dividing (A) the outstanding principal amount of such Lender's Advances plus such Lender's ratable portion of the Risk Participation Liability with respect to outstanding Letters of Credit plus the outstanding principal amount of such Lender's portion of the Term Loan, by (B) the outstanding principal amount of all Advances plus the aggregate amount of the Risk Participation Liability with respect to outstanding Letters of Credit plus the outstanding principal amount of the Term Loan.

"Purchase Money Indebtedness" means Indebtedness (other than the Obligations, but including Capitalized Lease Obligations), incurred at the time of, or within 20 days after, the acquisition of any fixed assets for the purpose of financing all or any part of the acquisition cost thereof.

"PWC Litigation" means that certain claim filed by Administrative Borrower against PricewaterhouseCoopers on or about June 5, 2003 in the Superior Court of Arizona, Maricopa County, No. CV2003-011032, and all related disputes between Administrative Borrower and PricewaterhouseCoopers.

"Qualified Cash" means, as of any date of determination, the amount of unrestricted cash and Cash Equivalents of Borrowers and their Subsidiaries that is in Deposit Accounts or in Securities Accounts, or any combination thereof, and which such Deposit Account or Securities Account is the subject of a Control Agreement and is maintained by a branch office of the bank or securities intermediary located within the United States.

"Quebec Pledge Agreement" means that certain pledge agreement executed and delivered by U-Haul (Canada) and Agent, the form and substance of which are reasonably satisfactory to Agent.

"Real Property" means any estates or interests in real property now owned or hereafter acquired by any Loan Party and the improvements thereto.

"Real Property Collateral" means the parcel or parcels of Real Property identified on Schedule R-1 and any Real Property hereafter acquired by a Loan Party.

"Record" means information that is inscribed on a tangible medium or which is stored in an electronic or other medium and is retrievable in perceivable form.

"Redirection Notice" had the meaning set forth in Section 14.1(j).

"Register" has the meaning set forth in Section 14.1(h).

"Registered Loan" has the meaning set forth in Section 2.16.

"Registered Note" has the meaning set forth in Section 2.16.

"Related Fund" has the meaning set forth in clause (d) of the definition of Eligible Transferee.

"Remedial Action" means all actions taken to (a) clean up, remove, remediate, contain, treat, monitor, assess, evaluate, or in any way address Hazardous Materials in the indoor or outdoor environment, (b) prevent or minimize a release or threatened release of Hazardous Materials so they do not migrate or endanger or threaten to endanger public health or welfare or the indoor or outdoor environment, (c) perform any pre-remedial studies, investigations, or post-remedial operation and maintenance activities, or (d) conduct any other actions authorized by 42 U.S.C. Section 9601.

"Report" has the meaning set forth in Section 16.17.

"Reportable Event" means any of the events described in
Section 4043(c) of ERISA or the regulations thereunder other than a Reportable Event as to which the provision of 30 days' notice to the PBGC is waived under applicable regulations.

"Replacement Lender" has the meaning set forth in Section 15.2.

"RepWest" means Republic Western Insurance Company, an Arizona corporation, and its Subsidiaries, whether now existing or hereafter formed.

"Required Availability" means that the sum of (a) Excess Availability plus (b) Qualified Cash exceeds $40,000,000.

"Required Lenders" means, at any time, Lenders whose Pro Rata Shares aggregate 51% of the Total Commitments, or if the Commitments have been terminated irrevocably, 51% of the Obligations (other than Bank Product Obligations) then outstanding.

"Reservation Management System" means the software system known as "Micores," which is used in connection with customer reservations of U-Haul products and services.

"Reserve Percentage" means, on any day, for any Lender, the maximum percentage prescribed by the Board of Governors of the Federal Reserve System (or any successor Governmental Authority) for determining the reserve requirements (including any basic, supplemental, marginal, or emergency reserves) that are in effect on such date with respect to eurocurrency funding (currently referred to as "eurocurrency liabilities") of that Lender, but so long as such Lender is not required or directed under applicable regulations to maintain such reserves, the Reserve Percentage shall be zero.

"Retiree Health Plan" means an "employee welfare benefit plan" within the meaning of Section 3(1) of ERISA that provides benefits to individuals after termination of their employment, other than as required by
Section 601 of ERISA.

"Revolver Commitment" means, with respect to each Lender, its Revolver Commitment, and, with respect to all Lenders, their Revolver Commitments, in each case as such Dollar amounts are set forth beside such Lender's name under the applicable heading on Schedule C-2 or on the signature page of the Assignment and Acceptance pursuant to which such Lender became a Lender hereunder in accordance with the provisions of Section 14.1.

"Revolver Usage" means, as of any date of determination, the sum of (a) the then extant amount of outstanding Advances, plus (b) the then extant amount of the Letter of Credit Usage.

"Risk Participation Liability" means, as to each Letter of Credit, all reimbursement obligations of Borrowers to the Issuing Lender with respect to an L/C Undertaking, consisting of (a) the amount available to be drawn or which may become available to be drawn, (b) all amounts that have been paid by the Issuing Lender to the Underlying Issuer to the extent not reimbursed by Borrowers, whether by the making of an Advance or otherwise, and (c) all accrued and unpaid interest, fees, and expenses payable with respect thereto.

"SAC Holding" means, collectively, SAC Holding Corporation, a Nevada corporation, SAC Holding II Corporation, a Nevada corporation, and each of their respective Subsidiaries, whether now existing or hereafter formed.

"SEC" means the United States Securities and Exchange Commission and any successor thereto.

"SEC Filings" means, with respect to any Person, all reports, documents and other information filed by such Person pursuant to the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, and all other rules and regulations promulgated by the SEC, including such Person's filed Form 10-K and subsequently filed quarterly reports on Form 10-Q and current reports on Form 8-K.

"Second Relief Date" has the meaning set forth in the recitals of this Agreement.

"Securities Account" means a "securities account" as that term is defined in the Code.

"Senior Claims" means the Liens described on Schedule S-1 hereto, in each case, to the extent allowed by the Court.

"Settlement" has the meaning set forth in Section 2.3(f)(i).

"Settlement Date" has the meaning set forth in Section 2.3(f)(i).

"SSI" means Self-Storage International Holding Corporation, a Nevada corporation, and any Subsidiary thereof, whether now existing or hereafter formed.

"Stock" means all shares, options, warrants, interests, participations, or other equivalents (regardless of how designated) of or in a Person, whether voting or nonvoting, including common stock, preferred stock, or any other "equity security" (as such term is defined in Rule 3a11-1 of the General Rules and Regulations promulgated by the SEC under the Exchange Act).

"Stock Pledge Agreement" means, collectively, one or more stock pledge agreements, the form and substance of which are reasonably satisfactory to Agent, executed and delivered by each Borrower or Guarantor that owns Stock of a Subsidiary of Parent; provided a Stock Pledge Agreement shall not be required in connection with the Stock of the Dormant Subsidiaries, the Bankrupt Subsidiaries, or Storage Realty, L.L.C.

"Subsidiary" of a Person means a corporation, partnership, limited liability company, or other entity in which that Person directly or indirectly owns or controls the shares of Stock having ordinary voting power to elect a majority of the board of directors (or appoint other comparable managers) of such corporation, partnership, limited liability company, or other entity; provided, however, PMSR, SAC Holding and SSI shall not be deemed to be Subsidiaries of any Borrower herein.

"Supporting Obligation" means any Person's now owned or hereafter acquired right, title and interest with respect to any "supporting obligation" as that term is defined in the Code.

"Surplus Real Property Collateral" means the Real Property Collateral set forth on Schedule S-2.

"Swing Lender" means Foothill or any other Lender that, at the request of Administrative Borrower and with the consent of Agent agrees, in such Lender's sole discretion, to become the Swing Lender hereunder.

"Swing Loan" has the meaning set forth in Section 2.3(d)(i).

"Synthetic Leases" means, collectively, (i) that certain Amended and Restated Master Lease and Open-End Mortgage dated as of July 27, 1999 among U-Haul, AREC, the various lessors identified therein and BMO Global Solutions, Inc., (ii) that certain Master Lease

dated as of September 24, 1999 between BMO Global Capital Solutions, Inc. and AREC; and (iii) that certain Canadian U-Haul Master Lease dated as of April 5, 2001 between Computershare Trust Company of Canada, as successor to Montreal Trust Company of Canada, and U-Haul (Canada).

"Taxes" has the meaning set forth in Section 16.11.

"Term Loan" has the meaning set forth in Section 2.2(a).

"Term Loan Amount" means $50,000,000.

"Term Loan Commitment" means, with respect to each Lender, its Term Loan Commitment and, with respect to all Lenders, their Term Loan Commitments, in each case as such Dollar amounts are set forth beside such Lender's name under the applicable heading on Schedule C-2 or on the signature page of the Assignment and Acceptance pursuant to which such Lender became a Lender hereunder in accordance with the provisions of Section 14.1.

"Title Reserve" means a reserve against Availability in an amount determined by Agent upon consultation with its counsel with respect to title defects and exceptions for certain of the Real Property Collateral.

"Total Commitment" means, with respect to each Lender, its Total Commitment, and, with respect to all Lenders, their Total Commitments, in each case as such Dollar amounts are set forth beside such Lender's name under the applicable heading on Schedule C-2 attached hereto or on the signature page of the Assignment and Acceptance pursuant to which such Lender became a Lender hereunder in accordance with the provisions of Section 14.1.

"TRAC Lease Obligations" means, in connection with any TRAC Lease Transaction that is an operating lease, the fair market value, at any time, of the assets acquired by the Loan Parties under all TRAC Lease Transactions.

"TRAC Lease Transaction" means any financing arrangement entered into by any Loan Party pursuant to a Terminal Residual Adjustment Clause lease whereby (a) (i) the ownership of a Vehicle that is owned by such Loan Party is transferred to a lessor within 130 days of the acquisition of such Vehicle or (ii) the ownership of a Vehicle is transferred to a lessor by someone other than a Loan Party, and (b) the Vehicle so transferred is leased back by the Loan Party.

"U-Haul" means U-Haul International, Inc., a Nevada corporation.

"U-Haul (Canada)" means U-Haul Co. (Canada) Ltd./U-Haul Co. (Canada) Ltee, an Ontario corporation.

"U-Haul Dealer" means any Person that leases Vehicles on behalf of U-Haul in the ordinary course of business.

"Underlying Issuer" means a third Person which is the beneficiary of an L/C Undertaking and which has issued a letter of credit at the request of the Issuing Lender for the benefit of Borrowers.

"Underlying Letter of Credit" means a letter of credit that has been issued by an Underlying Issuer.

"Unused Line Fee" has the meaning set forth in Section 2.11(a).

"U.S. Trustee" means the United States Trustee appointed to the Chapter 11 Case.

"Vehicle" or "Vehicles" means any vehicle (including any motor vehicle), trailer or other asset of any Borrower represented by a certificate of title.

"Voidable Transfer" has the meaning set forth in Section 17.7.

"Wells Fargo" means Wells Fargo Bank, National Association, a national banking association.

"WPCarey Transaction" means the transaction, in form and substance reasonably satisfactory to Agent, whereby UH Storage (DE) Limited Partnership, a Delaware limited partnership, or other Affiliate of W.P. Carey & Co., LLC, will acquire the Real Property that is subject to the Synthetic Leases (excluding Real Property located in Canada) and such Synthetic Leases shall be paid in full and terminated, all as more fully set forth on Schedule W-1.

1.2 ACCOUNTING TERMS; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that for purposes of determining compliance with any covenant set forth in Article 7, such terms shall be construed in accordance with GAAP as in effect on the date of this Agreement applied on a basis consistent with the application used in preparing Borrowers' audited financial statements referred to in Section 6.3. If any change in accounting principles from those used in the preparation of the audited financial statements referred to in Section 6.3 hereafter occasioned by the promulgation of any rule, regulation, pronouncement or opinion by or required by the Financial Accounting Standards Board (or successors thereto or agencies with similar functions) would result in a change in the method of calculation of financial covenants, standards or terms found in Article 1 or Article 7, the parties hereto agree to enter into negotiations in order to amend such provisions so as to equitably reflect such changes with the desired result that the criteria for evaluating Parent's financial condition shall be the same after such change as if such change had not been made; provided, however, the parties hereto agree to construe all terms of an accounting or financial nature in accordance with GAAP as in effect prior to any such change in accounting principles until the parties hereto have amended the applicable provisions of this Agreement.

1.3 CODE. Any terms used in this Agreement that are defined in the Code shall be construed and defined as set forth in the Code unless otherwise defined herein.

1.4 CONSTRUCTION. Unless the context of this Agreement or any other Loan Document clearly requires otherwise, references to the plural include the singular, references to

the singular include the plural, the term "including" is not limiting, and the term "or" has, except where otherwise indicated, the inclusive meaning represented by the phrase "and/or." The words "hereof," "herein," "hereby," "hereunder," and similar terms in this Agreement or any other Loan Document refer to this Agreement or such other Loan Document, as the case may be, as a whole and not to any particular provision of this Agreement or such other Loan Document, as the case may be. Section, subsection, clause, schedule, and exhibit references herein are to this Agreement unless otherwise specified. Any reference in this Agreement or in the other Loan Documents to any agreement, instrument, or document shall include all alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements, thereto and thereof, as applicable (subject to any restrictions on such alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements set forth herein). Any reference herein to the repayment in full of the Obligations shall mean the repayment in full in cash of all Obligations other than contingent indemnification Obligations and any other Bank Product Obligations that at such time are allowed by the applicable Bank Product Provider to remain outstanding and are not required to be repaid or cash collateralized pursuant to the provisions of this Agreement. Any reference herein to any Person shall be construed to include such Person's successors and assigns. Any requirement of a writing contained herein or in the other Loan Documents shall be satisfied by the transmission of a Record and any Record transmitted shall constitute a representation and warranty as to the accuracy and completeness of the information contained therein.

1.5 SCHEDULES AND EXHIBITS. All of the schedules and exhibits attached to this Agreement, together with any amendments, restatements, supplements, or other modifications to such schedules and exhibits permitted hereunder shall be deemed incorporated herein by reference.

2. LOAN AND TERMS OF PAYMENT.

2.1 REVOLVER ADVANCES.

(a) Subject to the terms and conditions of this Agreement and relying upon the representations and warranties set forth herein, and subject to the Interim Order and the Final Order, and during the term of this Agreement, each Lender with a Revolver Commitment agrees (severally, not jointly or jointly and severally) to make advances ("Advances") to Borrowers in an amount at any one time outstanding not to exceed such Lender's Pro Rata Share of an amount equal to the lesser of (i) the Maximum Revolver Amount less the Letter of Credit Usage, or (ii) the Borrowing Base less the Letter of Credit Usage less the outstanding balance of the Term Loan.

(b) Anything to the contrary in this Section 2.1 notwithstanding, Agent shall have the right to establish reserves in such amounts, and with respect to such matters, as Agent in its Permitted Discretion shall deem necessary or appropriate, against the Borrowing Base, including reserves with respect to (i) Carve-Out Expenses up to the Carve-Out Amount, (ii) sums that Borrowers are required to pay (such as taxes, assessments, insurance premiums, or, in the case of leased assets, rents or other amounts payable under such leases) and have failed to pay under any Section of this Agreement or any other Loan Document, (iii) amounts required to be paid to any Governmental Authority for mortgage, stamp or other documentary taxes with

respect to any Mortgage delivered pursuant to this Agreement, and (iv) amounts owing by Borrowers or their Subsidiaries to any Person to the extent secured by a Lien on, or trust over, any of the Collateral which Lien or trust, in the Permitted Discretion of Agent likely would have a priority superior to the Agent's Liens (such as Liens or trusts in favor of landlords, warehousemen, carriers, mechanics, materialmen, laborers, or suppliers, or Liens or trusts for ad valorem, excise, sales, or other taxes where given priority under applicable law) in and to such item of the Collateral; provided, however, the amount of any such reserve established by Agent in its Permitted Discretion after the Closing Date shall only be reduced with the consent of the Required Lenders.

(c) The Lenders with Revolver Commitments shall have no obligation to make additional Advances hereunder to the extent such additional Advances would cause the Revolver Usage to exceed the Maximum Revolver Amount.

(d) Amounts borrowed pursuant to this Section may be repaid and, subject to the terms and conditions of this Agreement, reborrowed at any time during the term of this Agreement.

2.2 TERM LOAN.

(a) Subject to the terms and conditions of this Agreement, on the Drawdown Date each Lender with a Term Loan Commitment agrees (severally, not jointly or jointly and severally) to make term loans (collectively, the "Term Loan") to Borrowers in an amount equal to such Lender's Pro Rata Share of an amount equal to the lesser of (i) the Term Loan Amount, or
(ii) the Borrowing Base less the Revolver Usage as of such date. The Term Loan shall be repaid in full on the Maturity Date.

(b) The outstanding unpaid principal balance and all accrued and unpaid interest under the Term Loan shall be due and payable on the date of termination of this Agreement, whether by its terms, by prepayment, or by acceleration. All amounts outstanding under the Term Loan shall constitute Obligations.

2.3 BORROWING PROCEDURES AND SETTLEMENTS.

(a) PROCEDURE FOR BORROWING. Each Borrowing shall be made by an irrevocable written request by an Authorized Person delivered to Agent (which notice must be received by Agent no later than 10:00 a.m. (California time) on the Business Day prior to the date that is the requested Funding Date specifying (i) the amount of such Borrowing, and (ii) the requested Funding Date, which shall be a Business Day; provided, however, that (x) in the case of a request for Swing Loan in an amount of $1,000,000, or less, such notice will be timely received if it is received by Agent no later than 10:00 a.m. (California time) on the Business Day that is the requested Funding Date, and
(y) in the case of the Term Loan, Agent shall have received three Business Days' notice prior to the requested Funding Date, if such Funding Date will be prior to August 29, 2003), specifying (i) the amount of such Borrowing, and (ii) the requested Funding Date, which shall be a Business Day. At Agent's election, in lieu of delivering the above-described written request, any Authorized Person may give Agent telephonic notice of such request by the required time, with such telephonic notice to be confirmed in writing within 24

hours of the giving of such notice and the failure to provide such written confirmation shall not affect the validity of the request. Upon the making of any request for a Borrowing hereunder, Borrowers shall be deemed to have certified that all conditions set forth in Section 3.3 hereof have been satisfied.

(b) AGENT'S ELECTION. Promptly after receipt of a request for a Borrowing pursuant to Section 2.3(a), Agent shall elect, in its discretion, (i) to have the terms of Section 2.3(c) apply to such requested Borrowing, or (ii) if the Borrowing is for an Advance, to request Swing Lender to make a Swing Loan pursuant to the terms of Section 2.3(d) in the amount of the requested Borrowing; provided, however, that if Swing Lender declines in its sole discretion to make a Swing Loan pursuant to Section 2.3(d), Agent shall elect to have the terms of Section 2.3(c) apply to such requested Borrowing.

(c) MAKING OF ADVANCES.

(i) In the event that Agent shall elect to have the terms of this Section 2.3(c) apply to a requested Borrowing as described in Section 2.3(b), then promptly after receipt of a request for a Borrowing pursuant to Section 2.3(a), Agent shall notify the Lenders, not later than 1:00 p.m. (California time) on the Business Day immediately preceding the Funding Date applicable thereto (or two Business Days immediately preceding the Funding Date applicable thereto in the case of the Term Loan), by telecopy, telephone, or other similar form of transmission, of the requested Borrowing. Each Lender shall make the amount of such Lender's Pro Rata Share of the requested Borrowing available to Agent in immediately available funds, to Agent's Account, not later than 10:00 a.m. (California time) on the Funding Date applicable thereto. After Agent's receipt of the proceeds of such Advances (or the Term Loan, as applicable), upon satisfaction of the applicable conditions precedent set forth in Section 3 hereof, Agent shall make the proceeds thereof available to Administrative Borrower on the applicable Funding Date by transferring immediately available funds equal to such proceeds received by Agent to Administrative Borrower's Designated Account; provided, however, that, subject to the provisions of Section 2.3(i), Agent shall not request any Lender to make, and no Lender shall have the obligation to make, any Advance (or its portion of the Term Loan) if Agent shall have actual knowledge that (1) one or more of the applicable conditions precedent set forth in Section 3 will not be satisfied on the requested Funding Date for the applicable Borrowing unless such condition has been waived, or
(2) the requested Borrowing would exceed the Availability on such Funding Date.

(ii) Unless Agent receives notice from a Lender on or prior to the Closing Date or, with respect to any Borrowing after the Closing Date, prior to 9:00 a.m. (California time) on the date of such Borrowing, that such Lender will not make available as and when required hereunder to Agent for the account of Borrowers the amount of that Lender's Pro Rata Share of the Borrowing, Agent may assume that each Lender has made or will make such amount available to Agent in immediately available funds on the Funding Date and Agent may (but shall not be so required), in reliance upon such assumption, make available to

Borrowers on such date a corresponding amount. If and to the extent any Lender shall not have made its full amount available to Agent in immediately available funds and Agent in such circumstances has made available to Borrowers such amount, that Lender shall on the Business Day following such Funding Date make such amount available to Agent, together with interest at the Defaulting Lender Rate for each day during such period. A notice submitted by Agent to any Lender with respect to amounts owing under this subsection shall be conclusive, absent manifest error. If such amount is so made available, such payment to Agent shall constitute such Lender's Advance (or portion of the Term Loan, as applicable) on the date of Borrowing for all purposes of this Agreement. If such amount is not made available to Agent on the Business Day following the Funding Date, Agent will notify Administrative Borrower of such failure to fund and, upon demand by Agent, Borrowers shall pay such amount to Agent for Agent's account, together with interest thereon for each day elapsed since the date of such Borrowing, at a rate per annum equal to the interest rate applicable at the time to the Advances (or portion of the Term Loan, as applicable) composing such Borrowing. The failure of any Lender to make any Advance (or portion of the Term Loan, as applicable) on any Funding Date shall not relieve any other Lender of any obligation hereunder to make an Advance (or portion of the Term Loan, as applicable) on such Funding Date, but no Lender shall be responsible for the failure of any other Lender to make the Advance to be made by such other Lender on any Funding Date.

(iii) Agent shall not be obligated to transfer to a Defaulting Lender any payments made by Borrowers to Agent for the Defaulting Lender's benefit, and, in the absence of such transfer to the Defaulting Lender, Agent shall transfer any such payments to each other non-Defaulting Lender member of the Lender Group ratably in accordance with their Commitments (but only to the extent that such Defaulting Lender's Advance was funded by the other members of the Lender Group) or, if so directed by Administrative Borrower and if no Default or Event of Default shall have occurred and be continuing (and to the extent such Defaulting Lender's Advance was not funded by the Lender Group), retain same to be re-advanced to Borrowers as if such Defaulting Lender had made Advances to Borrowers. Subject to the foregoing, Agent may hold and, in its Permitted Discretion, re-lend to Borrowers for the account of such Defaulting Lender the amount of all such payments received and retained by Agent for the account of such Defaulting Lender. Solely for the purposes of voting or consenting to matters with respect to the Loan Documents, such Defaulting Lender shall be deemed not to be a "Lender" and such Lender's Commitment shall be deemed to be zero. This
Section shall remain effective with respect to such Lender until (x) the Obligations under this Agreement shall have been declared or shall have become immediately due and payable, (y) the non-Defaulting Lenders, Agent, and Administrative Borrower shall have waived such Defaulting Lender's default in writing, or (z) the Defaulting Lender makes its Pro Rata Share of the applicable Advance and pays to Agent all amounts owing by Defaulting Lender in respect thereof. The operation of this
Section shall not be construed to increase or otherwise affect the Commitment of any Lender, to relieve or excuse the

performance by such Defaulting Lender or any other Lender of its duties and obligations hereunder, or to relieve or excuse the performance by Borrowers of their duties and obligations hereunder to Agent or to the Lenders other than such Defaulting Lender. Any such failure to fund by any Defaulting Lender shall constitute a material breach by such Defaulting Lender of this Agreement and shall entitle Administrative Borrower at its option, upon written notice to Agent, to arrange for a substitute Lender to assume the Commitment of such Defaulting Lender, such substitute Lender to be acceptable to Agent. In connection with the arrangement of such a substitute Lender, the Defaulting Lender shall have no right to refuse to be replaced hereunder, and agrees to execute and deliver a completed form of Assignment and Acceptance in favor of the substitute Lender (and agrees that it shall be deemed to have executed and delivered such document if it fails to do so) subject only to being repaid its share of the outstanding Obligations (other than Bank Product Obligations) (including an assumption of its Pro Rata Share of the Risk Participation Liability) without any premium or penalty of any kind whatsoever; provided further, however, that any such assumption of the Commitment of such Defaulting Lender shall not be deemed to constitute a waiver of any of the Lender Groups' or Borrowers' rights or remedies against any such Defaulting Lender arising out of or in relation to such failure to fund.

(d) MAKING OF SWING LOANS.

(i) In the event Agent shall elect, with the consent of Swing Lender, as a Lender, to have the terms of this Section 2.3(d) apply to a requested Borrowing as described in Section 2.3(b), Swing Lender as a Lender shall make such Advance in the amount of such Borrowing (any such Advance made solely by Swing Lender as a Lender pursuant to this Section 2.3(d) being referred to as a "Swing Loan" and such Advances being referred to collectively as "Swing Loans") available to Borrowers on the Funding Date applicable thereto by transferring immediately available funds to Administrative Borrower's Designated Account. Each Swing Loan shall be deemed to be an Advance hereunder and shall be subject to all the terms and conditions applicable to other Advances, except that all payments on any Swing Loan shall be payable to Swing Lender as a Lender solely for its own account (and for the account of the holder of any participation interest with respect to such Swing Loan). Subject to the provisions of
Section 2.3(i), Agent shall not request Swing Lender, as a Lender, to make, and Swing Lender as a Lender shall not make, any Swing Loan if Agent has actual knowledge that (i) one or more of the applicable conditions precedent set forth in
Section 3 will not be satisfied on the requested Funding Date for the applicable Borrowing unless such condition has been waived, or (ii) the requested Borrowing would exceed the Availability on such Funding Date. Swing Lender as a Lender shall not otherwise be required to determine whether the applicable conditions precedent set forth in Section 3 have been satisfied on the Funding Date applicable thereto prior to making, in its sole discretion, any Swing Loan.

(ii) The Swing Loans shall be secured by the Agent's Liens, shall constitute Obligations hereunder, and shall bear interest at the rate applicable from time to time to Advances that are Base Rate Loans.

(e) AGENT ADVANCES.

(i) Agent hereby is authorized by Borrowers and the Lenders, from time to time in Agent's sole discretion, (1) after the occurrence and during the continuance of a Default or an Event of Default, or (2) at any time that any of the other applicable conditions precedent set forth in Section 3 have not been satisfied, to make Advances to Borrowers on behalf of the Lenders that Agent, in its Permitted Discretion deems necessary or desirable (A) to preserve or protect the Collateral and any other collateral securing the Obligations, or any portion thereof, (B) to enhance the likelihood of repayment of the Obligations (other than the Bank Product Obligations), or (C) to pay any other amount chargeable to Borrowers pursuant to the terms of this Agreement, including Lender Group Expenses and the costs, fees, and expenses described in Section 10 (any of the Advances described in this
Section 2.3(e) shall be referred to as "Agent Advances"), provided, that notwithstanding anything to the contrary contained in this Section 2.3 (e), the aggregate principal amount of Agent Advances outstanding at any one time, when taken together with the aggregate principal amount of Overadvances made in accordance with Section 2.3(i) outstanding at any time, shall not exceed an amount equal to the lesser of (x) 5.0% of the Borrowing Base then in effect and (y) $10,000,000. Each Agent Advance shall be deemed to be an Advance hereunder and shall be subject to all the terms and conditions applicable to other Advances, except that no such Agent Advance shall be eligible for the LIBOR Option and all payments thereon shall be payable to Agent solely for its own account (and for the account of the holder of any participation interest with respect to such Agent Advances).

(ii) The Agent Advances shall be repayable on demand and secured by the Agent's Liens granted to Agent under the Loan Documents, shall constitute Advances and Obligations hereunder, and shall bear interest at the rate applicable from time to time to Advances that are Base Rate Loans.

(f) SETTLEMENT. It is agreed that each Lender's funded portion of the Advances is intended by the Lenders to equal, at all times, such Lender's Pro Rata Share of the outstanding Advances. Such agreement notwithstanding, Agent, Swing Lender, and the other Lenders agree (which agreement shall not be for the benefit of or enforceable by Borrowers) that in order to facilitate the administration of this Agreement and the other Loan Documents, settlement among them as to the Advances, the Swing Loans, and the Agent Advances shall take place on a periodic basis in accordance with the following provisions:

(i) Agent shall request settlement ("Settlement") with the Lenders on a weekly basis, or on a more frequent basis if so determined by Agent, (1) on behalf of Swing Lender, with respect to each outstanding Swing Loan,
(2) for itself, with respect to each Agent Advance, and (3) with respect to Borrowers' or

their Subsidiaries' Collections received, as to each by notifying the Lenders by telecopy, telephone, or other similar form of transmission, of such requested Settlement, no later than 2:00 p.m. (California time) on the Business Day immediately prior to the date of such requested Settlement (the date of such requested Settlement being the "Settlement Date"). Such notice of a Settlement Date shall include a summary statement of the amount of outstanding Advances (including Swing Loans and Agent Advances) for the period since the prior Settlement Date. Subject to the terms and conditions contained herein (including Section 2.3(c)(iii)):
(y) if a Lender's balance of the Advances (including Swing Loans and Agent Advances) exceeds such Lender's Pro Rata Share of the Advances (including Swing Loans and Agent Advances) as of a Settlement Date, then Agent shall, by no later than 12:00
p.m. (California time) on the Settlement Date, transfer in immediately available funds to a Deposit Account of such Lender (as such Lender may designate) an amount such that each such Lender shall, upon receipt of such amount, have as of the Settlement Date, its Pro Rata Share of the Advances (including Swing Loans and Agent Advances), and (z) if a Lender's balance of the Advances, Swing Loans, and Agent Advances is less than such Lender's Pro Rata Share of the Advances (including Swing Loans and Agent Advances) as of a Settlement Date, such Lender shall no later than 12:00 p.m. (California time) on the Settlement Date transfer in immediately available funds to the Agent's Account, an amount such that each such Lender shall, upon transfer of such amount, have as of the Settlement Date, its Pro Rata Share of the Advances (including Swing Loans and Agent Advances). Such amounts made available to Agent under clause (z) of the immediately preceding sentence shall be applied against the amounts of the applicable Swing Loan or Agent Advance and, together with the portion of such Swing Loan or Agent Advance representing Swing Lender's Pro Rata Share thereof, shall constitute Advances of such Lenders. If any such amount is not made available to Agent by any Lender on the Settlement Date applicable thereto to the extent required by the terms hereof, Agent shall be entitled to recover for its account such amount on demand from such Lender together with interest thereon at the Defaulting Lender Rate.

(ii) In determining whether a Lender's balance of the Advances, Swing Loans, and Agent Advances is less than, equal to, or greater than such Lender's Pro Rata Share of the Advances, Swing Loans, and Agent Advances as of a Settlement Date, Agent shall, as part of the relevant Settlement, apply to such balance the portion of payments actually received in good funds by Agent with respect to principal, interest, and fees payable by Borrowers and allocable to the Lenders hereunder, and proceeds of Collateral and any other collateral securing the obligations. To the extent that a net amount is owed to any such Lender after such application, such net amount shall be distributed by Agent to that Lender as part of such next Settlement.

(iii) Between Settlement Dates, Agent, to the extent no Agent Advances or Swing Loans are outstanding, may pay over to Swing Lender any payments received by Agent, that in accordance with the terms of this Agreement would be applied to the reduction of the Advances, for application to Swing

Lender's Pro Rata Share of the Advances. If, as of any Settlement Date, Collections of Borrowers or their Subsidiaries received since the then immediately preceding Settlement Date have been applied to Swing Lender's Pro Rata Share of the Advances other than to Swing Loans, as provided for in the previous sentence, Swing Lender shall pay to Agent for the accounts of the Lenders, and Agent shall pay to the Lenders, to be applied to the outstanding Advances of such Lenders, an amount such that each Lender shall, upon receipt of such amount, have, as of such Settlement Date, its Pro Rata Share of the Advances. During the period between Settlement Dates, Swing Lender with respect to Swing Loans, Agent with respect to Agent Advances, and each Lender (subject to the effect of letter agreements between Agent and individual Lenders) with respect to the Advances other than Swing Loans and Agent Advances, shall be entitled to interest at the applicable rate or rates payable under this Agreement on the daily amount of funds employed by Swing Lender, Agent, or the Lenders, as applicable.

(g) NOTATION. As more fully set forth in Section 2.16 and
Section 14.1(h) Agent shall record on its books the principal amount of the Advances (or portion of the Term Loan, as applicable) owing to each Lender, including the Swing Loans owing to Swing Lender, and Agent Advances owing to Agent, and the interests therein of each Lender, from time to time and such records shall, absent manifest error, conclusively be presumed to be correct and accurate. In addition, each Lender is authorized, at such Lender's option, to note the date and amount of each payment or prepayment of principal of such Lender's Advances (or portion of Term Loan, as applicable) in its books and records, including computer records and such records shall, absent manifest error, conclusively be presumed to be correct and accurate.

(h) LENDERS' FAILURE TO PERFORM. All Advances (other than Swing Loans and Agent Advances) shall be made by the Lenders contemporaneously and in accordance with their Pro Rata Shares. It is understood that (i) no Lender shall be responsible for any failure by any other Lender to perform its obligation to make any Advance (or other extension of credit) hereunder, nor shall any Commitment of any Lender be increased or decreased as a result of any failure by any other Lender to perform its obligations hereunder, and (ii) no failure by any Lender to perform its obligations hereunder shall excuse any other Lender from its obligations hereunder.

(i) OPTIONAL OVERADVANCES. Any contrary provision of this Agreement notwithstanding, the Lenders hereby authorize Agent or Swing Lender, as applicable, and Agent or Swing Lender, as applicable, may, but is not obligated to, knowingly and intentionally, continue to make Advances to Borrowers notwithstanding that an Overadvance exists or thereby would be created, so long as (i) after giving effect to such Advances, the sum of the outstanding Revolver Usage and the outstanding principal amount of the Term Loan does not exceed the Borrowing Base by an amount equal to the lesser of (x) 5.0% of the Borrowing Base and (y) $10,000,000, (ii) after giving effect to such Advances the outstanding Revolver Usage (except for and excluding amounts charged to the Loan Account for interest, fees, or Lender Group Expenses) does not exceed the Maximum Revolver Amount, (iii) the aggregate principal amount of Overadvances made pursuant to this Section 2.3(i) when taken together with the aggregate principal amount of Agent Advances made pursuant to Section 2.3(e) does not exceed at any

time an amount equal to the lesser of (x) 5.0% of the Borrowing Base then in effect and (y) $10,000,000, and (iv) at the time of the making of any such Advance (including a Swing Loan), Agent does not believe, in good faith, that the Overadvance created by such Advance will be outstanding for more than 90 days. The foregoing provisions are for the exclusive benefit of Agent, Swing Lender, and the Lenders and are not intended to benefit Borrowers in any way. The Advances and Swing Loans, as applicable, that are made pursuant to this
Section 2.3(i) shall be subject to the same terms and conditions as any other Advance or Swing Loan, as applicable, except that they shall not be eligible for the LIBOR Option and the rate of interest applicable thereto shall be the rate applicable to Advances that are Base Rate Loans under Section 2.6(c) hereof without regard to the presence or absence of a Default or Event of Default.

(i) In the event Agent obtains actual knowledge that the Revolver Usage exceeds the amounts permitted by the preceding paragraph, regardless of the amount of, or reason for, such excess, Agent shall notify Lenders as soon as practicable (and prior to making any (or any additional) intentional Overadvances (except for and excluding amounts charged to the Loan Account for interest, fees, or Lender Group Expenses) unless Agent determines that prior notice would result in imminent harm to the Collateral or any other collateral securing the Obligations or its value), and the Lenders with Revolver Commitments thereupon shall, together with Agent, jointly determine the terms of arrangements that shall be implemented with Borrowers and intended to reduce, within a reasonable time, the outstanding principal amount of the Advances to Borrowers to an amount permitted by the preceding paragraph. In the event Agent or any Lender disagrees over the terms of reduction or repayment of any Overadvance, the terms of reduction or repayment thereof shall be implemented according to the determination of the Required Lenders.

(ii) Each Lender with a Revolver Commitment shall be obligated to settle with Agent as provided in Section 2.3(f) for the amount of such Lender's Pro Rata Share of any unintentional Overadvances by Agent reported to such Lender, any intentional Overadvances made as permitted under this
Section 2.3(i), and any Overadvances resulting from the charging to the Loan Account of interest, fees, or Lender Group Expenses.

2.4 PAYMENTS.

(a) PAYMENTS BY BORROWERS.

(i) Except as otherwise expressly provided herein, all payments by Borrowers shall be made to Agent's Account for the account of the Lender Group and shall be made in immediately available funds, no later than 11:00 a.m. (California time) on the date specified herein. Except as otherwise provided in paragraph (b)(iii) below, any payment received by Agent later than 11:00 a.m. (California time), shall be deemed to have been received on the following Business Day and any applicable interest or fee shall continue to accrue until such following Business Day.

(ii) Unless Agent receives notice from Administrative Borrower prior to the date on which any payment is due to the Lenders that Borrowers will not make such payment in full as and when required, Agent may assume that Borrowers have made (or will make) such payment in full to Agent on such date in immediately available funds and Agent may (but shall not be so required), in reliance upon such assumption, distribute to each Lender on such due date an amount equal to the amount then due such Lender. If and to the extent Borrowers do not make such payment in full to Agent on the date when due, each Lender severally shall repay to Agent on demand such amount distributed to such Lender, together with interest thereon at the Defaulting Lender Rate for each day from the date such amount is distributed to such Lender until the date repaid.

(b) APPORTIONMENT AND APPLICATION OF PAYMENTS.

(i) Except as otherwise provided with respect to Defaulting Lenders and except as otherwise provided in the Loan Documents (including letter agreements between Agent and individual Lenders), aggregate principal and interest payments shall be apportioned ratably among the Lenders (according to the unpaid principal balance of the Obligations to which such payments relate held by each Lender) and payments of fees and expenses (other than fees or expenses that are for Agent's separate account, after giving effect to any letter agreements between Agent and individual Lenders) shall be apportioned ratably among the Lenders having a Pro Rata Share of the type of Commitment or Obligation to which a particular fee relates. All payments shall be remitted to Agent and all such payments, and all proceeds of any Loan Party's Accounts or other Collateral received by Agent, shall be applied as follows:

(A) first, to pay any Lender Group Expenses then due to Agent under the Loan Documents, until paid in full,

(B) second, to pay any Lender Group Expenses then due to the Lenders under the Loan Documents, on a ratable basis, until paid in full,

(C) third, to pay any fees then due to Agent (for its separate accounts, after giving effect to any letter agreements between Agent and the individual Lenders) under the Loan Documents until paid in full,

(D) fourth, to pay any fees then due to any or all of the Lenders (after giving effect to any letter agreements between Agent and individual Lenders) under the Loan Documents, on a ratable basis, until paid in full,

(E) fifth, to pay interest due in respect of all Agent Advances, until paid in full,

(F) sixth, ratably to pay interest due in respect of the Advances (other than Agent Advances), the Swing Loans, and the Term Loan until paid in full,

(G) seventh, to pay the principal of all Agent Advances until paid in full,

(H) eighth, to pay the principal of all Swing Loans until paid in full,

(I) ninth, so long as no Event of Default has occurred and is continuing, and at Agent's election (which election Agent agrees will not be made if an Overadvance would be created thereby), to pay amounts then due and owing by Administrative Borrower or its Subsidiaries in respect of Bank Products in an amount up to the amount of the Bank Product Reserves, until paid in full,

(J) tenth, so long as no Event of Default has occurred and is continuing, to pay the principal of all Advances until paid in full,

(K) eleventh, so long as no Event of Default has occurred and is continuing, ratably to pay all principal amounts then due and payable (other than as a result of an acceleration thereof) with respect to the Term Loan until paid in full,

(L) twelfth, if an Event of Default has occurred and is continuing, ratably (i) to pay the principal amount of all Advances until paid in full, and (ii) to Agent, to be held by Agent, for the ratable benefit of Issuing Lender and those Lenders having a Revolver Commitment, as cash collateral in an amount up to 105% of the then extant Letter of Credit Usage until paid in full,

(M) thirteenth, if an Event of Default has occurred and is continuing, to pay the outstanding principal balance of the Term Loan until the Term Loan is paid in full,

(N) fourteenth, if an Event of Default has occurred and is continuing, to Agent, to be held by Agent for the benefit of the Bank Product Providers, as cash collateral in an amount up to the amount of the Bank Product Reserve established prior to the occurrence of, and not in contemplation of, the subject Event of Default until Administrative Borrower's and its Subsidiaries' obligations in respect of the then extant Bank Products have been paid in full or the cash collateral amount has been exhausted,

(O) fifteenth, if an Event of Default has occurred and is continuing, to pay any other Obligations (including Bank Product Obligations) until paid in full, and

(P) sixteenth, to Borrowers (to be wired to the Designated Account) or such other Person entitled thereto under applicable law.

(ii) Agent promptly shall distribute to each Lender, pursuant to the applicable wire instructions received from each Lender in writing, such funds as it may be entitled to receive, subject to a Settlement delay as provided in
Section 2.3(h).

(iii) In each instance, so long as no Event of Default has occurred and is continuing, Section 2.4(b) shall not be deemed to apply to any payment by Borrowers specified by Borrowers to be for the payment of specific Obligations then due and payable (or prepayable) under any provision of this Agreement.

(iv) For purposes of the foregoing, "paid in full" means payment of all amounts owing under the Loan Documents according to the terms thereof, including loan fees, service fees, professional fees, interest (and specifically including interest accrued after the commencement of any Insolvency Proceeding), default interest, interest on interest, and expense reimbursements, whether or not the same would be or is allowed or disallowed in whole or in part in any Insolvency Proceeding.

(v) In the event of a direct conflict between the priority provisions of this Section 2.4 and other provisions contained in any other Loan Document, it is the intention of the parties hereto that such priority provisions in such documents shall be read together and construed, to the fullest extent possible, to be in concert with each other. In the event of any actual, irreconcilable conflict that cannot be resolved as aforesaid, the terms and provisions of this
Section 2.4 shall control and govern.

2.5 OVERADVANCES. If, at any time or for any reason, the amount of Obligations (other than Bank Product Obligations) owed by Borrowers to the Lender Group pursuant to Sections 2.1 and 2.12 is greater than either the Dollar or percentage limitations set forth in Sections 2.1 or 2.12, (an "Overadvance"), Borrowers immediately shall pay to Agent, in cash, the amount of such excess, which amount shall be used by Agent to reduce the Obligations in accordance with the priorities set forth in Section 2.4(b). In addition, Borrowers hereby promise to pay the Obligations (including principal, interest, fees, costs, and expenses) in Dollars in full to the Lender Group as and when due and payable under the terms of this Agreement and the other Loan Documents.

2.6 INTEREST RATES AND LETTER OF CREDIT FEE: RATES, PAYMENTS, AND CALCULATIONS.

(a) INTEREST RATES. Except as provided in clause (c) below, all Obligations (except for undrawn Letters of Credit and except for Bank Product Obligations) that have been charged to the Loan Account pursuant to the terms hereof shall bear interest on the Daily Balance thereof as follows (i) if the relevant Obligation is an Advance that is a LIBOR Rate Loan, at a per annum rate equal to the LIBOR Rate plus the LIBOR Rate Margin, (ii) if the relevant Obligation is a portion of the Term Loan that is a LIBOR Rate Loan, at a per annum rate equal to the LIBOR Rate plus the LIBOR Rate Margin, (iii) if the relevant Obligation is a portion of the Term Loan that is a Base Rate Loan, at a per annum rate equal to the Base Rate plus the

Base Rate Margin, and (iv) otherwise, at a per annum rate equal to the Base Rate plus the Base Rate Margin.

(b) LETTER OF CREDIT FEE. Borrowers shall pay Agent (for the ratable benefit of the Lenders with a Revolver Commitment, subject to any letter agreement between Agent and individual Lenders), a Letter of Credit fee (in addition to the charges, commissions, fees, and costs set forth in Section 2.12(f)) which shall accrue at a rate equal to 3.50% per annum times the Daily Balance of the undrawn amount of all outstanding Letters of Credit.

(c) DEFAULT RATE. Upon the occurrence and during the continuation of an Event of Default (and at the election of Agent or the Required Lenders),

(i) all Obligations (except for undrawn Letters of Credit and except for Bank Product Obligations) that have been charged to the Loan Account pursuant to the terms hereof shall bear interest on the Daily Balance thereof at a per annum rate equal to 2.00 percentage points above the per annum rate otherwise applicable hereunder, and

(ii) the Letter of Credit fee provided for above shall be increased to 2.00 percentage points above the per annum rate otherwise applicable hereunder.

(d) PAYMENT. Interest (other than Interest on LIBOR Rate Loans), Letter of Credit fees, and all other fees payable hereunder shall be due and payable, in arrears, on the first day of each month at any time that Obligations or Commitments are outstanding. Borrowers hereby authorize Agent, from time to time, without prior notice to Borrowers, to charge all interest and fees, all Lender Group Expenses (as and when incurred), the charges, commissions, fees, and costs provided for in Section 2.12(f) (as and when accrued or incurred), the fees and costs provided for in Section 2.11 (as and when accrued or incurred), and all other payments as and when due and payable under any Loan Document (including the installments due and payable with respect to the Term Loan and including any amounts due and payable to Bank Product Providers in respect of Bank Products up to the amount of the then extant Bank Product Reserve) to Borrowers' Loan Account, which amounts thereafter shall constitute Advances hereunder and shall accrue interest at the rate then applicable to Advances hereunder. Any interest not paid when due shall be compounded by being charged to Borrowers' Loan Account and shall thereafter constitute Advances hereunder and shall accrue interest at the rate then applicable to Advances that are Base Rate Loans hereunder.

(e) COMPUTATION. All interest and fees chargeable under the Loan Documents shall be computed on the basis of a 360 day year for the actual number of days elapsed. In the event the Base Rate is changed from time to time hereafter, the rates of interest hereunder based upon the Base Rate automatically and immediately shall be increased or decreased by an amount equal to such change in the Base Rate.

(f) INTENT TO LIMIT CHARGES TO MAXIMUM LAWFUL RATE. In no event shall the interest rate or rates payable under this Agreement, plus any other amounts paid in connection herewith, exceed the highest rate permissible under any law that a court of competent jurisdiction shall, in a final determination, deem applicable. Borrowers and the Lender Group, in

executing and delivering this Agreement, intend legally to agree upon the rate or rates of interest and manner of payment stated within it; provided, however, that, anything contained herein to the contrary notwithstanding, if said rate or rates of interest or manner of payment exceeds the maximum allowable under applicable law, then, ipso facto, as of the date of this Agreement, Borrowers are and shall be liable only for the payment of such maximum as allowed by law, and payment received from Borrowers in excess of such legal maximum, whenever received, shall be applied to reduce the principal balance of the Obligations to the extent of such excess.

2.7 CASH MANAGEMENT.

(a) Borrowers shall, and shall cause each of the Guarantors to, (i) establish and maintain cash management services of a type and on terms satisfactory to Agent at one or more of the banks set forth on Schedule
2.7(a) (each, a "Cash Management Bank"), and shall immediately after closing request in writing and otherwise take such reasonable steps to ensure that all of their Account Debtors forward payment of the amounts owed by them directly to such Cash Management Bank, and (ii) deposit or cause to be deposited promptly, and in any event no later than the first Business Day after the date of receipt thereof, all Collections (including those sent directly by their Account Debtors to a Cash Management Bank or Collections received at a retail location of any Borrower or any Guarantor) into a bank account in Agent's name (a "Cash Management Account") at one of the Cash Management Banks.

(b) The Cash Management Bank maintaining the Concentration Account and such other Cash Management Banks as may be required by Agent shall establish and maintain Cash Management Agreements with Agent and Borrowers, in form and substance acceptable to Agent. Each such Cash Management Agreement shall provide, among other things, that (i) all items of payment deposited in such Cash Management Account and proceeds thereof are held by such Cash Management Bank as agent or bailee-in-possession for Agent, (ii) the Cash Management Bank has no rights of setoff or recoupment or any other claim against the applicable Cash Management Account, other than for payment of its service fees and other charges directly related to the administration of such Cash Management Account and for returned checks or other items of payment, and (iii) it immediately will forward by daily sweep all amounts in the applicable Cash Management Account to the Concentration Account. Upon the terms and subject to the conditions set forth in the Cash Management Agreement applicable to the Concentration Account, all amounts received in the Concentration Account shall be swept into the Agent's Account.

(c) So long as no Default or Event of Default has occurred and is continuing, Administrative Borrower may amend Schedule 2.7(a) or
(b) to add or replace a Cash Management Account Bank or Cash Management Account; provided, however, that (i) such prospective Cash Management Bank shall be reasonably satisfactory to Agent and Agent shall have consented in writing in advance to the opening of such Cash Management Account with the prospective Cash Management Bank, and (ii) prior to the time of the opening of such Cash Management Account, Borrowers or Guarantors, as applicable, and such prospective Cash Management Bank shall have executed and delivered to Agent a Cash Management Agreement. Borrowers or Guarantor, as applicable, shall close any of their Cash Management Accounts (and establish replacement cash management accounts in accordance with the foregoing sentence) promptly and in any event within 30 days of notice from Agent that the creditworthiness of any

Cash Management Bank is no longer acceptable in Agent's reasonable judgment, or as promptly as practicable and in any event within 60 days of notice from Agent that the operating performance, funds transfer, or availability procedures or performance of the Cash Management Bank with respect to Cash Management Accounts or Agent's liability under any Cash Management Agreement with such Cash Management Bank is no longer acceptable in Agent's reasonable judgment.

(d) The Cash Management Accounts shall be cash collateral accounts, with all cash, checks and similar items of payment in such accounts securing payment of the Obligations, and in which Borrowers are hereby deemed to have granted a Lien to Agent.

2.8 CREDITING PAYMENTS. The receipt of any payment item by Agent (whether from transfers to Agent by the Cash Management Banks pursuant to the Cash Management Agreements or otherwise) shall not be considered a payment on account unless such payment item is a wire transfer of immediately available federal funds made to the Agent's Account or unless and until such payment item is honored when presented for payment. Should any payment item not be honored when presented for payment, then Borrowers shall be deemed not to have made such payment and interest shall be calculated accordingly. Anything to the contrary contained herein notwithstanding, any payment item shall be deemed received by Agent only if it is received into the Agent's Account on a Business Day on or before 11:00 a.m. (California time). If any item is received into the Agent's Account on a non-Business Day or after 11:00 a.m. (California time) on a Business Day, it shall be deemed to have been received by Agent as of the opening of business on the immediately following Business Day.

2.9 DESIGNATED ACCOUNT. Agent is authorized to make the Advances and the Term Loan, and Issuing Lender is authorized to issue the Letters of Credit, under this Agreement based upon telephonic or other instructions received from anyone purporting to be an Authorized Person, or without instructions if pursuant to Section 2.6(d). Administrative Borrower agrees to establish and maintain the Designated Account with the Designated Account Bank for the purpose of receiving the proceeds of the Advances requested by Borrowers and made by Agent or the Lenders hereunder. Unless otherwise agreed by Agent and Administrative Borrower, any Advance, Agent Advance, or Swing Loan requested by Borrowers and made by Agent or the Lenders hereunder shall be made to the Designated Account.

2.10 MAINTENANCE OF LOAN ACCOUNT; STATEMENTS OF OBLIGATIONS. Lender shall maintain an account on its books in the name of Borrowers (the "Loan Account") on which Borrowers will be charged with the Term Loan, all Advances (including Agent Advances and Swing Loans) made by Agent, Swing Lender, or the Lenders to Borrowers or for Borrowers' account, the Letters of Credit issued by Issuing Lender for Borrowers' account, and with all other payment Obligations hereunder or under the other Loan Documents (except for Bank Product Obligations), including, accrued interest, fees and expenses, and Lender Group Expenses. In accordance with Section 2.8, the Loan Account will be credited with all payments received by Agent from Borrowers or for Borrowers' account, including all amounts received in the Agent's Account from any Cash Management Bank. Agent shall render statements regarding the Loan Account to Administrative Borrower, including principal, interest, fees, and including an itemization of all charges and expenses constituting Lender Group Expenses owing, and such statements, absent manifest error, shall be conclusively presumed to be correct and accurate and

constitute an account stated between Borrowers and the Lender Group unless, within 30 days after receipt thereof by Administrative Borrower, Administrative Borrower shall deliver to Agent written objection thereto describing the error or errors contained in any such statements.

2.11 FEES. Borrowers shall pay to Agent the following fees and charges, which fees and charges shall be fully earned and due and non-refundable when paid (irrespective of whether this Agreement is terminated thereafter) and shall be apportioned among the Lenders in accordance with the terms of letter agreements between Agent and individual Lenders:

(a) UNUSED LINE FEE. On the first day of each month during the term of this Agreement, an unused line fee (the "Unused Line Fee") in the amount equal to 0.5% per annum times the result of (a) the Maximum Revolver Amount, less (b) the sum of (i) the average Daily Balance of Advances that were outstanding during the immediately preceding month, plus (ii) the average Daily Balance of the Letter of Credit Usage during the immediately preceding month,

(b) FEE LETTER FEES. As and when due and payable under the terms of the Fee Letter, the fees set forth in the Fee Letter, and

(c) AUDIT, APPRAISAL, AND VALUATION CHARGES. Audit, appraisal, and valuation fees and charges as follows, (i) a fee of $850 per day, per auditor, plus out-of-pocket expenses for each financial audit of a Borrower performed by personnel employed by a Lender, and (ii) the actual charges paid or incurred by Agent if it elects to employ the services of one or more third Persons to perform financial audits of Borrowers, to appraise the Collateral, or any portion thereof, or to assess a Borrower's business valuation.

2.12 LETTERS OF CREDIT.

(a) Subject to the terms and conditions of this Agreement, the Issuing Lender agrees to issue letters of credit for the account of Borrowers (each, an "L/C") or to purchase participations or execute indemnities or reimbursement obligations (each such undertaking, an "L/C Undertaking") with respect to letters of credit issued by an Underlying Issuer
(as of the Closing Date, the prospective Underlying Issuer is to be Wells Fargo) for the account of Borrowers. To request the issuance of an L/C or an L/C Undertaking (or the amendment, renewal, or extension of an outstanding L/C or L/C Undertaking), Administrative Borrower shall hand deliver or telecopy (or transmit by electronic communication, if arrangements for doing so have been approved by the Issuing Lender) to the Issuing Lender and Agent (reasonably in advance of the requested date of issuance, amendment, renewal, or extension) a notice requesting the issuance of an L/C or L/C Undertaking, or identifying the L/C or L/C Undertaking to be amended, renewed, or extended, the date of issuance, amendment, renewal, or extension, the date on which such L/C or L/C Undertaking is to expire, the amount of such L/C or L/C Undertaking, the name and address of the beneficiary thereof (or of the Underlying Letter of Credit, as applicable), and such other information as shall be necessary to prepare, amend, renew, or extend such L/C or L/C Undertaking. If requested by the Issuing Lender, Borrowers also shall be an applicant under the application with respect to any Underlying Letter of Credit that is to be the subject of an L/C Undertaking. The Issuing Lender shall have no obligation to issue a Letter of Credit if any of the following would result after giving effect to the requested Letter of Credit:

(i) the Letter of Credit Usage would exceed the Borrowing Base less the amount of outstanding Advances less the outstanding balance of the Term Loan, or

(ii) the Letter of Credit Usage would exceed $50,000,000, or

(iii) the Letter of Credit Usage would exceed the Maximum Revolver Amount less the then extant amount of outstanding Advances.

(b) Borrowers and the Lender Group acknowledge and agree that certain Underlying Letters of Credit may be issued to support letters of credit that already are outstanding as of the Closing Date. Each Letter of Credit (and corresponding Underlying Letter of Credit) shall be in form and substance acceptable to the Issuing Lender (in the exercise of its Permitted Discretion), including the requirement that the amounts payable thereunder must be payable in Dollars. If Issuing Lender is obligated to advance funds under a Letter of Credit, Borrowers immediately shall reimburse such L/C Disbursement to Issuing Lender by paying to Agent an amount equal to such L/C Disbursement not later than 11:00 a.m. (California time), on the date that such L/C Disbursement is made, if Administrative Borrower shall have received written or telephonic notice of such L/C Disbursement prior to 10:00 a.m. (California time), on such date, or, if such notice has not been received by Administrative Borrower prior to such time on such date, then not later than 11:00 a.m. (California time), on
(i) the Business Day that Administrative Borrower receives such notice, if such notice is received prior to 10:00 a.m. (California time), on the date of receipt, and, in the absence of such reimbursement, the L/C Disbursement immediately and automatically shall be deemed to be an Advance hereunder and, thereafter, shall bear interest at the rate then applicable to Advances that are Base Rate Loans under Section 2.6. To the extent an L/C Disbursement is deemed to be an Advance hereunder, Borrowers' obligation to reimburse such L/C Disbursement shall be discharged and replaced by the resulting Advance. Promptly following receipt by Agent of any payment from Borrowers pursuant to this paragraph, Agent shall distribute such payment to the Issuing Lender or, to the extent that Lenders have made payments pursuant to Section 2.12(c) to reimburse the Issuing Lender, then to such Lenders and the Issuing Lender as their interest may appear.

(c) Promptly following receipt of a notice of L/C Disbursement pursuant to Section 2.12(a), each Lender with a Revolver Commitment agrees to fund its Pro Rata Share of any Advance deemed made pursuant to the foregoing subsection on the same terms and conditions as if Borrowers had requested such Advance and Agent shall promptly pay to Issuing Lender the amounts so received by it from the Lenders. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without any further action on the part of the Issuing Lender or the Lenders with Revolver Commitment, the Issuing Lender shall be deemed to have granted to each Lender with a Revolver Commitment, and each Lender with a Revolver Commitment shall be deemed to have purchased, a participation in each Letter of Credit, in an amount equal to its Pro Rata Share of the Risk Participation Liability of such Letter of Credit, and each such Lender agrees to pay to Agent, for the account of the Issuing Lender, such Lender's Pro Rata Share of any payments made by the Issuing Lender under such Letter of Credit. In consideration and in furtherance of the foregoing, each Lender with a Revolver Commitment hereby absolutely and unconditionally agrees to pay to Agent, for the account of the Issuing Lender, such Lender's Pro Rata Share of each L/C Disbursement made by

the Issuing Lender and not reimbursed by Borrowers on the date due as provided in clause (a) of this Section, or of any reimbursement payment required to be refunded to Borrowers for any reason. Each Lender with a Revolver Commitment acknowledges and agrees that its obligation to deliver to Agent, for the account of the Issuing Lender, an amount equal to its respective Pro Rata Share of each L/C Disbursement made by the Issuing Lender pursuant to this Section 2.12(b) shall be absolute and unconditional and such remittance shall be made notwithstanding the occurrence or continuation of an Event of Default or Default or the failure to satisfy any condition set forth in Section 3 hereof. If any such Lender fails to make available to Agent the amount of such Lender's Pro Rata Share of any L/C Disbursement made by the Issuing Lender in respect of such Letter of Credit as provided in this Section, such Lender shall be deemed to be a Defaulting Lender. Agent (for the account of the Issuing Lender) shall be entitled to recover such amount on demand from such Lender together with interest thereon at the Defaulting Lender Rate until paid in full.

(d) Each Borrower hereby agrees to indemnify, save, defend, and hold the Lender Group harmless from any loss, cost, expense, or liability, and reasonable attorneys fees incurred by the Lender Group arising out of or in connection with any Letter of Credit; provided, however, that no Borrower shall be obligated hereunder to indemnify for any loss, cost, expense, or liability that is caused by the gross negligence or willful misconduct of the Issuing Lender or any other member of the Lender Group. Each Borrower agrees to be bound by the Underlying Issuer's regulations and interpretations of any Underlying Letter of Credit or by Issuing Lender's interpretations of any L/C issued by Issuing Lender to or for such Borrower's account, even though this interpretation may be different from such Borrower's own, and each Borrower understands and agrees that the Lender Group shall not be liable for any error, negligence, or mistake, whether of omission or commission, in following Borrowers' instructions or those contained in the Letter of Credit or any modifications, amendments, or supplements thereto. Each Borrower understands that the L/C Undertakings may require Issuing Lender to indemnify the Underlying Issuer for certain costs or liabilities arising out of claims by Borrowers against such Underlying Issuer. Each Borrower hereby agrees to indemnify, save, defend, and hold the Lender Group harmless with respect to any loss, cost, expense (including reasonable attorneys fees), or liability incurred by the Lender Group under any L/C Undertaking as a result of the Lender Group's indemnification of any Underlying Issuer; provided, however, that no Borrower shall be obligated hereunder to indemnify for any loss, cost, expense, or liability that is caused by the gross negligence or willful misconduct of the Issuing Lender or any other member of the Lender Group.

(e) Each Borrower hereby authorizes and directs any Underlying Issuer to deliver to the Issuing Lender all instruments, documents, and other writings and property received by such Underlying Issuer pursuant to such Underlying Letter of Credit and to accept and rely upon the Issuing Lender's instructions with respect to all matters arising in connection with such Underlying Letter of Credit and the related application.

(f) Any and all charges, commissions, fees, and costs incurred by the Issuing Lender relating to Underlying Letters of Credit shall be Lender Group Expenses for purposes of this Agreement and immediately shall be reimbursable by Borrowers to Agent for the account of the Issuing Lender; it being acknowledged and agreed by each Borrower that, as of the Closing Date, the usage charge imposed by the prospective Underlying Issuer is .825% per annum times

the face amount of each Underlying Letter of Credit, that such issuance charge may be changed from time to time, and that the Underlying Issuer also imposes a schedule of charges for amendments, extensions, drawings, and renewals.

(g) If by reason of (i) any change after the Closing Date in any applicable law, treaty, rule, or regulation or any change in the interpretation or application thereof by any Governmental Authority, or (ii) compliance by the Underlying Issuer or the Lender Group with any direction, request, or requirement (irrespective of whether having the force of law) of any Governmental Authority or monetary authority including, Regulation D of the Federal Reserve Board as from time to time in effect (and any successor thereto):

(i) any reserve, deposit, or similar requirement is or shall be imposed or modified in respect of any Letter of Credit issued hereunder, or

(ii) there shall be imposed on the Underlying Issuer or the Lender Group any other condition regarding any Underlying Letter of Credit or any Letter of Credit issued pursuant hereto;

and the result of the foregoing is to increase, directly or indirectly, the cost to the Lender Group of issuing, making, guaranteeing, or maintaining any Letter of Credit or to reduce the amount receivable in respect thereof by the Lender Group, then, and in any such case, Agent may (and at the direction of the Required Lenders, Agent shall), at any time within a reasonable period after the additional cost is incurred or the amount received is reduced, notify Administrative Borrower, and Borrowers shall pay on demand such amounts as Agent may specify to be necessary to compensate the Lender Group for such additional cost or reduced receipt, together with interest on such amount from the date of such demand until payment in full thereof at the rate then applicable to Base Rate Loans hereunder. The determination by Agent of any amount due pursuant to this Section, as set forth in a certificate setting forth the calculation thereof in reasonable detail, shall, in the absence of manifest or demonstrable error, be final and conclusive and binding on all of the parties hereto.

2.13 LIBOR OPTION.

(a) INTEREST AND INTEREST PAYMENT DATES. In lieu of having interest charged at the rate based upon the Base Rate, Borrowers shall have the option (the "LIBOR Option") to have interest on all or a portion of the Advances or the Term Loan be charged at a rate of interest based upon the LIBOR Rate. Interest on LIBOR Rate Loans shall be payable on the earliest of (i) the last day of the Interest Period applicable thereto, (ii) the occurrence of an Event of Default in consequence of which the Required Lenders or Agent on behalf thereof elect to accelerate the maturity of all or any portion of the Obligations, or (iii) termination of this Agreement pursuant to the terms hereof. On the last day of each applicable Interest Period, unless Administrative Borrower properly has exercised the LIBOR Option with respect thereto, the interest rate applicable to such LIBOR Rate Loan automatically shall convert to the rate of interest then applicable to Base Rate Loans of the same type hereunder. At any time that an Event of Default has occurred and is continuing, Borrowers no longer shall have the option to request that Advances or the Term Loan bear interest at the LIBOR Rate and Agent shall have the right to

convert the interest rate on all outstanding LIBOR Rate Loans to the rate then applicable to Base Rate Loans hereunder.

(b) LIBOR ELECTION.

(i) Administrative Borrower may, at any time and from time to time, so long as no Event of Default has occurred and is continuing, elect to exercise the LIBOR Option by notifying Agent prior to 11:00 a.m. (California time) at least 3 Business Days prior to the commencement of the proposed Interest Period (the "LIBOR Deadline"). Notice of Administrative Borrower's election of the LIBOR Option for a permitted portion of the Advances or the Term Loan and an Interest Period pursuant to this Section shall be made by delivery to Agent of a LIBOR Notice received by Agent before the LIBOR Deadline, or by telephonic notice received by Agent before the LIBOR Deadline (to be confirmed by delivery to Agent of a LIBOR Notice received by Agent prior to 5:00 p.m. (California time) on the same day). Promptly upon its receipt of each such LIBOR Notice, Agent shall provide a copy thereof to each of the Lenders having a Revolver Commitment.

(ii) Each LIBOR Notice shall be irrevocable and binding on Borrowers. In connection with each LIBOR Rate Loan, each Borrower shall indemnify, defend, and hold Agent and the Lenders harmless against any loss, cost, or expense incurred by Agent or any Lender as a result of (a) the payment of any principal of any LIBOR Rate Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any LIBOR Rate Loan other than on the last day of the Interest Period applicable thereto, or (c) the failure to borrow, convert, continue or prepay any LIBOR Rate Loan on the date specified in any LIBOR Notice delivered pursuant hereto (such losses, costs, and expenses, collectively, "Funding Losses"). Funding Losses shall, with respect to Agent or any Lender, be deemed to equal the amount determined by Agent or such Lender to be the excess, if any, of (i) the amount of interest that would have accrued on the principal amount of such LIBOR Rate Loan had such event not occurred, at the LIBOR Rate that would have been applicable thereto, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period therefor), minus (ii) the amount of interest that would accrue on such principal amount for such period at the interest rate which Agent or such Lender would be offered were it to be offered, at the commencement of such period, Dollar deposits of a comparable amount and period in the London interbank market. A certificate of Agent or a Lender delivered to Administrative Borrower setting forth any amount or amounts that Agent or such Lender is entitled to receive pursuant to this Section shall be conclusive absent manifest error.

(iii) Borrowers shall have not more than 5 LIBOR Rate Loans in effect at any given time. Borrowers only may exercise the LIBOR Option for LIBOR

Rate Loans of at least $1,000,000 and integral multiples of $500,000 in excess thereof.

(c) PREPAYMENTS. Borrowers may prepay LIBOR Rate Loans at any time; provided, however, that in the event that LIBOR Rate Loans are prepaid on any date that is not the last day of the Interest Period applicable thereto, including as a result of any automatic prepayment through the required application by Agent of proceeds of Collections in accordance with Section 2.4(b) or for any other reason, including early termination of the term of this Agreement or acceleration of all or any portion of the Obligations pursuant to the terms hereof, each Borrower shall indemnify, defend, and hold Agent and the Lenders and their Participants harmless against any and all Funding Losses in accordance with clause (b) above.

(d) SPECIAL PROVISIONS APPLICABLE TO LIBOR RATE.

(i) The LIBOR Rate may be adjusted by Agent with respect to any Lender on a prospective basis to take into account any additional or increased costs to such Lender of maintaining or obtaining any eurodollar deposits or increased costs due to changes in applicable law occurring subsequent to the commencement of the then applicable Interest Period, including changes in tax laws (except changes of general applicability in corporate income tax laws) and changes in the reserve requirements imposed by the Board of Governors of the Federal Reserve System (or any successor), excluding the Reserve Percentage, which additional or increased costs would increase the cost of funding loans bearing interest at the LIBOR Rate. In any such event, the affected Lender shall give Administrative Borrower and Agent notice of such a determination and adjustment and Agent promptly shall transmit the notice to each other Lender and, upon its receipt of the notice from the affected Lender, Administrative Borrower may, by notice to the affected Lender (y) require such Lender to furnish to Administrative Borrower a statement setting forth the basis for adjusting such LIBOR Rate and the method for determining the amount of such adjustment, or (z) repay the LIBOR Rate Loans with respect to which such adjustment is made (together with any amounts due under clause (b)(ii) above).

(ii) In the event that any change in market conditions or any law, regulation, treaty, or directive, or any change therein or in the interpretation of application thereof, shall at any time after the date hereof, in the reasonable opinion of any Lender, make it unlawful or impractical for such Lender to fund or maintain LIBOR Advances or to continue such funding or maintaining, or to determine or charge interest rates at the LIBOR Rate, such Lender shall give notice of such changed circumstances to Agent and Administrative Borrower and Agent promptly shall transmit the notice to each other Lender and (y) in the case of any LIBOR Rate Loans of such Lender that are outstanding, the date specified in such Lender's notice shall be deemed to be the last day of the Interest Period of such LIBOR Rate Loans, and interest upon the LIBOR Rate Loans of such Lender thereafter shall accrue interest at the rate then applicable to Base Rate Loans, and (z) Borrowers shall not be entitled to elect the LIBOR Option until such Lender determines that it would no longer be unlawful or impractical to do so.

(e) NO REQUIREMENT OF MATCHED FUNDING. Anything to the contrary contained herein notwithstanding, neither Agent, nor any Lender, nor any of their Participants, is required actually to acquire eurodollar deposits to fund or otherwise match fund any Obligation as to which interest accrues at the LIBOR Rate. The provisions of this Section shall apply as if each Lender or its Participants had match-funded any Obligation as to which interest is accruing at the LIBOR Rate by acquiring eurodollar deposits for each Interest Period in the amount of the LIBOR Rate Loans.

2.14 CAPITAL REQUIREMENTS. If, after the date hereof, any Lender determines that (i) the adoption of or change in any law, rule, regulation or guideline regarding capital requirements for banks or bank holding companies, or any change in the interpretation or application thereof by any Governmental Authority charged with the administration thereof, or (ii) compliance by such Lender or its parent bank holding company with any guideline, request or directive of any such entity regarding capital adequacy (whether or not having the force of law), will have the effect of reducing the return on such Lender's or such holding company's capital as a consequence of such Lender's Commitments hereunder to a level below that which such Lender or such holding company could have achieved but for such adoption, change, or compliance (taking into consideration such Lender's or such holding company's then existing policies with respect to capital adequacy and assuming the full utilization of such entity's capital) by any amount deemed by such Lender to be material, then such Lender may notify Administrative Borrower and Agent thereof. Following receipt of such notice, Borrowers agree to pay such Lender on demand the amount of such reduction of return of capital as and when such reduction is determined, payable within 90 days after presentation by such Lender of a statement in the amount and setting forth in reasonable detail such Lender's calculation thereof and the assumptions upon which such calculation was based (which statement shall be deemed true and correct absent manifest error). In determining such amount, such Lender may use any reasonable averaging and attribution methods.

2.15 JOINT AND SEVERAL LIABILITY OF BORROWERS.

(a) Each Borrower is accepting joint and several liability hereunder and under the other Loan Documents in consideration of the financial accommodations to be provided by the Agent and the Lenders under this Agreement, for the mutual benefit, directly and indirectly, of each Borrower and in consideration of the undertakings of the other Borrowers to accept joint and several liability for the Obligations.

(b) Each Borrower, jointly and severally, hereby irrevocably and unconditionally accepts, not merely as a surety but also as a co-debtor, joint and several liability with the other Borrowers, with respect to the payment and performance of all of the Obligations (including, without limitation, any Obligations arising under this Section 2.15), it being the intention of the parties hereto that all the Obligations shall be the joint and several obligations of each Borrower without preferences or distinction among them.

(c) If and to the extent that any Borrower shall fail to make any payment with respect to any of the Obligations as and when due or to perform any of the Obligations in accordance with the terms thereof, then in each such event the other Borrowers will make such payment with respect to, or perform, such Obligation.

(d) The Obligations of each Borrower under the provisions of this Section 2.15 constitute the absolute and unconditional, full recourse Obligations of each Borrower enforceable against each such Borrower to the full extent of its properties and assets, irrespective of the validity, regularity or enforceability of this Agreement or any other circumstances whatsoever.

(e) Except as otherwise expressly provided in this Agreement, each Borrower hereby waives notice of acceptance of its joint and several liability, notice of any Advances or Letters of Credit issued under or pursuant to this Agreement, notice of the occurrence of any Default, Event of Default, or of any demand for any payment under this Agreement, notice of any action at any time taken or omitted by Agent or Lenders under or in respect of any of the Obligations, any requirement of diligence or to mitigate damages and, generally, to the extent permitted by applicable law, all demands, notices and other formalities of every kind in connection with this Agreement (except as otherwise provided in this Agreement). Each Borrower hereby assents to, and waives notice of, any extension or postponement of the time for the payment of any of the Obligations, the acceptance of any payment of any of the Obligations, the acceptance of any partial payment thereon, any waiver, consent or other action or acquiescence by Agent or Lenders at any time or times in respect of any default by any Borrower in the performance or satisfaction of any term, covenant, condition or provision of this Agreement, any and all other indulgences whatsoever by Agent or Lenders in respect of any of the Obligations, and the taking, addition, substitution or release, in whole or in part, at any time or times, of any security for any of the Obligations or the addition, substitution or release, in whole or in part, of any Borrower. Without limiting the generality of the foregoing, each of Borrowers assents to any other action or delay in acting or failure to act on the part of any Agent or Lender with respect to the failure by any Borrower to comply with any of its respective Obligations, including, without limitation, any failure strictly or diligently to assert any right or to pursue any remedy or to comply fully with applicable laws or regulations thereunder, which might, but for the provisions of this
Section 2.15 afford grounds for terminating, discharging or relieving any Borrower, in whole or in part, from any of its Obligations under this Section 2.15, it being the intention of each Borrower that, so long as any of the Obligations hereunder remain unsatisfied, the Obligations of such Borrower under this Section 2.15 shall not be discharged except by performance and then only to the extent of such performance. The Obligations of each Borrower under this
Section 2.15 shall not be diminished or rendered unenforceable by any winding up, reorganization, arrangement, liquidation, reconstruction or similar proceeding with respect to any Borrower or any Agent or Lender. The joint and several liability of the Persons composing Borrowers hereunder shall continue in full force and effect notwithstanding any absorption, merger, amalgamation or any other change whatsoever in the name, constitution or place of formation of any of the Persons composing Borrowers or any Agent or Lender.

(f) Each Borrower represents and warrants to Agent and Lenders that such Borrower is currently informed of the financial condition of Borrowers and of all other circumstances which a diligent inquiry would reveal and which bear upon the risk of nonpayment of the Obligations. Each Borrower further represents and warrants to Agent and Lenders that such Borrower has read and understands the terms and conditions of the Loan Documents. Each Borrower hereby covenants that such Borrower will continue to keep informed of Borrowers' financial condition, the financial condition of other guarantors, if any,

and of all other circumstances which bear upon the risk of nonpayment or nonperformance of the Obligations.

(g) The provisions of this Section 2.15 are made for the benefit of the Agent, the Lenders and their respective successors and assigns, and may be enforced by it or them from time to time against any or all of Borrowers as often as occasion therefor may arise and without requirement on the part of any such Agent, Lender, successor or assign first to marshal any of its or their claims or to exercise any of its or their rights against any of the other Borrowers or to exhaust any remedies available to it or them against any of the other Borrowers or to resort to any other source or means of obtaining payment of any of the Obligations hereunder or to elect any other remedy. Notwithstanding the entry of an order confirming a reorganization plan pursuant to Chapter 11 of the Bankruptcy Code, the provisions of this Section 2.15 shall remain in effect until all of the Obligations shall have been paid in full or otherwise fully satisfied. If at any time, any payment, or any part thereof, made in respect of any of the Obligations, is rescinded or must otherwise be restored or returned by any Agent or Lender upon the insolvency, bankruptcy or reorganization of any Borrower, or otherwise, the provisions of this Section 2.15 will forthwith be reinstated in effect, as though such payment had not been made.

(h) Each Borrower hereby agrees that it will not enforce any of its rights of contribution or subrogation against the other Borrowers with respect to any liability incurred by it hereunder or under any of the other Loan Documents, any payments made by it to Agent or the Lenders with respect to any of the Obligations or any collateral security therefor until such time as all of the Obligations have been paid in full in cash. Any claim which any Borrower may have against any other Borrower with respect to any payments to Agent or Lender hereunder or under any other Loan Documents are hereby expressly made subordinate and junior in right of payment, without limitation as to any increases in the Obligations arising hereunder or thereunder, to the prior payment in full in cash of the Obligations and, in the event of any insolvency, bankruptcy, receivership, liquidation, reorganization or other similar proceeding under the laws of any jurisdiction relating to any Borrower, its debts or its assets, whether voluntary or involuntary, all such Obligations shall be paid in full in cash before any payment or distribution of any character, whether in cash, securities or other property, shall be made to any other Borrower therefor.

(i) Each Borrower hereby agrees that, after the occurrence and during the continuance of any Default or Event of Default, the payment of any amounts due with respect to the indebtedness owing by any Borrower to any other Borrower is hereby subordinated to the prior payment in full in cash of the Obligations. Each Borrower hereby agrees that after the occurrence and during the continuance of any Default or Event of Default, such Borrower will not demand, sue for or otherwise attempt to collect any indebtedness of any other Borrower owing to such Borrower until the Obligations shall have been paid in full in cash. If, notwithstanding the foregoing sentence, such Borrower shall collect, enforce or receive any amounts in respect of such indebtedness, such amounts shall be collected, enforced and received by such Borrower as trustee for the Agent, and the Agent shall deliver any such amounts to Agent for application to the Obligations in accordance with Section 2.4 (b).

2.16 REGISTERED NOTES. Agent agrees to record each Advance and each Lender's Term Loan on the Register referenced in Section 14.1 (h). Each Advance and each Lender's Term

Loan recorded on the Register (each a "Registered Loan") may not be evidenced by promissory notes other than Registered Notes (as defined below). Upon the registration of any Advance or any Lender's Term Loan, Borrowers agree at the request of any Lender, to execute and deliver to such Lender a promissory note, in conformity with the terms of this Agreement, in registered form to evidence such Registered Loan, in form and substance reasonably satisfactory to such Lender, and registered as provided in Section 14.1(h) (a "Registered Note"), payable to the order of such Lender and otherwise duly completed, provided that any Registered Note issued to evidence Advances or any Lender's Term Loan shall be issued in the principal amount of the applicable Lender's Revolver Commitment or Term Loan Commitment. Once recorded on the Register, each Advance and each Lender's Term Loan may not be removed from the Register so long as it or they remain outstanding, and a Registered Note may not be exchanged for a promissory note that it is not a Registered Note.

2.17 SUPER-PRIORITY NATURE OF OBLIGATIONS. All Obligations under the Loan Documents shall constitute administrative expenses of Borrowers in the Chapter 11 Case with priority under Section 364(c)(1) of the Bankruptcy Code and secured by Liens under Sections 362(c)(2) and (3) of the Bankruptcy Code over any and all other administrative expenses of the kind specified in, without limitation, Sections 105, 326, 330, 331, 503(b), 506(c), 507(a), 507(b) and 726 of the Bankruptcy Code, and shall also have priority over any other claims and liens, including any claims arising under Section 506(c) of the Bankruptcy Code, subject and subordinate only to (a) the Carve-Out Expenses up to the Carve-Out Amount, (b) Senior Claims, and (c) recoveries under Avoidance Actions, which claims to the Avoidance Actions shall attach pari passu with other administrative claimants. No other claim having a priority superior or pari passu to that granted to or on behalf of Agent and the Lender Group by the Interim Order or the Final Order, as the case may be, shall be granted or approved while any of the Obligations or the Commitments under this Agreement remain outstanding.

3. CONDITIONS; TERM OF AGREEMENT.

3.1 CONDITIONS PRECEDENT TO THE INITIAL EXTENSION OF CREDIT. The obligation of the Lender Group (or any member thereof) to make the initial Advance (or otherwise to extend any credit provided for hereunder), is subject to the fulfillment, to the satisfaction of the Lender Group, of each of the conditions precedent set forth below:

(a) the Closing Date shall occur on or before August 20, 2003;

(b) Agent shall have received a Uniform Commercial Code filing authorization letter, duly executed by each Guarantor or their representative, together with appropriate financing statements on Form UCC-1 duly filed in such office or offices as may be necessary or, in the opinion of Agent, desirable to perfect Agent's Liens in and to the collateral of such Guarantor, and the Agent shall have received confirmation of the filing of all such financing statements;

(c) Agent shall have received Uniform Commercial Code, tax and judgment lien searches confirming the absence of any liens on the Collateral other than the Permitted Liens;

(d) Agent shall have received each of the following documents, in form and substance satisfactory to Agent, duly executed, and each such document shall be in full force and effect:

(i) the Agency Letter,

(ii) the Cash Management Agreements,

(iii) the Control Agreements,

(iv) the Copyright Security Agreement,

(v) the Disbursement Letter,

(vi) the Due Diligence Letter,

(vii) the Environmental Indemnity Agreements,

(viii) the Fee Letter,

(ix) the Guarantor Security Agreement, which shall, among other things, grant Agent a Lien on the Reservation Management System,

(x) the Guaranty,

(xi) the Mortgages executed by Guarantors,

(xii) the Officers' Certificate,

(xiii) the Patent and Trademark Security Agreement,

(xiv) the Quebec Pledge Agreement,

(xv) the Stock Pledge Agreement, together with all certificates representing the shares of Stock pledged thereunder, as well as Stock powers with respect thereto endorsed in blank, and

(xvi) the Budget.

(e) Agent shall have received a certificate from the Secretary of each Borrower attesting to the resolutions of such Borrower's Board of Directors authorizing its execution, delivery, and performance of this Agreement and the other Loan Documents to which such Borrower is a party and authorizing specific officers of such Borrower to execute the same;

(f) Agent shall have received copies of each Borrower's Governing Documents, as amended, modified, or supplemented to the Closing Date, certified by the Secretary of such Borrower;

(g) Agent shall have received a certificate of status with respect to each Borrower, dated within 10 days of the Closing Date, such certificate to be issued by the appropriate officer of the jurisdiction of organization of such Borrower, which certificate shall indicate that such Borrower is in good standing in such jurisdiction;

(h) Agent shall have received certificates of status with respect to each Borrower, each dated within 30 days of the Closing Date, such certificates to be issued by the appropriate officer of the jurisdictions (other than the jurisdiction of organization of such Borrower) in which its failure to be duly qualified or licensed would constitute a Material Adverse Change, which certificates shall indicate that such Borrower is in good standing in such jurisdictions;

(i) Agent shall have received a certificate from the Secretary of each Guarantor attesting to the resolutions of such Guarantor's Board of Directors authorizing its execution, delivery, and performance of the Loan Documents to which such Guarantor is a party and authorizing specific officers of such Guarantor to execute the same;

(j) Agent shall have received copies of each Guarantor's Governing Documents, as amended, modified, or supplemented to the Closing Date, certified by the Secretary of such Guarantor;

(k) Agent shall have received a certificate of status with respect to each Guarantor, dated within 10 days of the Closing Date, such certificate to be issued by the appropriate officer of the jurisdiction of organization of such Guarantor, which certificate shall indicate that such Guarantor is in good standing in such jurisdiction;

(l) Agent shall have received certificates of status with respect to each Guarantor, each dated within 30 days of the Closing Date, such certificates to be issued by the appropriate officer of the jurisdictions (other than the jurisdiction of organization of such Guarantor) in which its failure to be duly qualified or licensed would constitute a Material Adverse Change, which certificates shall indicate that such Guarantor is in good standing in such jurisdictions;

(m) Agent shall have received a certificate of insurance, together with the endorsements thereto, as are required by Section 6.8, the form and substance of which shall be reasonably satisfactory to Agent and its counsel;

(n) Agent shall have received opinions of Borrowers' counsel in form and substance reasonably satisfactory to the Lender Group, including without limitation an opinion from Borrowers' counsel with respect to Vehicle perfection matters and opinions from Agent's various local counsel as Agent may reasonably request;

(o) Agent shall have received reasonably satisfactory evidence (including a certificate of the chief financial officer or other senior officer of Parent) that all tax returns required to be filed by Borrowers and their Subsidiaries have been timely filed and all taxes upon Borrowers and their Subsidiaries or their respective properties, assets, income, and franchises (including Real Property taxes, sales taxes and payroll taxes) have been paid prior to delinquency, except such taxes that are the subject of a Permitted Protest;

(p) Borrowers shall have the Required Availability after giving effect to the initial extensions of credit hereunder;

(q) The Lender Group shall have completed its business, legal, and collateral due diligence, including an investigation of the business, assets, operations, properties (including compliance with FIRREA), condition (financial or otherwise), contingent liabilities, prospects and Material Contracts, and verification of Borrowers' representations and warranties to the Lender Group, the results of which shall be satisfactory to the Lender Group;

(r) Agent shall have received completed reference checks with respect to Borrowers' senior management, the results of which are satisfactory to Agent in its sole discretion and copies of any employment agreements between Borrowers and such senior management;

(s) Borrowers shall pay (i) all fees set forth in the Fee Letter and hereunder and (ii) all Lender Group Expenses incurred in connection with the transactions evidenced by this Agreement;

(t) Agent shall have received title reports for the Real Property Collateral (except for the Real Property Collateral set forth on Schedule 3.2(j)) owned by a Borrower showing that such Borrower is the vested owner of such Real Property Collateral, free and clear of all title defects and Liens except Permitted Liens;

(u) Agent shall have received (i) appraisals of the Real Property Collateral satisfactory to the Lender Group, and (ii) mortgagee title insurance policies (or marked commitments to issue the same) for the Real Property Collateral owned by a Guarantor issued by a title insurance company satisfactory to Agent (each a "Mortgage Policy" and, collectively, the "Mortgage Policies") in amounts satisfactory to Agent assuring Agent that the Mortgages on such Real Property Collateral owned by a Guarantor are valid and enforceable first priority mortgage Liens on such Real Property Collateral owned by a Guarantor free and clear of all defects and encumbrances except Permitted Liens, and the Mortgage Policies otherwise shall be in form and substance satisfactory to Agent;

(v) Agent shall have received an environmental site report with respect to each parcel composing the Real Property Collateral; the environmental consultants and surveyors retained for such reports or surveys, the scope of the reports or surveys, and the results thereof shall be acceptable to Agent;

(w) Agent shall have received executed copies of (i) each Material Contract, (ii) each Affiliate Contract, and (iii) each contract between any Loan Party, on the one hand, or any of SAC Holding, SSI or PMSR, on the other hand (which, as of the Closing Date, are all of the contracts listed on Schedule 3.1(w)), and a complete list of each Borrower's Subsidiaries, together with a certificate of the Secretary of the Administrative Borrower certifying each such document as being a true, correct, and complete copy thereof;

(x) Borrowers shall have received all licenses, approvals or evidence of other actions required by any Governmental Authority in connection with the execution and delivery

by Borrowers of this Agreement or any other Loan Document or with the consummation of the transactions contemplated hereby and thereby;

(y) Borrowers and Guarantors shall have (i) completed the procedures set forth in Section 4.9 for the registration of all Certificates of Title, naming Agent as the sole lienholder, with the States of Arizona, Alaska and Hawaii and the delivery of such original Certificates of Title after registration thereof to Roberta Holmes or Joan Gibson at Parent's location at 2727 North Central, Phoenix, Arizona 85004, (ii) delivered to Agent evidence of approval from the State of Arizona for Borrowers to process and register the Certificates of Title, in form and substance satisfactory to Agent, and (iii) delivered to Agent a fidelity insurance policy naming Agent as loss payee or bond endorsed to Agent, in each case in form and substance satisfactory to Agent;

(z) the Interim Order, in form and substance reasonably satisfactory to the Lender Group approving the transactions contemplated hereby and granting a first priority perfected security interest in the Collateral subject only to the Carve-Out Expenses up to the Carve-Out Amount and Senior Claims and Avoidance Actions (which claims to recoveries under the Avoidance Actions shall be pari passu claims) shall have been entered by the Court and Agent shall have received a certified copy of such Interim Order and such Interim Order shall not have been reversed, stayed, amended or otherwise modified;

(aa) Amerco Real Estate Company, a Nevada corporation, shall have become a debtor and debtor-in-possession under the Chapter 11 Case;

(bb) except as otherwise set forth in Section 5.11, no Material Adverse Change shall have occurred;

(cc) the automatic stay shall have been modified to permit the creation and perfection of Agent's Liens and security interests, and the automatic stay shall have been automatically vacated to permit enforcement of Agent's rights and remedies under the Loan Documents;

(dd) Agent shall have received the original 25% Demand Bond in the original principal amount of Cdn$600,000,000 duly executed by U-Haul (Canada) in favor of Agent and pledged to Agent pursuant to the Quebec Pledge Agreement, together with any applicable endorsement or transfer with respect thereto;

(ee) Agent shall have received Schedule 3.1(ee) from Borrowers and Guarantors setting forth the book values of all box-trucks and pickup trucks owned by the Loan Parties as of the Closing Date, subject to Agent's first priority Liens, in form acceptable to Agent; and

(ff) all other documents and legal matters in connection with the transactions contemplated by this Agreement shall have been delivered, executed, or recorded and shall be in form and substance satisfactory to the Lender Group.

3.2 CONDITIONS SUBSEQUENT TO THE INITIAL EXTENSION OF CREDIT. The obligation of the Lender Group (or any member thereof) to continue to make Advances (or otherwise extend

credit hereunder) is subject to the fulfillment, on or before the date applicable thereto, of each of the conditions subsequent set forth below (the failure by Borrowers to so perform or cause to be performed constituting an Event of Default):

(a) within 30 days of the Closing Date, Borrowers shall deliver to Agent certified copies of the policies of insurance, together with the endorsements thereto, as are required by Section 6.8, the form and substance of which shall be reasonably satisfactory to Agent and its counsel;

(b) within 45 days of the Interim Order Date, the Final Order, in form and substance reasonably satisfactory to Agent, shall have been entered by the Court, and such Final Order shall not have been modified or amended without the prior consent of Agent or have been reversed or stayed pending appeal, and Borrowers shall have delivered a certified copy of the Final Order to Agent; provided, however, to the extent such Final Order does not contain provisions providing for the super-priority of the Liens securing the Obligations substantially similar to such super-priority provisions contained in the Interim Order or otherwise contains changes from the Interim Order that are adverse in any material respect to the Lenders, such Final Order (or any amendment or modification thereto modifying such super-priority provisions) shall also be reasonably acceptable to all Lenders;

(c) on the Final Order Date, Borrowers shall deliver to Agent an opinion of Borrowers' bankruptcy counsel, in form and substance satisfactory to Agent in its sole discretion;

(d) within 60 days of the Interim Order Date, Borrowers shall deliver to Agent Mortgages with respect to the Real Property Collateral owned by Borrowers and such evidence that AREC is the vested owner of the Real Property set forth next to its name on Schedule R-1 as may be requested by Agent, in each case in form and substance acceptable to Agent;

(e) within 45 days of the Closing Date, Borrowers shall deliver to Agent the Credit Card Agreements duly executed by the applicable credit card processors, the form and substance of which are reasonably satisfactory to Agent;

(f) within 120 days of the Closing Date, Agent shall have received the results of the Canadian statutory lien searches, the results of which are reasonably satisfactory to Agent;

(g) within 60 days of the Closing Date, Agent shall have received certificates of status with respect AREC in the States of Maine, Montana, New Hampshire, Utah, Vermont and Virginia, which certificates shall indicate that such Borrower is in good standing in such States;

(h) within 60 days of the Closing Date, Borrowers shall have received zoning letters, in form and substance acceptable to Agent, duly executed by the appropriate Governmental Authorities, for the Real Property Collateral located at the locations on Schedule 3.2(h) and Borrowers shall have delivered copies of such zoning letters to Agent;

(i) within 30 days of the Closing Date, Agent shall have received subordination, non-disturbance and attornment agreements duly executed by the applicable Loan

Party and tenant in favor of Agent with respect to the properties set forth on Schedule 3.2(i), the form and substance of which are reasonably satisfactory to Agent; and

(j) within 60 days of the Interim Order Date, Borrowers shall use their best efforts to deliver to Agent copies of (i) owner's title insurance policies in the name of AREC (or marked commitments to issue the same) for the Real Property Collateral set forth on Schedule 3.2(j) evidencing that AREC is the vested owner of record of such Real Property Collateral free and clear of all Liens (other than Permitted Liens), with such policies in form and substance satisfactory to Agent, or (ii) such other proof of vested ownership by AREC that Agent deems acceptable in its Permitted Discretion; provided, no such Real Property shall be included in the calculation of the Borrowing Base hereunder until the satisfaction of the foregoing with respect thereto.

3.3 CONDITIONS PRECEDENT TO ALL EXTENSIONS OF CREDIT. The obligation of the Lender Group (or any member thereof) to make all Advances (or to extend any other credit hereunder) shall be subject to the following conditions precedent:

(a) the representations and warranties contained in this Agreement and the other Loan Documents shall be true and correct in all material respects on and as of the date of such extension of credit, as though made on and as of such date (except to the extent that such representations and warranties relate solely to an earlier date);

(b) no Default or Event of Default shall have occurred and be continuing on the date of such extension of credit, nor shall either result from the making thereof;

(c) no injunction, writ, restraining order, or other order of any nature prohibiting, directly or indirectly, the extending of such credit shall have been issued and remain in force by any Governmental Authority against any Borrower, Agent, any Lender, or any of their Affiliates;

(d) except as otherwise set forth in Section 5.11(b), no Material Adverse Change shall have occurred;

(e) Agent shall have a first priority perfected security in the Collateral except for (a) the Carve-Out Expenses up to the Carve-Out Amount, (b) Senior Claims, and (c) recoveries under Avoidance Actions, which claims to the Avoidance Actions shall attach pari passu with other administrative claimants;

(f) on or prior to the date of such Advance, the Interim Order or the Final Order, as the case may be, shall have been signed and entered by the Bankruptcy Court, and such order shall be in full force and effect and shall not have been reversed, stayed, modified or amended absent the express written joinder or consent of Agent, on behalf of the Required Lenders, and, unless Agent, on behalf of the Required Lenders, shall have expressly joined therein or expressly consented thereto in writing, there shall be no motion pending (i) to reverse, modify or amend the Interim Order or Final Order, as the case may be, or (ii) to permit any administrative expense against Borrowers to have administrative priority equal to or superior to the priority of Agent and Lenders in respect of the Obligations; and

(g) Agent shall have secured the Consent, and such Consent shall be in full force and effect; provided, however, receipt of the Consent shall not be a condition precedent to the making of the initial Advances used solely to pay Lender Group Expenses and amounts due under the Fee Letter.

3.4 TERM. This Agreement shall become effective upon the execution and delivery hereof by Borrowers, Agent and the Lenders and shall continue in full force and effect for a term ending on the date (the "Maturity Date") that is earliest of (a) August 13, 2004, (b) the effective date of a plan of reorganization in the Chapter 11 Case, and (c) date on which the Chapter 11 Case of any Borrower is converted to a case under Chapter 7 of the Bankruptcy Code. Agent, upon the election of the Required Lenders, shall have the right to terminate the obligations of Lender Group under this Agreement immediately and without notice upon the occurrence and during the continuation of an Event of Default.

3.5 EFFECT OF TERMINATION. On the date of termination of this Agreement, all Obligations (including contingent reimbursement obligations of Borrowers with respect to any outstanding Letters of Credit and including all Bank Product Obligations) shall immediately become due and payable without notice or demand (including (a) either (i) providing cash collateral to be held by Agent for the benefit of those Lenders with a Revolver Commitment in an amount equal to 105% of the then extant Letter of Credit Usage, or (ii) causing the original Letters of Credit to be returned to the Issuing Lender, and (b) providing cash collateral (in an amount determined by Agent to satisfy the reasonably estimated credit exposure) to be held by Agent for the benefit of the Bank Product Providers with respect to the then extant Bank Product Obligations). No termination of this Agreement, however, shall relieve or discharge Borrowers of their duties, Obligations, or covenants hereunder and the Agent's Liens in the Collateral shall remain in effect until all Obligations have been fully and finally discharged and the Lender Group's obligations to provide additional credit hereunder have been terminated. When this Agreement has been terminated and all of the Obligations have been fully and finally discharged and the Lender Group's obligations to provide additional credit under the Loan Documents have been terminated irrevocably, Agent will, at Borrowers' sole expense, execute and deliver any Uniform Commercial Code termination statements, lien releases, mortgage releases, re-assignments of trademarks, Vehicle registration releases, discharges of security interests, and other similar discharge or release documents (and, if applicable, in recordable form) as are reasonably necessary to release, as of record, the Agent's Liens and all notices of security interests and liens previously filed by Agent with respect to the Obligations.

3.6 EARLY TERMINATION BY BORROWERS. Borrowers have the option, at any time upon 30 days prior written notice by Administrative Borrower to Agent, to terminate this Agreement by paying to Agent, for the benefit of the Lender Group and the Bank Product Providers, in cash, the Obligations (including (a) either (i) providing cash collateral to be held by Agent for the benefit of those Lenders with a Revolver Commitment in an amount equal to 105% of the then extant Letter of Credit Usage, or (ii) causing the original Letters of Credit to be returned to the Issuing Lender, and (b) providing cash collateral (in an amount determined by Agent as sufficient to satisfy the reasonably estimated credit exposure) to be held by Agent for the benefit of the Bank Product Providers with respect to the then extant Bank Product Obligations), in full to be allocated based upon letter agreements between Agent and individual Lenders. If Administrative Borrower has sent a notice of termination pursuant to the provisions of this

Section, then the Commitments shall terminate and Borrowers shall be obligated to repay the Obligations (including (a) either (i) providing cash collateral to be held by Agent for the benefit of those Lenders with a Revolver Commitment in an amount equal to 105% of the then extant Letter of Credit Usage, or (ii) causing the original Letters of Credit to be returned to the Issuing Lender, and
(b) providing cash collateral to be held by Agent for the benefit of the Bank Product Providers with respect to the then extant Bank Product Obligations), in full on the date set forth as the date of termination of this Agreement in such notice.

4. CREATION OF SECURITY INTEREST.

4.1 GRANT OF SECURITY INTEREST. Each Borrower hereby grants to Agent, for the benefit of the Lender Group and the Bank Product Providers, a continuing security interest in all of its right, title, and interest in all currently existing and hereafter acquired or arising Personal Property Collateral in order to secure prompt repayment of any and all of the Obligations in accordance with the terms and conditions of the Loan Documents and in order to secure prompt performance by Borrowers of each of their covenants and duties under the Loan Documents. The Agent's Liens in and to the Personal Property Collateral shall attach to all Personal Property Collateral without further act on the part of Agent or Borrowers. Anything contained in this Agreement or any other Loan Document to the contrary notwithstanding, except for Permitted Dispositions, Borrowers have no authority, express or implied, to dispose of any item or portion of the Collateral.

4.2 NEGOTIABLE COLLATERAL AND CHATTEL PAPER. Each Borrower covenants and agrees with Agent that from and after the Closing Date and until the date of termination of this Agreement in accordance with Section 3.5:

(a) In the event that any Collateral, including proceeds, is evidenced by or consists of Negotiable Collateral of any Borrower, and if and to the extent that perfection of priority of Agent's security interest with respect to such Collateral is dependent on or enhanced by possession, the applicable Borrower, immediately upon the request of Agent, shall endorse and deliver physical possession of such Negotiable Collateral to Agent;

(b) Upon request by Agent, each Borrower shall take all steps reasonably necessary to grant Agent control of all electronic Chattel Paper of such Borrower in accordance with the Code and all "transferable records" as defined in each of the Uniform Electronic Transactions Act and the Electronic Signatures in Global and National Commerce Act; and

(c) In the event any Borrower, with Agent's consent, retains possession of any Chattel Paper or instruments otherwise required to be endorsed and delivered to Agent pursuant to Section 4.2(a), all of such Chattel Paper and instruments shall be marked with the following legend: "This writing and the obligations evidenced or secured thereby are subject to the security interest of Wells Fargo Foothill, Inc., as Agent."

4.3 COLLECTION OF ACCOUNTS, GENERAL INTANGIBLES, AND NEGOTIABLE COLLATERAL. At any time after the occurrence and during the continuation of an Event of Default, Agent or Agent's designee may (a) notify Account Debtors of Borrowers that Borrowers' Accounts, Chattel Paper, or General Intangibles (other than the Excluded Assets) have been assigned to

Agent or that Agent has a security interest therein, or (b) collect Borrowers' Accounts, Chattel Paper, or General Intangibles (other than the Excluded Assets) directly and charge the collection costs and expenses to the Loan Account. Each Borrower agrees that it will hold in trust for the Lender Group, as the Lender Group's trustee, any Collections that it receives and immediately will deliver said Collections to Agent or a Cash Management Bank in their original form as received by the applicable Borrower.

4.4 DELIVERY OF ADDITIONAL DOCUMENTATION REQUIRED. Each Borrower hereby authorizes Lender to file, transmit, or communicate, as applicable, Uniform Commercial Code financing statements and amendments describing the Collateral as "all personal property of debtor" or "all assets of debtor" or words of similar effect in order to perfect Agent's Liens on the Collateral without any Borrower's signature, to the extent permitted by applicable law; provided, however, Agent shall clearly identify Excluded Assets as excepted items. Notwithstanding the foregoing, at any time upon the request of Agent, Borrowers shall execute and deliver to Agent, any and all financing statements, original financing statements in lieu of continuation statements, fixture filings, security agreements, pledges, assignments, endorsements of certificates of title, supplements, and all other documents (the "Additional Documents") upon which Borrower's signature may be required that Agent may request in its Permitted Discretion, in form and substance reasonably satisfactory to Agent, to perfect and continue perfection of or better perfect the Agent's Liens in the Collateral (whether now owned or hereafter arising or acquired), to create and perfect Liens in favor of Agent in any Real Property acquired after the Closing Date, and in order to fully consummate all of the transactions contemplated hereby and under the other Loan Documents. To the maximum extent permitted by applicable law, each Borrower authorizes Agent to execute any such Additional Documents in the applicable Borrower's name and authorize Agent to file such executed Additional Documents in any appropriate filing office, and Agent shall provide Administrative Borrower with copies of any such filings; provided, however, that the failure by Agent to so provide such filings shall not affect the authorizations herein. Each Borrower also hereby ratifies its authorization for Agent to have filed in any jurisdiction any Uniform Commercial Code financing statements or amendments thereto if filed prior to the Closing Date. No Borrower shall terminate, amend or file a correction statement with respect to any Uniform Commercial Code financing statement filed pursuant to this
Section 4.4 without Agent's prior written consent. In addition, on a quarterly basis as Agent shall require, Borrowers shall (a) provide Agent with a report of all new patentable, copyrightable, or trademarkable materials acquired or generated by Borrowers during the prior period, (b) cause all patents, copyrights, and trademarks acquired or generated by Borrowers that are not already the subject of a registration with the appropriate filing office (or an application therefor diligently prosecuted) to be registered with such appropriate filing office in a manner sufficient to impart constructive notice of Borrowers' ownership thereof, and (c) cause to be prepared, executed, and delivered to Agent supplemental schedules to the applicable Loan Documents to identify such patents, copyrights, and trademarks as being subject to the security interests created thereunder. Each Borrower shall provide Agent with notice that any Borrower or any Guarantor has made a Permitted Investment (other than an Investment in its Subsidiaries made in the ordinary course of business) promptly, but in any event within 5 Business Days, following the consummation thereof and, upon the request of Agent, shall execute and deliver (or cause to be executed and delivered to Agent) any and all Additional Documents requested by Agent to perfect the Agent's Liens in such Permitted Investment.

4.5 POWER OF ATTORNEY. Each Borrower hereby irrevocably makes, constitutes, and appoints Agent (and any of Agent's officers, employees, or agents designated by Agent) as such Borrower's true and lawful attorney, with power to (a) if such Borrower refuses to execute and deliver, or fails timely to execute and deliver any of the documents described in Section 4.4, sign the name of such Borrower on any of the documents described in Section 4.4, (b) at any time that an Event of Default has occurred and is continuing, sign such Borrower's name on any invoice or bill of lading relating to the Collateral, drafts against Account Debtors of such Borrower, or notices to such Account Debtors, (c) send requests for verification of such Borrower's Accounts, (d) endorse such Borrower's name on any Collection item that may come into the Lender Group's possession, (e) at any time that an Event of Default has occurred and is continuing, make, settle, and adjust all claims under such Borrower's policies of insurance and make all determinations and decisions with respect to such policies of insurance, and (f) at any time that an Event of Default has occurred and is continuing, settle and adjust disputes and claims respecting such Borrower's Accounts, Chattel Paper, or General Intangibles other than the Excluded Assets directly with Account Debtors of such Borrower, for amounts and upon terms that Agent determines to be reasonable, and Agent may cause to be executed and delivered any documents and releases that Agent determines to be necessary. The appointment of Agent as each Borrower's attorney, and each and every one of its rights and powers, being coupled with an interest, is irrevocable until all of the Obligations have been fully and finally repaid and performed and the Lender Group's obligations to extend credit hereunder are terminated.

4.6 RIGHT TO INSPECT. Agent and each Lender (through any of their respective officers, employees, or agents) shall have the right, from time to time hereafter to inspect Borrowers' Books and records and to check, test, and appraise the Collateral or any other collateral securing the Obligations in order to verify Borrowers' financial condition or the amount, quality, value, condition of, or any other matter relating to, the Collateral or any other collateral securing the Obligations. Absent the occurrence of an Event of Default during such calendar year, Agent and the Lenders shall require appraisals of only those parcels of Real Property constituting 20% of the Fair Market Valuation of Real Property Collateral (as determined by Agent in its Permitted Discretion) per calendar year; provided, however, that if Agent determines, in its Permitted Discretion, that there has been a significant decrease in the Fair Market Valuation of Real Property Collateral, appraisals of all parcels of Real Property Collateral or such lesser amount as may be determined by Agent in its Permitted Discretion per calendar year.

4.7 CONTROL AGREEMENTS. Each Borrower agrees that it will not transfer assets out of any Securities Accounts other than as permitted under
Section 7.19 and, if to another securities intermediary, unless each of the applicable Borrower, Agent, and the substitute securities intermediary have entered into a Control Agreement. No arrangement contemplated hereby or by any Control Agreement in respect of any Securities Accounts or other Investment Property of Borrowers shall be modified by Borrowers without the prior written consent of Agent. Upon the occurrence and during the continuance of a Default or Event of Default, Agent may notify any securities intermediary to liquidate the applicable Securities Account or any related Investment Property maintained or held thereby and remit the proceeds thereof to the Agent's Account.

4.8 COMMERCIAL TORT CLAIMS. Borrowers shall promptly notify Agent in writing in the event any Borrower shall incur or otherwise obtain a Commercial Tort Claim in excess of

$100,000 after the Closing Date against any third party and, upon the request of Agent, shall promptly amend Schedule C-1, authorize the filing of additional Uniform Commercial Code financing statements or amendments to existing Uniform Commercial Code financing statements, and do such other acts or things deemed necessary or desirable by Agent to grant Agent a first priority, perfected security interest in any such Commercial Tort Claim, including, without limitation executing an assignment of such Commercial Tort Claim.

4.9 VEHICLE REGISTRATION.

(a) Prior to the Closing Date, Borrowers shall, or shall cause Guarantors to, (i) register, or cause to be registered, with the State of Arizona each Vehicle (excluding any trailer) owned by any Borrower or any Guarantor (other than U-Haul Co. of Alaska or U-Haul of Hawaii, Inc.) as of the Closing Date and (ii) obtain a new certificate of title (collectively, the "Certificates of Title" and, individually, a "Certificate of Title") for each such Vehicle registered pursuant to clause (i) naming (1) (A) U-Haul (Canada) as the registered owner of such Vehicles operated primarily in Canada, or (B) U-Haul Co. of Arizona, an Arizona corporation, as the registered owner of all other such Vehicles, (2) on new Certificates of Title obtained prior to May 21, 2003, "FOOTHILL CAPITAL CORP." as the sole lienholder and (3) on new Certificates of Title obtained on or after May 21, 2003, "WELLSFARGO FOOTHILL, INC., AS AGENT" or, if space does not permit, "WELLSFARGO FOOTHILL AGENT", as the sole lienholder thereon.

(b) Prior to the Closing Date, Borrowers shall, or shall cause U-Haul International, Inc. or U-Haul Co. of Alaska to, (i) register, or cause to be registered, with the State of Alaska each Vehicle (excluding any trailer) owned by U-Haul Co. of Alaska on or before the Closing Date, (ii) obtain a new Certificate of Title for each such Vehicle registered pursuant to clause (i) naming (1) U-Haul Co. of Alaska, an Alaskan corporation, as the registered owner and (2) "WELLSFARGO FOOTHILL, INC., AS AGENT" or, if space does not permit, "WELLSFARGO FOOTHILL AGENT", as the sole lienholder thereon.

(c) Prior to the Closing Date, Borrowers shall, or shall cause U-Haul International, Inc. or U-Haul of Hawaii, Inc. to, (i) register, or cause to be registered, with the State of Hawaii each Vehicle (excluding any trailer) owned by U-Haul of Hawaii, Inc. on or before the Closing Date, (ii) obtain a new Certificate of Title for each such Vehicle registered pursuant to clause (i) naming (1) U-Haul of Hawaii, Inc., a Hawaiian corporation, as the registered owner and (2) "WELLSFARGO FOOTHILL, INC., AS AGENT" or, if space does not permit, "WELLSFARGO FOOTHILL AGENT", as the sole lienholder thereon.

(d) Borrowers shall, or shall cause Guarantors to, (i) deposit all Certificates of Title into a segregated, secured location at Parent's chief executive office located at 2727 North Central, Phoenix, Arizona, the access to which shall be limited to Agent, its representatives and agents, Roberta Holmes and Joan Gibson and such Certificates of Title and such Persons shall be covered by a fidelity insurance policy naming Agent as loss payee or a bond endorsed to Agent, in either case in form and substance satisfactory to Agent (which shall include coverage of at least $5,000,000), and (ii) timely pay all fees required by the States of Alaska, Arizona and Hawaii, as applicable, with respect to such Vehicle registrations and the issuances of the corresponding Certificates of Title.

(e) After the Closing Date, Borrowers shall, and shall cause Guarantors to, (i) follow the procedures set forth in Section 4.9(a), Section 4.9(b) and Section 4.9(c), as applicable, and Section 4.9(d) with respect to any Vehicle (excluding any trailer) acquired by any Borrower or Guarantor after the Closing Date that is not intended to be transferred into a TRAC Lease Transaction within 130 days of the acquisition of such Vehicle, and
(ii) pursuant to the laws of the States of Alaska, Arizona and Hawaii, as applicable, timely renew all registrations and Certificates of Title held by Borrowers with respect to the Vehicles.

(f) Borrowers shall not, without the prior consent of Agent, (i) transfer, sell or otherwise dispose of any of the Vehicles or the Certificates of Title except in conjunction with a Permitted Disposition hereunder, or (ii) relocate the Certificates of Title.

(g) Borrowers hereby acknowledge and agree that (i) they shall hold and maintain all Certificates of Title solely on behalf of, and as an attorney-in-fact and agent for, Agent, (ii) Agent's security interest in, Liens on, and all rights and remedies with respect to the Vehicles and the Certificates of Title shall remain valid and enforceable at all times, and (iii) during the existence of an Event of Default or if Agent is not satisfied with the results of any inspection under Section 4.9(h) below, Borrowers shall, or shall cause the Guarantors to, promptly comply with any request or direction by Agent to deliver the Certificates of Title to Agent or to such other Person or location as Agent may direct in its Permitted Discretion.

(h) Borrowers further acknowledge and agree that, at the expense of Borrowers, Agent shall have the right to conduct, on a quarterly basis or more frequently if an Event of Default exists, an independent inspection of 5% of the Certificates of Title then on hand with any appropriate Governmental Authority in order to verify the accuracy and completeness of any information contained on such Certificates of Title and compliance with this
Section 4.9; provided, however, that if Agent determines, in its Permitted Discretion, that there are significant errors or discrepancies in the Certificates of Title or non-compliance with this Section 4.9, Agent and the Lenders shall, at the expense of Borrowers, have the right to conduct an independent inspection of all of Certificates of Title or such lesser amount as may be determined by Agent in its Permitted Discretion. Borrowers shall, or shall cause Guarantors to, deliver to Agent (or its designees) any power of attorney or other document that may be requested by Agent or required by such Governmental Authority in connection therewith. Borrowers acknowledge that such inspection may be conducted by employees of Agent or any third party retained by Agent for such purposes.

(i) Execution of this Agreement shall be evidence of each Borrower's consent for the Lien of Agent on the Vehicles indicated on the Certificates of Title.

4.10 GRANTS, RIGHTS AND REMEDIES. The Liens and security interests granted by each Borrower to Agent (for the benefit of Lender Group) by and pursuant to Section 4.1 hereof may be independently granted by the Loan Documents hereafter entered into. This Agreement, the Interim Order, the Final Order and such other Loan Documents supplement each other, and the grants, priorities, rights and remedies of Agent hereunder and thereunder are cumulative.

4.11 NO FILINGS REQUIRED. The Liens and security interests granted by each Borrower to Agent (for the benefit of Lender Group) herein shall be deemed valid, binding, continuing,

enforceable and fully-perfected first priority Liens on the Collateral by entry of the Interim Order and the Final Order, as the case may be, subject only to
(a) the Carve-Out Expenses up to the Carve-Out Amount, (b) Senior Claims, and
(c) recoveries under Avoidance Actions, which claims to the Avoidance Actions shall attach pari passu with other administrative claimants. Agent shall not be required to file any financing statements, notices of Lien or similar instruments in any jurisdiction or filing office or to take any other action in order to validate or perfect the Liens and security interests granted by or pursuant to this Agreement, the Interim Order, the Final Order or any other Loan Document.

4.12 SURVIVAL. The Liens and security interests granted to Agent (for the benefit of Lender Group), the priority of such Liens and security interests, and the administrative priorities and other rights and remedies granted to Lender Group pursuant to this Agreement, the Interim Order, the Final Order and the other Loan Documents (specifically including but not limited to the existence, perfection and priority of the Liens and security interest provided herein and therein) and the administrative priority provided herein and therein shall not be modified, altered or impaired in any manner by any other financing or extension of credit or incurrence of debt by any Borrower (pursuant to Section 364 of the Bankruptcy Code or otherwise), or by any dismissal or conversion of the Chapter 11 Case, or by any other act or omission whatsoever. Without limitation, notwithstanding any such order, financing, extension, incurrence, dismissal, conversion, act or omission;

(a) except for (i) the Carve-Out Expenses up to the Carve-Out Amount, (ii) Senior Claims, and (iii) recoveries under Avoidance Actions, which claims to the Avoidance Actions shall attach pari passu with other administrative claimants, no costs or expenses of administration which have been or may be incurred in the Chapter 11 Case or any conversion of the same or in any other proceedings related thereto, and no priority claims, are or will be prior to or on a parity with any claim of Agent and Lenders against any Borrower in respect of any Obligation;

(b) the Liens and security interests granted by each Borrower to Agent (for the benefit of Lender Group) by and pursuant to the Interim Order, the Final Order and Section 4.1 hereof shall constitute valid, binding, continuing, enforceable and fully-perfected first priority Liens, subject only to (i) the Carve-Out Expenses up to the Carve-Out Amount, (ii) Senior Claims, and (iii) recoveries under Avoidance Actions, which claims to the Avoidance Actions shall attach pari passu with other administrative claimants, and shall be prior to all other Liens and interests, now existing or hereafter arising, in favor of any other creditor or any other Person whatsoever; and

(c) the Liens and security interests granted by each Borrower to Agent (for the benefit of Lender Group) by and pursuant to the Interim Order, the Final Order and Section 4.1 hereof shall continue to be valid, binding, continuing, enforceable and fully-perfected without the necessity for Agent to file any financing statements or to otherwise perfect such Liens and security interests under applicable non-bankruptcy law.

5. REPRESENTATIONS AND WARRANTIES.

In order to induce the Lender Group to enter into this Agreement, each Borrower makes the following representations and warranties to the Lender Group which representations and warranties shall be true, correct, and complete, in all material respects, as of the date hereof, and shall be true, correct, and complete, in all material respects, as of the Closing Date, and at and as of the date of the making of each Advance (or other extension of credit) made thereafter, as though made on and as of the date of such Advance (or other extension of credit) (except to the extent that such representations and warranties relate solely to an earlier date) and such representations and warranties shall survive the execution and delivery of this Agreement:

5.1 NO ENCUMBRANCES. Each Borrower and each Guarantor has good and indefeasible title to its assets, free and clear of Liens except for Permitted Liens. Each Borrower and each Guarantor is the vested fee owner of each parcel of Real Property Collateral set forth next to its name on Schedule R-1 hereto, and such ownership is free and clear of all title defects and Liens, except Permitted Liens.

5.2 [INTENTIONALLY OMITTED.]

5.3 [INTENTIONALLY OMITTED.]

5.4 EQUIPMENT. All of the Equipment is used or held for use in Borrowers' or Guarantors' businesses and is fit for such purposes.

5.5 LOCATION OF EQUIPMENT. The Equipment of Borrowers and Guarantors is stored only at the locations permitted by Section 6.9 hereof.

5.6 EQUIPMENT RECORDS. Each Borrower and each Guarantor keeps correct and accurate records itemizing and describing the type, quality, and quantity of its Equipment and the book value thereof.

5.7 LOCATION OF CHIEF EXECUTIVE OFFICE; FEIN; ORGANIZATIONAL ID NUMBER. The chief executive office of each Borrower and each Guarantor is located at the address indicated in Schedule 5.7 and each Borrower's and each Guarantor's FEIN and Organizational ID Number are identified in Schedule 5.7. As of the Closing Date, each Borrower's and each Guarantor's exact legal name is as set forth on the signature pages to the Agreement, and in the 5 years prior to the Closing Date no Borrower and no Guarantor has been known by any other name, or had a business at any address other than those specified on Schedule 5.7.

5.8 DUE ORGANIZATION AND QUALIFICATION; SUBSIDIARIES; AFFILIATES.

(a) Each Borrower and each Guarantor is duly organized and existing and in good standing under the laws of the jurisdiction of its organization and qualified to do business in any state where the failure to be so qualified reasonably could be expected to have a Material Adverse Change.

(b) Set forth on Schedule 5.8(b), is a complete and accurate description of the authorized capital Stock of each Borrower and each Guarantor, by class, and, as of the Closing

Date, a description of the number of shares of each such class that are issued and outstanding. Other than as described on Schedule 5.8(b), there are no subscriptions, options, warrants, or calls relating to any shares of each Borrower's and each Guarantor's capital Stock, including any right of conversion or exchange under any outstanding security or other instrument. Neither any Borrower nor any Guarantor is subject to any obligation (contingent or otherwise) to repurchase or otherwise acquire or retire any shares of its capital Stock or any security convertible into or exchangeable for any of its capital Stock.

(c) Set forth on Schedule 5.8(c), is a complete and accurate list of each Borrower's and each Guarantor's direct and indirect Subsidiaries, showing: (i) the jurisdiction of their organization; (ii) the number of shares of each class of common and preferred Stock authorized for each of such Subsidiaries; and (iii) the number and the percentage of the outstanding shares of each such class owned directly or indirectly by the applicable Borrower or Guarantor. All of the outstanding capital Stock of each such Subsidiary has been validly issued and is fully paid and non-assessable.

(d) Except as set forth on Schedule 5.8(d), there are no subscriptions, options, warrants, or calls relating to any shares of any Borrower's or any Guarantor's Subsidiaries' capital Stock, including any right of conversion or exchange under any outstanding security or other instrument. No Borrower, Guarantor or any of their respective Subsidiaries is subject to any obligation (contingent or otherwise) to repurchase or otherwise acquire or retire any shares of any Borrower's or any Guarantor's Subsidiaries' capital Stock or any security convertible into or exchangeable for any such capital Stock.

(e) Set forth on Schedule 5.8(e) is a complete and accurate list of each Borrower's and each Guarantor's Affiliates showing the relation (whether through direct ownership, common ownership or otherwise) between such Borrower and such Affiliates.

(f) The Dormant Subsidiaries (i) are inactive and do not engage in any business activities, (ii) do not have assets with an aggregate fair market value in excess of $100,000, and (iii) do not have any annual operating expenditures or other liabilities.

(g) Each of the Bankrupt Subsidiaries is the subject of an Insolvency Proceeding as of the Closing Date.

5.9 DUE AUTHORIZATION; NO CONFLICT.

(a) As to each Borrower, the execution, delivery, and performance by such Borrower of this Agreement and the Loan Documents to which it is a party have been duly authorized by all necessary action on the part of such Borrower.

(b) As to each Borrower, the execution, delivery, and performance by such Borrower of this Agreement and the Loan Documents to which it is a party do not and will not (i) violate any provision of federal, state, or local law or regulation applicable to any Borrower, the Governing Documents of any Borrower, or any order, judgment, or decree of any court or other Governmental Authority binding on any Borrower, (ii) conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under any material contractual obligation of any Borrower, including without limitation the Material Contracts, except defaults

that are stayed by the Bankruptcy Court, (iii) result in or require the creation or imposition of any Lien of any nature whatsoever upon any properties or assets of any Borrower, other than Permitted Liens, or (iv) require any approval of any Borrower's interest holders or any approval or consent of any Person under any material contractual obligation of any Borrower, including without limitation the Material Contracts.

(c) Other than the entry of the Interim Order and the Final Order, the execution, delivery, and performance by each Borrower of this Agreement and the Loan Documents to which such Borrower is a party do not and will not require any registration with, consent, or approval of, or notice to, or other action with or by, any Governmental Authority or other Person.

(d) As to each Borrower, this Agreement and the other Loan Documents to which such Borrower is a party, and all other documents contemplated hereby and thereby, when executed and delivered by such Borrower will be the legally valid and binding obligations of such Borrower, enforceable against such Borrower in accordance with their respective terms.

(e) The Agent's Liens are validly created, perfected, and first priority Liens, subject only to Permitted Liens.

(f) The execution, delivery, and performance by each Guarantor of the Loan Documents to which it is a party have been duly authorized by all necessary action on the part of such Guarantor.

(g) The execution, delivery, and performance by each Guarantor of the Loan Documents to which it is a party do not and will not (i) violate any provision of federal, state, or local law or regulation applicable to such Guarantor, the Governing Documents of such Guarantor, or any order, judgment, or decree of any court or other Governmental Authority binding on such Guarantor, (ii) conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under any material contractual obligation of such Guarantor, (iii) result in or require the creation or imposition of any Lien of any nature whatsoever upon any properties or assets of such Guarantor, other than Permitted Liens, or (iv) require any approval of such Guarantor's interest holders or any approval or consent of any Person under any material contractual obligation of such Guarantor.

(h) Other than the filing of Uniform Commercial Code financing statements, fixture filings and Mortgages, the execution, delivery, and performance by each Guarantor of the Loan Documents to which such Guarantor is a party do not and will not require any registration with, consent, or approval of, or notice to, or other action with or by, any Governmental Authority or other Person.

(i) The Loan Documents to which any Guarantor is a party, and all other documents contemplated hereby and thereby, when executed and delivered by such Guarantor will be legally valid and binding obligations of such Guarantor, enforceable against Guarantor in accordance with their respective terms, except as enforcement may be limited by equitable principles or by bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or limiting creditors' rights generally.

5.10 LITIGATION. Other than those matters disclosed on Schedule 5.10, there are no actions, suits, arbitrations, administrative hearings or other proceedings pending or, to the best knowledge of Borrowers, threatened against Borrowers, Guarantors or any of their Subsidiaries (excluding the Insurance Subsidiaries), as applicable, except for (a) the Chapter 11 Case, (b) matters that are fully covered by insurance (subject to customary deductibles),
(c) routine litigation arising in the ordinary course of business that is not material and (d) matters arising after the Second Relief Date that, if decided adversely to Borrowers, Guarantors, or any of their Subsidiaries, as applicable, reasonably could not be expected to result in a Material Adverse Change.

5.11 FINANCIAL STATEMENTS. NO MATERIAL ADVERSE CHANGE. (a) All financial statements relating to Borrowers or Guarantors that have been delivered by Borrowers or Guarantors to the Lender Group (i) have been prepared in accordance with GAAP (except, in the case of unaudited financial statements, for the lack of footnotes and being subject to year-end audit adjustments), (ii) are true and correct in all material respects, and accurately present Borrowers' (or Guarantors', as applicable) financial condition as of the date thereof,
(iii) do not and will not contain any untrue statement of material fact or omit to state any material fact necessary in order to make such statements contained therein not misleading in light of the circumstances under which such statements were made. All Projections, if any, that have been made or will be prepared by or on behalf of Borrowers or any of their respective representatives and made available to Agent, and the Lenders 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 Projections are made available to Agent and the Lenders.

(b) Other than (i) the filing of the Chapter 11 Case,
(ii) the withdrawal by PriceWaterhouseCoopers of its audit letter with respect to Borrowers' financial statements for the fiscal year ended as of March 31, 2002 and (iii) such other matters as have been set forth in writing by Borrowers to Agent on or before June 20, 2003, there has not been a Material Adverse Change with respect to Borrowers (or Guarantors, as applicable) since the date of the latest financial statements submitted to the Lender Group on or before the Closing Date.

5.12 [INTENTIONALLY OMITTED.]

5.13 EMPLOYEE BENEFITS. No Borrower, Guarantor, Subsidiary of a Borrower or a Guarantor, or ERISA Affiliate of a Borrower or a Guarantor maintains or contributes to any Benefit Plan, other than those listed on Schedule 5.13. Each Borrower, Guarantor, Subsidiary of a Borrower or a Guarantor and ERISA Affiliate of a Borrower or a Guarantor has satisfied the minimum funding standards of ERISA and the IRC with respect to each Benefit Plan to which it is obligated to contribute. No ERISA Event has occurred nor has any other event occurred that may result in an ERISA Event that reasonably could be expected to result in a Material Adverse Change. No Borrower, Guarantor, Subsidiary of a Borrower or a Guarantor, ERISA Affiliate of a Borrower or Guarantor, or, to Borrowers' knowledge, fiduciary of any Benefit Plan is subject to any direct or indirect liability with respect to any Benefit Plan under any applicable law, treaty, rule, regulation, or agreement. No Borrower, Guarantor, Subsidiary of a Borrower or a Guarantor, or ERISA Affiliate of a Borrower or a Guarantor is required to provide security to any Benefit Plan under Section 401(a)(29) of the IRC.

5.14 ENVIRONMENTAL CONDITION. Except as set forth on Schedule 5.14,
(a) to Borrowers' knowledge, no properties or assets of Borrowers or Guarantors have ever been used by Borrowers, Guarantors, or by previous owners or operators in the disposal of, or to produce, store, handle, treat, release, or transport, any Hazardous Materials, where such production, storage, handling, treatment, release or transport was in violation, in any material respect, of applicable Environmental Law, (b) to Borrowers' knowledge, no properties or assets of Borrowers or Guarantors have ever been designated or identified in any manner pursuant to any environmental protection statute as a Hazardous Materials disposal site, (c) no Borrower or Guarantor has received notice that a Lien arising under any Environmental Law has attached to any revenues or to any Real Property owned or operated by Borrowers, and (d) no Borrower or Guarantor has received a summons, citation, notice, or directive from the Environmental Protection Agency or any other federal or state governmental agency concerning any action or omission by any Borrower or any Guarantor resulting in the releasing or disposing of Hazardous Materials into the environment.

5.15 BROKERAGE FEES. Borrowers and Guarantors have not utilized the services of any broker or finder in connection with Borrowers' obtaining financing from the Lender Group under this Agreement and no brokerage commission or finders fee is payable by Borrowers or Guarantors in connection herewith.

5.16 INTELLECTUAL PROPERTY. Each Borrower or each Guarantor owns, or holds licenses in, all trademarks, trade names, copyrights, patents, patent rights, and licenses that are necessary to the conduct of its business as currently conducted. Attached hereto as Schedule 5.16 is a true, correct, and complete listing of all material patents, patent applications, trademarks, trademark applications, copyrights, and copyright registrations as to which each Borrower or each Guarantor is the owner or is an exclusive licensee.

5.17 [INTENTIONALLY OMITTED.]

5.18 DDAs. Set forth on Schedule 5.18 are all Borrowers' and Guarantors' DDAs, including, with respect to each depository (i) the name and address of such depository, and (ii) the account numbers of the accounts maintained with such depository.

5.19 COMPLETE DISCLOSURE. All factual information (taken as a whole) furnished by or on behalf of Borrowers or Guarantors in writing to Agent or any Lender (including all information contained in the Schedules hereto or in the other Loan Documents) for purposes of or in connection with this Agreement, the other Loan Documents, or any transaction contemplated herein or therein is, and all other such factual information (taken as a whole) hereafter furnished by or on behalf of Borrowers or Guarantors in writing to the Agent or any Lender will be, true and accurate, in all material respects, on the date as of which such information is dated or certified and not incomplete by omitting to state any fact necessary to make such information (taken as a whole) not misleading in any material respect at such time in light of the circumstances under which such information was provided. On the Closing Date, the Projections represent, and as of the date on which any other Projections are delivered to Agent, such additional Projections represent Borrowers' good faith best estimate of its future performance for the periods covered thereby.

5.20 INDEBTEDNESS, ETC.

(a) Set forth on Schedule 5.20(a) is a true and complete list of all Indebtedness of each Borrower or Guarantors outstanding immediately prior to, the Closing Date that is to remain outstanding after the Closing Date and such Schedule accurately reflects the aggregate principal amount of such Indebtedness.

(b) Set forth on Schedule 5.20(b) is a true and complete summary of all TRAC Lease Transactions in existence as of the Closing Date that are to remain outstanding after the Closing Date.

5.21 INTERIM ORDER. The Interim Order has been validly entered by the Court and has not been stayed, reversed, vacated or otherwise modified except with the consent of the Required Lenders.

5.22 RESERVATION MANAGEMENT SYSTEM. The Reservation Management System is owned by A&M Associates, Inc., a Nevada corporation, free and clear of claims and encumbrances.

5.23 ADMINISTRATIVE PRIORITY. The Lien and security interest of the Agent (for the benefit of the Lender Group and the Bank Product Providers) on the Collateral shall be a valid and perfected first priority Lien subject to the Carve-Out Expenses up to the Carve-Out Amount and Senior Claims.

5.24 APPOINTMENT OF TRUSTEE OR EXAMINER; LIQUIDATION. No order has been entered in the Chapter 11 Case (i) for the appointment of a Chapter 11 trustee, (ii) for the appointment of an examiner with enlarged powers (beyond those set forth in Sections 1106(a)(3) and (4) of the Bankruptcy Code) under
Section 1106(b) of the Bankruptcy Code or (iii) to convert the Chapter 11 Case to a Chapter 7 case or to dismiss the Chapter 11 Case.

6. AFFIRMATIVE COVENANTS.

Each Borrower covenants and agrees that, until termination of all of the Commitments and payment in full of the Obligations, Borrowers shall and shall cause each of their respective Subsidiaries to do all of the following:

6.1 ACCOUNTING SYSTEM. Maintain a system of accounting that enables such Loan Party to produce financial statements in accordance with GAAP and maintain records pertaining to the Collateral that contain information as from time to time reasonably may be requested by Agent.

6.2 COLLATERAL REPORTING. Administrative Borrower shall provide Agent the following information (and if required by Agent, with copies to each Lender) relating to the Collateral:

(a) On a monthly basis, in a form reasonably satisfactory to Agent, (i) not later than the fifteenth (15th) day of each month, a summary aging, by vendor, of each Loan

Party's accounts payable, and (ii) not later than the twenty-second (22nd) day of each month, any book overdraft.

(b) On a quarterly basis, not later than 15 days after the end of each quarter, a report by book value of all box-trucks and pickup trucks owned by Borrowers (and subject to Agent's Lien) or Guarantors as of the last day of such quarter, together with a reconciliation of any box-trucks and pickup trucks bought or sold since the delivery of the prior report to Agent.

(c) Upon the delivery of any updated Fair Market Valuation and on each date monthly financial statements are delivered to Agent, a new Borrowing Base Certificate together with an updated schedule of Real Property Collateral showing a reconciliation of any Real Property Collateral bought or sold since the delivery of the prior Borrowing Base Certificate to the Agent.

(d) On a quarterly basis, a report of the name and location of all U-Haul Dealers as of such date (the "Dealer List").

6.3 FINANCIAL STATEMENTS, REPORTS, CERTIFICATES. Deliver to Agent, with copies to each Lender:

(a) as soon as available, but in any event within 45 days after the end of each month during each of Parent's fiscal years,

(i) a company prepared Consolidated balance sheet, income statement, and statement of cash flow covering Parent's and its Subsidiaries' operations during such period,

(ii) a certificate signed by the chief financial officer of Parent to the effect that:

(A) the financial statements delivered hereunder have been prepared in accordance with GAAP (except for the lack of footnotes and being subject to year-end audit adjustments) and fairly present in all material respects the financial condition of Parent and its Subsidiaries,

(B) the representations and warranties of Borrowers contained in this Agreement and the other Loan Documents are true and correct in all material respects on and as of the date of such certificate, as though made on and as of such date (except to the extent that such representations and warranties relate solely to an earlier date), and

(C) there does not exist any condition or event that constitutes a Default or Event of Default (or, to the extent of any non-compliance, describing such non-compliance as to which he or she may have knowledge and what action Borrowers have taken, are taking, or propose to take with respect thereto), and

(iii) for each month that is the date on which a financial covenant in Section 7.20 is to be tested, a Compliance Certificate demonstrating, in reasonable detail, compliance at the end of such period with the applicable financial covenants contained in Section 7.20,

(b) as soon as available, but in any event within 120 days after the end of each of Parent's fiscal years,

(i) financial statements of Parent and its Subsidiaries for each such fiscal year, audited by independent certified public accountants reasonably acceptable to Agent and certified, without any qualifications, by such accountants to have been prepared in accordance with GAAP (such audited financial statements to include a balance sheet, income statement, and statement of cash flow and, if prepared, such accountants' letter to management), and

(ii) a certificate of such accountants addressed to Agent and the Lenders stating that such accountants do not have knowledge of the existence of any Default or Event of Default under Section 7.20,

(c) as soon as available, but in any event within 30 days prior to the start of each of Parent's fiscal years, copies of Borrowers' Projections, in form and substance (including as to scope and underlying assumptions) satisfactory to the Lender Group, in its sole discretion, for the forthcoming 3 years, year by year, and for the forthcoming fiscal year, month by month, certified by the chief financial officer of Parent as being such officer's good faith best estimate of the financial performance of Parent and its Subsidiaries during the period covered thereby,

(d) if, when and to the extent filed by any Loan Party with the Court, the SEC or any other Governmental Authority,

(i) 10-Q quarterly reports, Form 10-K annual reports, and Form 8-K current reports,

(ii) any other filings made by any Loan Party with the SEC,

(iii) any other financial information filed in the Chapter 11 Case or otherwise shared with the Committee,

(iv) copies of Borrowers' federal income tax returns, and any amendments thereto, filed with the Internal Revenue Service, and

(v) any other information that is provided by Parent to its shareholders generally,

(e) if and when filed by any Loan Party and as requested by Agent, reasonably satisfactory evidence of payment of applicable excise and property taxes in each jurisdictions in which (i) any Loan Party conducts business, owns real property or is required to pay any such excise or real property tax, (ii) where any Loan Party's failure to pay any such applicable excise or property tax would result in a Lien on the properties or assets of any Loan

Party, or (iii) where any Loan Party's failure to pay any such applicable excise tax reasonably could be expected to result in a Material Adverse Change,

(f) promptly after the commencement thereof, notice of all actions, suits or proceedings brought by or against any Loan Party before any Governmental Authority that, if determined adversely to such Loan Party, could reasonably be expected to result in a Material Adverse Change,

(g) as soon as a Borrower has knowledge of any event or condition that constitutes a Default or an Event of Default, notice thereof and a statement of the curative action that Borrowers propose to take with respect thereto, and

(h) upon the request of Agent or the Lender Group, any other report reasonably requested relating to the financial condition of any Loan Party.

In addition to the financial statements referred to above, Borrowers agree to deliver financial statements prepared on both a consolidated and consolidating basis (in accordance with GAAP) and a Consolidated basis (as defined herein) and that, except for the Insurance Subsidiaries, no Borrower, or any Subsidiary of a Borrower, will have a fiscal year different from that of Parent. Borrowers agree to cooperate with Agent to allow Agent to consult with their certified public accountants if Agent reasonably requests the right to do so and that, in such connection, their independent certified public accountants are authorized to communicate with Agent and to release to Agent whatever financial information concerning Borrowers or their Subsidiaries that Agent reasonably may request. Each Borrower waives the right to assert a confidential relationship, if any, it may have with any accounting firm or service bureau in connection with any information requested by Agent pursuant to or in accordance with this Agreement, and agree that Agent may contact directly any such accounting firm or service bureau in order to obtain such information.

6.4 GUARANTOR REPORTS. Cause each Guarantor to deliver its annual financial statements at the time when Parent provides its audited financial statements to Agent, but only to the extent such Guarantor's Financial Statements are not consolidated with Parent's Financial Statements, and copies of all federal income tax returns as soon as the same are available and in any event no later than 30 days after the same are required to be filed by law.

6.5 DOCUMENTS FILED WITH THE COURT OR DELIVERED TO THE U.S. TRUSTEE OR COMMITTEE. At the time any report (including, without limitation, monthly reports), projection, prospectus or other similar document is filed with the Court, provided to the U.S. Trustee, as applicable, deliver to Agent and each Lender copies of such monthly report, projection, prospectus or other report describing the business and/or financial condition of Borrowers. Borrowers shall also promptly provide Agent with copies of all documents or information provided by or on behalf of any Borrower to the Committee with respect to the Chapter 11 Case.

6.6 MAINTENANCE OF PROPERTIES. Maintain and preserve all of its properties which are necessary or useful in the proper conduct to their business in good working order and condition, ordinary wear and tear excepted, and comply at all times with the provisions of all leases to which it is a party as lessee, so as to prevent any loss or forfeiture thereof or thereunder.

6.7 TAXES. Except as permitted by the Court, cause all assessments and taxes, whether real, personal, or otherwise, due or payable by, or imposed, levied, or assessed against any Borrower, any Subsidiary of a Borrower or any of their assets to be paid in full, before delinquency or before the expiration of any extension period, except to the extent that the validity of such assessment or tax shall be the subject of a Permitted Protest. Except as permitted by the Court, each Borrower will, and will cause each of its Subsidiaries to, make timely payment or deposit of all tax payments and withholding taxes required of it by applicable laws, including those laws concerning F.I.C.A., F.U.T.A., state disability, and local, state, and federal income taxes, and will, upon request, furnish Agent with proof reasonably satisfactory to Agent indicating that the applicable Borrower or its Subsidiary has made such payments or deposits. Borrowers shall deliver reasonably satisfactory evidence of payment of applicable excise taxes in each jurisdictions in which any Borrower or its Subsidiary is required to pay any such excise tax.

6.8 INSURANCE.

(a) At Borrowers' expense, maintain insurance respecting their and their Subsidiaries' and assets wherever located, covering loss or damage by fire, theft, explosion, and all other hazards and risks as ordinarily are insured against by other Persons engaged in the same or similar businesses. Borrowers also shall (and shall cause their Subsidiaries to) maintain business interruption, public liability, and product liability insurance, as well as insurance against larceny, embezzlement, and criminal misappropriation. All such policies of insurance shall be in such amounts and with such insurance companies as are reasonably satisfactory to Agent. Borrowers shall deliver copies of all such policies to Agent with a satisfactory lender's loss payable endorsement naming Agent as sole loss payee or additional insured, as appropriate. Each policy of insurance or endorsement shall contain a clause requiring the insurer to give not less than 30 days prior written notice to Agent in the event of cancellation of the policy for any reason whatsoever.

(b) Administrative Borrower shall give Agent prompt notice of any loss in excess of $100,000 for Vehicles covered by such insurance and any loss in excess of $500,000 for Real Property covered by insurance. Agent shall have the exclusive right to adjust any losses payable under any such insurance policies in excess of $500,000 (or in any amount during the existence of an Event of Default), without any liability to Borrowers whatsoever in respect of such adjustments. Any monies received as payment for any loss under any insurance policy mentioned above (other than liability insurance policies) or as payment of any award or compensation for condemnation or taking by eminent domain, shall be paid over to Agent to be applied at the option of the Required Lenders either to the prepayment of the Obligations or shall be disbursed to Administrative Borrower under staged payment terms reasonably satisfactory to the Required Lenders for application to the cost of repairs, replacements, or restorations. Any such repairs, replacements, or restorations shall be effected with reasonable promptness and shall be of a value at least equal to the value of the items or property destroyed prior to such damage or destruction.

(c) Borrowers shall not, nor shall they permit any of the Guarantors to, take out separate insurance concurrent in form or contributing in the event of loss with that required to be maintained under this Section 6.8, unless Agent is included thereon as named insured with the loss payable to Agent under a lender's loss payable endorsement or its equivalent.

Administrative Borrower immediately shall notify Agent whenever such separate insurance is taken out, specifying the insurer thereunder and full particulars as to the policies evidencing the same, and copies of such policies promptly shall be provided to Agent.

6.9 LOCATION OF EQUIPMENT. Store the Equipment of Loan Parties only at the Real Property and the locations of the U-Haul Dealers named on the Dealer List, excluding (a) Vehicles in-transit from one U-Haul Dealer location to another U-Haul Dealer location, (b) Vehicles that have been leased in the ordinary course of Borrowers' and Guarantors' businesses and consistent with their past practices anywhere in the United States and Canada, and (c) Vehicles located at new U-Haul Dealers added subsequent to the most recently provided Dealer List. Borrowers shall, or shall cause the Guarantors to, update the Reservation Management System on a regular basis consistent with their past practices and shall grant Agent access to such system upon Agent's request.

6.10 COMPLIANCE WITH LAWS. Comply with the requirements of all applicable laws, rules, regulations, and orders of any Governmental Authority, including the Fair Labor Standards Act and the Americans With Disabilities Act, other than laws, rules, regulations, and orders the non-compliance with which, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Change.

6.11 LEASES. Pay when due all rents and other amounts payable under any leases to which any Borrower or any Guarantor is a party or by which any Borrower's or any Guarantor's properties and assets are bound, unless (a) such payments are the subject of a Permitted Protest or (b) the non-payment thereof is permitted by the Bankruptcy Code.

6.12 BROKERAGE COMMISSIONS. Pay any and all brokerage commission or finders fees incurred in connection with or as a result of Borrowers' obtaining financing from the Lender Group under this Agreement. Borrowers agree and acknowledge that payment of all such brokerage commissions or finders fees shall be the sole responsibility of Borrowers, and each Borrower agrees to indemnify, defend, and hold Agent and the Lender Group harmless from and against any claim of any broker or finder arising out of Borrowers' obtaining financing from the Lender Group under this Agreement.

6.13 EXISTENCE. At all times preserve and keep in full force and effect each Borrower's and each Guarantor's valid existence and good standing and any rights and franchises material to Borrowers' and Guarantors' businesses.

6.14 ENVIRONMENTAL.

(a) Keep any property either owned or operated by any Borrower or any Subsidiary of a Borrower free of any Environmental Liens or post bonds or other financial assurances sufficient to satisfy the obligations or liability evidenced by such Environmental Liens, (b) comply, in all material respects, with Environmental Laws and provide to Agent documentation of such compliance which Agent reasonably requests, (c) promptly notify Agent of any release of a Hazardous Material of any reportable quantity from or onto property owned or operated by any Borrower and take any Remedial Actions required to abate said release or otherwise to come into compliance with applicable Environmental Law, and (d) promptly, but in

any event within 5 days of its receipt thereof, provide Agent with written notice of the receipt of any of the following: (i) notice that an Environmental Lien has been filed against any of the real or personal property of any Borrower or any Subsidiary of a Borrower, (ii) commencement of any Environmental Action or notice that an Environmental Action will be filed against any Borrower or any Subsidiary of a Borrower, and (iii) notice of a violation, citation, or other administrative order which reasonably could be expected to result in a Material Adverse Change.

6.15 DISCLOSURE UPDATES. Promptly and in no event later than 5 Business Days after obtaining knowledge thereof, notify Agent if any written information, exhibit, or report furnished to the Lender Group contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements contained therein not misleading in light of the circumstances in which made. The foregoing notwithstanding, any notification pursuant to the foregoing provision will not cure or remedy the effect of the prior untrue statement of a material fact or omission of any fact nor shall any such notification have the effect of amending or modifying this Agreement or any of the Schedules hereto.

6.16 MATERIAL CONTRACTS; AFFILIATE CONTRACTS. In the event any Borrower or Guarantor shall enter into any Material Contract or, subject to
Section 7.14, any new Affiliate Contract, after the Closing Date, deliver to Agent, within 30 days of entering into such Material Contract or Affiliate Contract, an updated Schedule M-1 or Schedule A-1, as applicable, reflecting the addition of such Material Contract or Affiliate Contract, together with a copy of such executed Material Contract or Affiliate Contract. Each Borrower and Guarantor shall also provide Agent with an executed copy of any contract with any of SAC Holding, SSI or PMSR executed after the Closing Date.

6.17 EMPLOYEE BENEFITS.

(a) (i) Promptly deliver, and in any event within 10 Business Days after any Borrower or any Subsidiary of a Borrower knows or should know that an ERISA Event has occurred that reasonably could be expected to result in a Material Adverse Change, a written statement of the chief financial officer of Parent describing such ERISA Event and any action that is being taking with respect thereto by any such Borrower, any such Subsidiary or ERISA Affiliate, and any action taken or threatened by the IRS, Department of Labor, or PBGC, and such Borrower or such Subsidiary, as applicable, shall be deemed to know all facts known by the administrator of any Benefit Plan of which it is the plan sponsor, (ii) promptly deliver, and in any event within 3 Business Days after the filing thereof with the IRS, a copy of each funding waiver request filed with respect to any Benefit Plan and all communications received by any Borrower, any Subsidiary of a Borrower or, to the knowledge of such Borrower, any ERISA Affiliate with respect to such request, and (iii) promptly deliver, and in any event within 3 Business Days after receipt by any Borrower, any Subsidiary of a Borrower or, to the knowledge of any Borrower, any Subsidiary, any ERISA Affiliate, of the PBGC's intention to terminate a Benefit Plan or to have a trustee appointed to administer a Benefit Plan, copies of each such notice.

(b) Cause to be delivered to Lender, upon Agent's request, each of the following: (i) a copy of each Benefit Plan (or, where any such plan is not in writing, complete description thereof) (and if applicable, related trust agreements or other funding instruments) and all amendments thereto, all written interpretations thereof and written descriptions thereof that

have been distributed to employees or former employees of any Borrower or its Subsidiaries; (ii) the most recent determination letter issued by the IRS with respect to each Benefit Plan; (iii) for the 3 most recent plan years, annual reports on Form 5500 Series required to be filed with any governmental agency for each Benefit Plan; (iv) all actuarial reports prepared for the last 3 plan years for each Benefit Plan; (v) a listing of all Multiemployer Plans, with the aggregate amount of the most recent annual contributions required to be made by any Borrower, any Subsidiary of a Borrower, or any ERISA Affiliate to each such plan and copies of the collective bargaining agreements requiring such contributions; (vi) any information that has been provided to any Borrower, any Subsidiary of a Borrower or any ERISA Affiliate regarding withdrawal liability under any Multiemployer Plan; and (vii) the aggregate amount of the most recent annual payments made to former employees of any Borrower or its Subsidiaries under any Retiree Health Plan.

6.18 REAL ESTATE. If at any time after the Closing Date, any Borrower or any Guarantor acquires any fee interest in Real Property with a fair market valuation in excess of $500,000, such Borrower shall, or Borrowers shall cause such Guarantor to, promptly execute, deliver and, with respect to any Guarantor, record, a first priority Mortgage in favor of Agent covering such Real Property interest, in form and substance reasonably satisfactory to Agent, and, with respect to any Guarantor (a) provide the Agent with a Mortgage Policy insuring the first priority Lien of said Mortgage in such Real Property encumbered thereby in an amount reasonably acceptable to Agent and subject only to Permitted Liens and to such other exceptions as are reasonably satisfactory to Agent, (b) a satisfactory legal description of such property and an opinion from special counsel to such Guarantor, (c) to the extent necessary under applicable law, Uniform Commercial Code financing statements covering fixtures, in each case appropriately completed and duly executed, for filing in the appropriate county land office and (d) evidence that such Person shall have paid to the applicable title insurance company all expenses of such title insurance company in connection with the issuance of such reports and in addition shall have paid to such title insurance company an amount equal to the recording and stamp taxes (including mortgage recording taxes), if any, payable in connection with recording such Mortgages in the appropriate county land offices. In addition, each such Borrower or Guarantor delivering a Mortgage pursuant to this
Section 6.18 shall deliver a copy of all existing phase-I or phase-II environmental reports with respect to such Real Property to Agent and, upon the reasonable request of Agent, cause to be performed, at Borrowers' joint and several cost and expense, phase-I or phase-II environmental audits, in form and substance and by an independent firm reasonably satisfactory to Agent.

7. NEGATIVE COVENANTS.

Each Borrower covenants and agrees that, until termination of all of the Commitments and payment in full of the Obligations, Borrowers will not and will not permit any of their respective Subsidiaries to do any of the following:

7.1 INDEBTEDNESS, ETC. Create, incur, assume, suffer to exist, guarantee, or otherwise become or remain, directly or indirectly, liable with respect to any Indebtedness, or incur obligations under TRAC Lease Transactions, except:

(a) Indebtedness evidenced by this Agreement and the other Loan Documents, together with Indebtedness owed to Underlying Issuers with respect to Underlying Letters of Credit;

(b) Indebtedness in existence as of the Closing Date set forth on Schedule 5.20(a), and obligations under TRAC Lease Transactions as of the Closing Date set forth on Schedule 5.20(b);

(c) Purchase Money Indebtedness and TRAC Lease Obligations incurred after the Closing Date in an aggregate amount not to exceed $100,000,000;

(d) guarantees permitted under Section 7.6; and

(e) Indebtedness composing Permitted Investments.

7.2 LIENS. Create, incur, assume, or permit to exist, directly or indirectly, any Lien on or with respect to any of its assets, of any kind, whether now owned or hereafter acquired, or any income or profits therefrom, except for Permitted Liens. The prohibition provided for in this Section 7.2 specifically includes, without limitation, any effort by any Borrower or its Subsidiaries in the Chapter 11 Case to "prime" or create pari passu to any claims or interests of the Lenders any Lien in accordance with Sections 363 and 364(d)(i) of the Bankruptcy Code or otherwise, irrespective of whether such claims or interests may be "adequately protected".

7.3 RESTRICTIONS ON FUNDAMENTAL CHANGES.

(a) Enter into any merger, consolidation, reorganization, or recapitalization, or reclassify its Stock (other than in connection with a confirmed plan of reorganization satisfactory to Agent and the Lenders), except that, so long as no Default then exists hereunder or would be caused thereby and the Agent receives written notice of any such merger at least 30 days prior to the effectiveness thereof if such merger involves a Loan Party: (i) any Subsidiary that is not a Loan Party may merge into any other Subsidiary that is not a Loan Party, and (ii) any Loan Party (other than Parent, U-Haul or AREC) may merge into any other Loan Party (other than Parent, U-Haul or AREC); provided, however, (x) the Person surviving such merger shall be a Loan Party, and (y) Agent shall have received, upon the effectiveness of such merger, such loan documents, title insurance and opinions of counsel as Agent may request to continue or insure the priority and perfection of Agent's liens on the Collateral or the obligations of any such Loan Party under any of the Loan Documents, including, without limitation, the documents required by Section 7.13(b) hereof. Notwithstanding the foregoing, a Subsidiary that is not an Insurance Subsidiary shall not merge with any Insurance Subsidiary.

(b) Liquidate, wind up, or dissolve any Borrower or any Borrower's Subsidiaries (or suffer any liquidation or dissolution), except that Parent may liquidate, dissolve or wind up any Subsidiary (other than AREC and U-Haul or any Insurance Subsidiary) so long as (i) no Default then exists hereunder or would be caused thereby and the Agent receives written notice of any such action at least 30 days prior to the effectiveness thereof, (ii) the assets of such Subsidiary are transferred to another Subsidiary of Parent or, if such Subsidiary is a Loan Party, to another Loan Party and such assets remain subject to a first priority (subject to Permitted Liens) perfected Lien under a Loan Document after such transfer, (iii) Agent shall have received

such loan documents, title insurance and opinions of counsel as Agent may request to continue or insure the priority and perfection of Agent's liens on such assets or the obligations of any such Subsidiary under any of the Loan Documents, including, without limitation, the documents required by Section 7.13(b) hereof. Notwithstanding the foregoing, a dissolving or liquidating Subsidiary that is not an Insurance Subsidiary shall not transfer assets to any Insurance Subsidiary.

(c) Except for Permitted Dispositions or as permitted by clauses (a) or (b) above, convey, sell, lease, license, assign, transfer, or otherwise dispose of, in one transaction or a series of transactions, all or any substantial part of its assets.

7.4 DISPOSAL OF ASSETS. Other than Permitted Dispositions, convey, sell, lease, license, assign, transfer, or otherwise dispose of any of the assets of any Borrower or any Guarantor.

7.5 CHANGE NAME. Change any Borrower's or Guarantor's name, FEIN, Organizational ID Number, corporate structure, or identity, or add any new fictitious name, or reincorporate or reorganize itself under the laws of any jurisdiction other than the jurisdiction set forth on Schedule 5.7; provided, however, that a Borrower or Guarantor may change its name upon at least 30 days prior written notice by Administrative Borrower to Agent of such change and so long as, at the time of such written notification, such Borrower provides or authorizes the filing of any Uniform Commercial Code financing statements or fixture filings necessary to perfect and continue perfected Agent's Liens.

7.6 GUARANTEE. Guarantee or otherwise become in any way liable with respect to the obligations of any third Person except by endorsement of instruments or items of payment for deposit to the account of Borrowers or Guarantors or which are transmitted or turned over to Agent, except for (a) guarantee obligations of Parent existing as of Closing Date, (b) guarantee obligations of Parent with respect to the PMSR Support Party Documents, and (c) guarantee obligations with respect to TRAC Leases in the ordinary course of business, to the extent the obligations thereunder are permitted by Section 7.1 hereof and consistent with past practices.

7.7 NATURE OF BUSINESS. Make any change in the principal nature of Borrowers' or any Subsidiary's business.

7.8 PREPAYMENTS AND AMENDMENTS.

(a) Prepay, redeem, defease, purchase, or otherwise acquire any Indebtedness of any Loan Party, other than (i) the Obligations in accordance with this Agreement, (ii) to the extent allowed by the Court in the Interim Order, the Final Order or any other order entered in the Chapter 11 Case on or prior to the Closing Date, or (iii) with the consent of the Required Lenders.

(b) Except in connection with a plan of reorganization confirmed by the Court, in form and substance satisfactory to the Lender Group, directly or indirectly, amend, modify, alter, increase, or change any of the terms or conditions of any agreement, instrument, document, indenture, or other writing evidencing or concerning Indebtedness permitted under Section 7.1.

(c) Amend, modify or otherwise change its Governing Documents, including, without limitation, by the filing or modification of any certificate of designation, or any agreement or arrangement entered into by it with respect to any of its capital Stock (including any shareholders' agreement), or enter into any new agreement with respect to any of its capital Stock, except as appropriate to accomplish a transaction permitted pursuant to
Section 7.3(a) or Section 7.3(b), or (ii) amend, modify or otherwise change any Material Contract except any such amendments, modifications or changes or any such new agreements or arrangements pursuant to this paragraph (c) that, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Change, or (iii) amend, modify or otherwise change any Affiliate Contract or any contract with SAC Holding, SSI or PMSR except in compliance with Section 7.14 hereof.

7.9 CHANGE OF CONTROL. Cause, permit, or suffer, directly or indirectly, any Change of Control, other than in connection with the consummation of a plan of reorganization satisfactory to Agent and the Lenders.

7.10 [INTENTIONALLY OMITTED.]

7.11 DISTRIBUTIONS. Make any distribution or declare or pay any dividends (in cash or other property, other than common Stock) on, or purchase, acquire, redeem, or retire any of any Loan Party's Stock, of any class, whether now or hereafter outstanding, except, so long as no Event of Default has occurred and is continuing hereunder, distributions or declarations and payments of dividends (a) by a Borrower to another Borrower or by a Guarantor to another Loan Party, and (b) due to preferred stock of Borrowers and/or their Subsidiaries in existence on the Closing Date to the extent allowed by the Court and in an aggregate amount not to exceed $13,500,000 after the Closing Date.

7.12 ACCOUNTING METHODS. Modify or change their fiscal year or their method of accounting (other than as may be required to conform to GAAP) or enter into, modify, or terminate any agreement currently existing, or at any time hereafter entered into with any third party accounting firm or service bureau for the preparation or storage of Borrowers' or their Subsidiaries' accounting records without said accounting firm or service bureau agreeing to provide Agent information regarding the Collateral or Borrowers' and their Subsidiaries financial condition.

7.13 FORMATION OF SUBSIDIARIES; INVESTMENTS. (a) Except for Permitted Investments, directly or indirectly, make or acquire any Investment, or incur any liabilities (including contingent obligations) for or in connection with any Investment; provided, however, that Parent and its Subsidiaries shall not have Permitted Investments (other than in the Cash Management Accounts) in Deposit Accounts or Securities Accounts in excess of $3,000,000 in the aggregate outstanding at any one time (excluding (i) Deposit Accounts or Securities Accounts containing only the cash proceeds received from the WP Carey Transaction (to the extent such proceeds will be fully utilized in such transaction), PWC Litigation and the sale of the Junior Notes, and (ii) any Deposit Accounts maintained by U-Haul solely in its capacity as manager of properties owned by SAC Holding or SSI under a Management Agreement provided U-Haul has no rights to or interest in the funds deposited therein) unless Parent or any of its Subsidiaries, as applicable, and the applicable securities intermediary or bank have entered into Control

Agreements or similar arrangements governing such Permitted Investments, as Agent shall determine in its Permitted Discretion, to perfect (and further establish) the Agent's Liens in such Permitted Investments.

(b) Form any new Subsidiary or acquire any direct or indirect Subsidiary after the Closing Date, unless (i) such Subsidiary is a wholly-owned U.S. Subsidiary of a Loan Party, and such Loan Party shall (x) cause such new Subsidiary to provide to Agent a joinder to this Agreement or the Guaranty, the Guarantor Security Agreement, the Copyright Security Agreement, and the Patent and Trademark Security Agreement, together with such other security documents (including Mortgages with respect to any Real Property of such new Subsidiary), as well as appropriate Uniform Commercial Code financing statements (and with respect to all property subject to a Mortgage, fixture filings), all in form and substance satisfactory to Agent (including being sufficient to grant Agent a first priority Lien (subject to Permitted Liens) in and to the assets of such newly formed or acquired Subsidiary), (y) provide to Agent a pledge agreement and appropriate certificates and powers or Uniform Commercial Code financing statements, hypothecating all of the direct or beneficial ownership interest in such new Subsidiary, in form and substance satisfactory to Agent, and (z) provide to Agent all other documentation, including one or more opinions of counsel satisfactory to Agent, which in its opinion is appropriate with respect to the execution and delivery of the applicable documentation referred to above (including policies of title insurance or other documentation with respect to all property subject to a Mortgage), (ii) the acquisition or formation of such Subsidiary is approved by the Court, if required, and (iii) Agent receives 30 days' prior written notice of such formation or acquisition. Any document, agreement, or instrument executed or issued subject to this Section 7.13 shall be a Loan Document.

7.14 TRANSACTIONS WITH AFFILIATES. Except as otherwise ordered by the Court with the consent of Agent and the Required Lenders, directly or indirectly enter into or permit to exist any transaction with any Affiliate of any Borrower, SAC Holding, SSI or PMSR except for transactions that are in the ordinary course of Borrowers' business, upon fair and reasonable terms, that are fully disclosed to Agent, and that are no less favorable to Borrowers than would be obtained in an arm's length transaction with a non-Affiliate. Borrowers shall not, and shall not permit any of their Subsidiaries to, transfer any cash or assets to the Dormant Subsidiaries or the Bankrupt Subsidiaries under any circumstances whatsoever or guarantee or otherwise incur any Indebtedness on behalf of such Dormant Subsidiaries or Bankrupt Subsidiaries.

7.15 SUSPENSION. Except as permitted by Section 7.3, suspend or go out of a substantial portion of its business.

7.16 [INTENTIONALLY OMITTED.]

7.17 USE OF PROCEEDS. Use the Letters of Credit and the proceeds of the Advances and the Term Loan for any purpose other than (a) on the Interim Order Date, to pay transactional fees, costs, and expenses incurred in connection with this Agreement, the other Loan Documents, and the transactions contemplated hereby and thereby, and (b) on the Interim Order Date or thereafter, (i) for working capital and other general corporate purposes of Borrowers, (ii) to repay some of the amounts outstanding to Existing Secured Lender and such other Indebtedness arising prior to the Petition Date, as ordered by the Court and permitted hereunder, and (iii) to pay the

fees and expenses of Borrowers and Bankruptcy Professionals (including fees owed to the U.S. Trustee), in each case consistent with the terms and conditions hereof, for its lawful and permitted purposes.

7.18 CHANGE IN LOCATION OF CHIEF EXECUTIVE OFFICE; EQUIPMENT WITH BAILEES. Relocate its chief executive office to a new location without Administrative Borrower providing 30 days' prior written notification thereof to Agent and so long as, at the time of such written notification, the applicable Borrower provides or authorizes, at the request of Agent, the filing of any Uniform Commercial Code financing statements or fixture filings necessary to perfect and continue perfected the Agent's Liens and also provides to Agent a Collateral Access Waiver, a form of which Agent shall provide to Administrative Borrower, with respect to such new location. The Equipment of Borrowers and Guarantors shall not at any time now or hereafter be stored with a bailee, warehouseman, or similar party (other than a U-Haul Dealer) without Agent's prior written consent.

7.19 SECURITIES ACCOUNTS. Establish or maintain any Securities Account unless Agent shall have received a Control Agreement in respect of such Securities Account. Borrowers agree not to transfer assets out of any Securities Account; provided, however, that, so long as no Event of Default has occurred and is continuing or would result therefrom, Borrowers may use such assets (and the proceeds thereof) to the extent not prohibited by this Agreement.

7.20 FINANCIAL COVENANTS.

(a) Fail to maintain:

(i) MINIMUM CONSOLIDATED EBITDA. Consolidated EBITDA, measured on a fiscal quarter-end basis, of not less than the required amount set forth in the following table for the applicable period set forth opposite thereto:

Applicable Amount	Applicable Period
$ 80,000,000	For the 3 month period ending September 30, 2003
$ 95,000,000	For the 6 month period ending December 31, 2003
$105,000,000	For the 9 month period ending March 31, 2004
$190,000,000	For the 12 month period ending June 30, 2004

(ii) MINIMUM CONSOLIDATED EBITDAR. Consolidated EBITDAR, measured on a fiscal quarter-end basis, of not less than the required amount set forth in the following table for the applicable period set forth opposite thereto:

Applicable Amount	Applicable Period
$100,000,000	For the 3 month period ending September 30, 2003
$145,000,000	For the 6 month period ending December 31, 2003
$180,000,000	For the 9 month period ending March 31, 2004
$295,000,000	For the 12 month period ending June 30, 2004

(iii) FIXED CHARGE COVERAGE RATIO. A Fixed Charge Coverage Ratio of at least the required ratio set forth in the following table as of the applicable date set forth opposite thereto:

Required Ratio	Applicable Date
1.10: 1.0	For the 3 month period ending September 30, 2003
1.10: 1.0	For the 6 month period ending December 31, 2003
1.10: 1.0	For the 9 month period ending March 31, 2004
1.10: 1.0	For the 12 month period ending June 30, 2004

(b) Make:

(i) CAPITAL EXPENDITURES. Capital expenditures in any fiscal year in excess of the amount set forth in the following table for the applicable period:

Applicable Amount	Applicable Period
$ 55,000,000	For the 3 month period ending September 30, 2003
$ 75,000,000	For the 6 month period ending December 31, 2003
$100,000,000	For the 9 month period ending March 31, 2004
$160,000,000	For the 12 month period ending June 30, 2004

7.21 NO PROHIBITED TRANSACTIONS UNDER ERISA. Directly or indirectly:

(a) engage, or permit any Subsidiary of any Borrower to engage, in any prohibited transaction which is reasonably likely to result in a civil penalty or excise tax described in Sections 406 of ERISA or 4975 of the IRC for which a statutory or class exemption is not available or a private exemption has not been previously obtained from the Department of Labor;

(b) permit to exist with respect to any Benefit Plan any accumulated funding deficiency (as defined in Sections 302 of ERISA and 412 of the IRC), whether or not waived;

(c) fail, or permit any Subsidiary of any Borrower to fail, to pay timely required contributions or annual installments due with respect to any waived funding deficiency to any Benefit Plan;

(d) terminate, or permit any Subsidiary of any Borrower to terminate, any Benefit Plan where such event would result in any liability of any Borrower, any Subsidiary of any Borrower or any ERISA Affiliate under Title IV of ERISA;

(e) fail, or permit any Subsidiary of any Borrower to fail, to make any required contribution or payment to any Multiemployer Plan;

(f) fail, or permit any Subsidiary of any Borrower to fail, to pay any required installment or any other payment required under Section 412 of the IRC on or before the due date for such installment or other payment;

(g) amend, or permit any Subsidiary of any Borrower to amend, a Benefit Plan resulting in an increase in current liability for the plan year such that any Borrower, any Subsidiary of any Borrower or any ERISA Affiliate is required to provide security to such Plan under Section 401(a)(29) of the IRC; or

(h) withdraw, or permit any Subsidiary of any Borrower to withdraw, from any Multiemployer Plan where such withdrawal is reasonably likely to result in any liability of any such entity under Title IV of ERISA;

that, individually or in the aggregate, results in or reasonably would be expected to result in a claim against or liability of any Borrower, any Subsidiary of any Borrower or any ERISA Affiliate in excess of $25,000.

7.22 SALES AND LEASEBACKS. Except for Permitted Dispositions, enter into any arrangement, directly or indirectly, with any third party whereby any Loan Party shall sell or transfer any property, real or personal, whether now owned or hereafter acquired, and whereby such Loan Party shall then or thereafter rent or lease as lessee such property or any part thereof or other property that such Loan Party intends to use for substantially the same purpose or purposes as the property sold or transferred.

7.23 INTERIM FINANCING ORDER; FINAL FINANCING ORDER; ADMINISTRATIVE EXPENSE PRIORITY; LIEN PRIORITY; PAYMENTS.

(a) Seek, consent to or suffer to exist at any time any modification, stay, vacation or amendment of the Interim Order or the Final Order, as the case may be, except for modifications and amendments joined or agreed to in writing by Agent, on behalf of the Required Lenders, in its Permitted Discretion.

(b) Suffer to exist at any time a priority for any administrative expense or unsecured claim against any Borrower (now existing or hereafter arising of any kind or nature whatsoever, including, without limitation, any administrative expenses of the kind specified in Sections 503(b) and 507(b) of the Bankruptcy Code) equal or superior to the priority of the Lender Group in respect of the Obligations, except for (i) Carve-Out Expenses up to the Carve-Out Amount, Senior Claims and (iii) recoveries under Avoidance Actions, which claims to the Avoidance Actions shall attach pari passu with other administrative claimants.

(c) Suffer to exist at any time any Lien on any Collateral having a priority equal or superior to the Lien of the Agent for the benefit of the Lender Group and the Bank Product Providers in respect of the Collateral except for (i) Carve-Out Expenses up to the Carve-Out Amount, (ii) Senior Claims and (iii) recoveries under Avoidance Actions, which claims to the Avoidance Actions shall attach pari passu with other administrative claimants.

(d) Prior to the date on which the Obligations have been paid in full in cash and the Commitments have been terminated, pay any administrative expense claims except (i) Carve-Out Expenses, (ii) any Obligations due and payable hereunder, and (iii) other administrative expense claims incurred in the ordinary course of the business of Borrowers in the Chapter 11 Case.

8. EVENTS OF DEFAULT.

Any one or more of the following events shall constitute an event of default (each, an "Event of Default") under this Agreement:

8.1. If Borrowers fail to pay when due and payable, or when declared due and payable, all or any portion of the Obligations (whether of principal, interest, fees and charges due the Lender Group, reimbursement of Lender Group Expenses, or other amounts constituting Obligations); provided, however that in the case of Overadvances that are caused by the charging of interest, fees, or Lender Expenses to the Loan Account, such event shall not constitute an Event of Default if, within 3 Business Days of its receipt of telephonic notice of such Overadvance, Borrowers eliminate such Overadvance;

8.2. If any of the Loan Parties:

(a) fails to perform, keep, or observe any term, provision, covenant, or agreement contained in Sections 2.7, 3.2, 4.2, 4.4, 4.6, 4.8, 6.8, 6.13, and 7.1 through 7.23 of this Agreement;

(b) fails or neglects to perform, keep, or observe any term, provision, covenant, or agreement contained in Sections 4.5, 6.2, 6.3, 6.6, 6.7, 6.9, 6.10, 6.11, and 6.15 of this Agreement and such failure continues for a period of 15 Business Days; or

(c) fails or neglects to perform, keep, or observe any other term, provision, covenant, or agreement contained in this Agreement, or in any of the other Loan Documents (giving effect to any grace periods, cure periods, or required notices, if any, expressly provided for in such Loan Documents); in each case, other than any such term, provision, covenant, or agreement that is the subject of another provision of this Section 8 (in which event such other provision of this Section 8 shall govern), and such failure continues for a period of 15 Business Days;

; provided that, during any period of time that any such failure or neglect referred to in this paragraph exists, even if such failure or neglect is not yet an Event of Default, Lenders shall be relieved of their obligations to extend credit hereunder;

8.3. If any material portion of any Loan Party's assets is attached, seized, subjected to a writ or distress warrant, levied upon, or comes into the possession of any third Person;

8.4. [INTENTIONALLY OMITTED.]

8.5. If any order (other than the Interim Order or the Final Order) is entered by the Court in the Chapter 11 Case: (a) approving additional financing under Section 364(c) or (d) of the Bankruptcy Code; (b) granting any Lien upon or affecting any Collateral; (c) permitting the use of cash collateral of the Lenders under Section 363(c) of the Bankruptcy Code without the Required Lenders' consent; or (d) that is adverse to any member of the Lender Group or its rights and remedies hereunder or its interest in the Collateral;

8.6. If any Loan Party is enjoined, restrained, or in any way prevented by court order from continuing to conduct all or any material part of its business affairs;

8.7. If, after the Second Relief Date, a notice of Lien, levy, or assessment, individually or in the aggregate in an amount of $500,000 or greater, is filed of record with respect to any Loan Party's assets by the United States, or any department, agency, or instrumentality thereof, or by any state, county, municipal, or governmental agency, or if any taxes or debts owing at any time hereafter to any one or more of such entities becomes a Lien, whether choate or otherwise, upon any Borrower's or any of its Subsidiaries' assets and the same is not paid on the payment date thereof;

8.8. If, after the Second Relief Date, a judgment or other claim becomes a Lien or encumbrance upon any material portion of any Loan Party's properties or assets;

8.9. If there is a default in any material agreement to which any Guarantor is a party including, without limitation, any Material Contract, Affiliate Contract or any material contract with any of SAC Holding, SSI or PMSR and such default (a) occurs at the final maturity of the obligations thereunder, or (b) results in the acceleration on the maturity of the applicable Guarantor's obligations thereunder;

8.10. Except as ordered by the Court, if any Loan Party makes any payment on account of Indebtedness that has been contractually subordinated in right of payment to the payment of the Obligations;

8.11. If any material misstatement or material misrepresentation exists now or hereafter in any warranty, representation, statement, or Record made to the Lender Group by any Borrower, its Subsidiaries, or any officer, employee, agent, or director of any Borrower or any of its Subsidiaries;

8.12. If the obligation of any Guarantor under its Guaranty is limited or terminated by operation of law or by such Guarantor thereunder;

8.13. If this Agreement or any other Loan Document that purports to create a Lien, shall, for any reason, fail or cease to create a valid and perfected and, except to the extent permitted by the terms hereof or thereof, first priority Lien on or security interest in the Collateral covered hereby or thereby;

8.14. If any provision of any Loan Document shall at any time for any reason be declared to be null and void, or the validity or enforceability thereof shall be contested by any Loan Party, or a proceeding shall be commenced by any Loan Party, or by any Governmental Authority having jurisdiction over any Loan Party, seeking to establish the invalidity or unenforceability thereof, or any Loan Party shall deny that any Loan Party has any liability or obligation purported to be created under any Loan Document;

8.15. If any claim or claims under Section 506(c) of the Bankruptcy Code against or with respect to any of the Collateral is allowed;

8.16. If any plan of reorganization or disclosure statement attendant thereto is filed by any Borrower, Guarantor or any other related Person to which the Required Lenders do not consent or otherwise agree to the treatment of their claims;

8.17. If an order confirming a plan of reorganization is entered that does not (a) require repayment in full of all of Borrowers' Obligations under this Agreement on the earlier of the effective date of such plan of reorganization or 30 days following entry of the order confirming such plan of reorganization; and (b) provide for the continuation of the Liens of Agent and priorities thereof until repayment in full of all Obligations;

8.18. If an order is entered without the written consent of the Required Lenders (a) to revoke, vacate, reverse, stay, modify, supplement or amend this Agreement and the transactions contemplated hereby, any Loan Document, the Interim Order or the Final Order, or (ii) to permit any administrative expense or any claim (now existing or hereafter arising, of any kind or nature whatsoever) to have administrative priority as to any Borrower equal or superior to the priority of the Lender Group in respect of the Obligations, except for Carve-Out Expenses up to the Carve-Out Amount and Senior Claims;

8.19. If there shall be a payment of, or grant of an application for authority to pay, any pre-petition claim, other than those of trade creditors and other than those required to be paid pursuant to the Interim Order or Final Order or other orders of the Court entered in the Chapter 11 Case on or prior to the Closing Date, without the Required Lenders' prior written consent;

8.20. If all or substantially all of Borrowers' assets are sold without the consent of the Required Lenders either through a sale under Section 363 of the Bankruptcy Code, through a confirmed plan of reorganization in the Chapter 11 Case, or otherwise;

8.21. If an order is entered dismissing the Chapter 11 Case or converting the Chapter 11 Case to one under Chapter 7 of the Bankruptcy Code and such order does not require repayment in full of all of Borrowers' Obligations under this Agreement and the termination of the Commitments hereunder;

8.22. If, without the Required Lenders' consent, an interim or permanent trustee is appointed in the Chapter 11 Case, or an examiner with expanded powers to operate or manage the business of Borrowers is appointed in the Chapter 11 Case;

8.23. If an order by the Court is entered in the Chapter 11 Case granting relief from or modifying the automatic stay of Section 362 of the Bankruptcy Code (i) to allow any creditor to execute upon or enforce a Lien on any Collateral with a fair market value equal to or exceeding $500,000, or (ii) with respect to any Lien on or the granting of any Lien on any Collateral to any state or local environmental or regulatory agency or authority;

8.24. If suit or action is commenced against the Lenders and, as to any suit or action brought by any Person other than Borrowers or an officer or employee of Borrowers, is continued without dismissal for 30 days after service thereof on the Lenders, that asserts, by or on behalf of Borrowers, or any official committee in the Chapter 11 Case, any claim or legal or equitable remedy which seeks subordination of the claim or Lien of the Lenders hereunder or

under any other Loan Document or any other remedy or action set forth in Section 8.5 or Sections 8.15 through 8.23;

8.25. If any Loan Party shall file any application in support of, or shall otherwise fail to contest in good faith, a suit or action of the type set forth in Section 8.24 filed by any Person other than a Borrower or an officer or employee of Borrowers;

8.26. If an Insolvency Proceeding is commenced by any Guarantor or any of its Subsidiaries; or

8.27. If an Insolvency Proceeding is commenced against any Guarantor, or any of its Subsidiaries, and any of the following events occur: (a) the applicable Guarantor or the Subsidiary consents to the institution of the Insolvency Proceeding against it, (b) the petition commencing the Insolvency Proceeding is not timely controverted, (c) the petition commencing the Insolvency Proceeding is not dismissed within 45 calendar days of the date of the filing thereof; provided, however, that, during the pendency of such period, Lenders shall be relieved of their obligation to extend credit hereunder, (d) an interim trustee is appointed to take possession of all or any substantial portion of the properties or assets of, or to operate all or any substantial portion of the business of, any Guarantor or any of its Subsidiaries, or (e) an order for relief shall have been entered therein.

9. THE LENDER GROUP'S RIGHTS AND REMEDIES.

9.1 RIGHTS AND REMEDIES. Notwithstanding Section 362 of the Bankruptcy Code and without application or motion to the Court, upon the occurrence, and during the continuation, of an Event of Default, the Required Lenders (at their election but without notice of their election and without demand) may authorize and instruct Agent to do any one or more of the following on behalf of the Lender Group (and Agent, acting upon the instructions of the Required Lenders, shall do the same on behalf of the Lender Group), all of which are authorized by Borrowers:

(a) Declare all Obligations, whether evidenced by this Agreement, by any of the other Loan Documents, or otherwise, immediately due and payable;

(b) Cease advancing money or extending credit to or for the benefit of Borrowers under this Agreement, under any of the Loan Documents, or under any other agreement between Borrowers and the Lender Group;

(c) Terminate this Agreement and any of the other Loan Documents as to any future liability or obligation of the Lender Group, but without affecting any of the Agent's Liens in the Collateral and without affecting the Obligations;

(d) Settle or adjust disputes and claims directly with Account Debtors of Borrowers for amounts and upon terms which Agent considers advisable, and in such cases, Agent will credit the Loan Account with only the net amounts received by Agent in payment of such disputed Accounts after deducting all Lender Group Expenses incurred or expended in connection therewith;

(e) Cause Borrowers to hold all of their returned Inventory in trust for the Lender Group, segregate all returned Inventory from all other assets of Borrowers or in Borrowers' possession and conspicuously label said returned Inventory as the property of the Lender Group;

(f) Without notice to or demand upon any Borrower or any Guarantor, make such payments and do such acts as Agent considers necessary or reasonable to protect its security interests in the Collateral or any other collateral securing the Obligations. Each Borrower agrees to assemble the Personal Property Collateral if Agent so requires, and to make the Personal Property Collateral available to Agent at a place that Agent may designate which is reasonably convenient to both parties. Each Borrower authorizes Agent to enter the premises where the Personal Property Collateral is located, to take and maintain possession of the Personal Property Collateral, or any part of it, and to pay, purchase, contest, or compromise any Lien that in Agent's determination appears to conflict with the Agent's Liens and to pay all expenses incurred in connection therewith and to charge Borrowers' Loan Account therefor. With respect to any of Borrowers' owned or leased premises, each Borrower hereby grants Agent a license to enter into possession of such premises and to occupy the same, without charge, in order to exercise any of the Lender Group's rights or remedies provided herein, at law, in equity, or otherwise;

(g) Without notice to any Borrower (such notice being expressly waived), and without constituting an acceptance of any collateral in full or partial satisfaction of an obligation (within the meaning of the Code), set off and apply to the Obligations any and all (i) balances and deposits of any Borrower held by the Lender Group (including any amounts received in the Cash Management Accounts), or (ii) Indebtedness at any time owing to or for the credit or the account of any Borrower held by the Lender Group;

(h) Hold, as cash collateral, any and all balances and deposits of any Borrower held by the Lender Group, and any amounts received in the Cash Management Accounts, to secure the full and final repayment of all of the Obligations;

(i) Ship, reclaim, recover, store, finish, maintain, repair, prepare for sale, advertise for sale, and sell (in the manner provided for herein) the Personal Property Collateral. Each Borrower hereby grants to Agent, for the benefit of the Lender Group and the Bank Product Providers, a license or other right to use, without charge, such Borrower's labels, patents, copyrights, trade secrets, trade names, trademarks, service marks, and advertising matter, or any property of a similar nature, as it pertains to the Personal Property Collateral, in completing production of, advertising for sale, and selling any Personal Property Collateral and such Borrower's rights under all licenses and all franchise agreements shall inure to the Lender Group's benefit;

(j) Sell the Personal Property Collateral at either a public or private sale, or both, by way of one or more contracts or transactions, for cash or on terms, in such manner and at such places (including Borrowers' premises) as Agent determines is commercially reasonable. It is not necessary that the Personal Property Collateral be present at any such sale;

(k) Agent shall give notice of the disposition of the Personal Property Collateral as follows:

(i) Agent shall give Administrative Borrower (for the benefit of the applicable Borrower) a notice in writing of the time and place of public sale, or, if the sale is a private sale or some other disposition other than a public sale is to be made of the Personal Property Collateral, the time on or after which the private sale or other disposition is to be made; and

(ii) The notice shall be personally delivered or mailed, postage prepaid, to Administrative Borrower as provided in Section 12, at least 10 days before the earliest time of disposition set forth in the notice; no notice needs to be given prior to the disposition of any portion of the Personal Property Collateral that is perishable or threatens to decline speedily in value or that is of a type customarily sold on a recognized market;

(l) Agent, on behalf of the Lender Group, may credit bid and purchase at any public sale;

(m) Agent may seek the appointment of a receiver or keeper to take possession of all or any portion of the Collateral or any other collateral securing the Obligations or to operate same and, to the maximum extent permitted by law, may seek the appointment of such a receiver without the requirement of prior notice or a hearing;

(n) The Lender Group shall have all other rights and remedies available to it at law or in equity pursuant to any other Loan Documents; and

(o) Any deficiency that exists after disposition of the Personal Property Collateral as provided above will be paid immediately by Borrowers. Any excess will be returned, without interest and subject to the rights of third Persons, by Agent to Administrative Borrower (for the benefit of the applicable Borrower);

provided, however, that notwithstanding anything to the contrary contained herein, Agent and Lenders shall be permitted to exercise any remedy in the nature of a liquidation of, or foreclosure on, any of the Collateral upon not less than 5 days' written notice to each Borrower and counsel approved by the Court for the Committee and the U.S. Trustee.

Borrowers agree for themselves and on behalf of each of their Subsidiaries that it would not be commercially unreasonable for Agent to dispose of the Collateral (as defined herein and in the Guarantor Security Agreement) or any portion thereof by using Internet sites that provide for the auction of assets of the types included in such Collateral (as defined herein and in the Guarantor Security Agreement) or that have the reasonable capability of doing so, or that match buyers and sellers.

9.2 REMEDIES CUMULATIVE. The rights and remedies of the Lender Group under this Agreement, the other Loan Documents, and all other agreements shall be cumulative. The Lender Group shall have all other rights and remedies not inconsistent herewith as provided under the Code, by law, or in equity. No exercise by the Lender Group of one right or remedy

shall be deemed an election, and no waiver by the Lender Group of any Event of Default shall be deemed a continuing waiver. No delay by the Lender Group shall constitute a waiver, election, or acquiescence by it.

10. TAXES AND EXPENSES.

If any Borrower fails to pay any monies (whether taxes, assessments, insurance premiums, or, in the case of leased properties or assets, rents or other amounts payable under such leases) due to third Persons, or fails to make any deposits or furnish any required proof of payment or deposit, all as required under the terms of this Agreement, then, Agent, in its sole discretion and without prior notice to any Borrower, may do any or all of the following, provided that, to the extent practicable, Agent shall give Administrative Borrower 10 days' prior notice before exercise: (a) make payment of the same or any part thereof, (b) set up such reserves in Borrowers' Loan Account as Agent deems necessary to protect the Lender Group from the exposure created by such failure, or (c) in the case of the failure to comply with Section 6.8 hereof, obtain and maintain insurance policies of the type described in Section 6.8 and take any action with respect to such policies as Agent deems prudent. Any such amounts paid by Agent shall constitute Lender Group Expenses and any such payments shall not constitute an agreement by the Lender Group to make similar payments in the future or a waiver by the Lender Group of any Event of Default under this Agreement. Agent need not inquire as to, or contest the validity of, any such expense, tax, or Lien and the receipt of the usual official notice for the payment thereof shall be conclusive evidence that the same was validly due and owing.

11. WAIVERS; INDEMNIFICATION.

11.1 DEMAND; PROTEST; ETC. Each Borrower waives demand, protest, notice of protest, notice of default or dishonor, notice of payment and nonpayment, nonpayment at maturity, release, compromise, settlement, extension, or renewal of documents, instruments, Chattel Paper, and guarantees at any time held by the Lender Group on which any such Borrower may in any way be liable.

11.2 THE LENDER GROUP'S LIABILITY FOR COLLATERAL. Each Borrower hereby agrees that: (a) so long as the Lender Group complies with its obligations, if any, under the Code, Agent shall not in any way or manner be liable or responsible for: (i) the safekeeping of the Collateral, (ii) any loss or damage thereto occurring or arising in any manner or fashion from any cause,
(iii) any diminution in the value thereof, or (iv) any act or default of any carrier, warehouseman, bailee, forwarding agency, or other Person, and (b) all risk of loss, damage, or destruction of the Collateral shall be borne by Borrowers.

11.3 INDEMNIFICATION. Each Borrower shall pay, indemnify, defend, and hold the Agent-Related Persons, the Lender Related Persons with respect to each Lender, each Participant, and each of their respective officers, directors, employees, agents, and attorneys-in-fact (each, an "Indemnified Person") harmless (to the fullest extent permitted by law) from and against any and all claims, demands, suits, actions, investigations, proceedings, and damages, and all reasonable attorneys fees and disbursements and other costs and expenses actually incurred in connection therewith (as and when they are incurred and irrespective of whether suit is brought), at any time asserted against, imposed upon, or incurred by any of them (a) in

connection with or as a result of or related to the execution, delivery, enforcement, performance, or administration of this Agreement, any of the other Loan Documents, or the transactions contemplated hereby or thereby or the monitoring of Borrowers' and their Subsidiaries' compliance with the terms of the Loan Documents, and (b) with respect to any investigation, litigation, or proceeding related to this Agreement, any other Loan Document, or the use of the proceeds of the credit provided hereunder (irrespective of whether any Indemnified Person is a party thereto), or any act, omission, event, or circumstance in any manner related thereto (all the foregoing, collectively, the "Indemnified Liabilities"). The foregoing to the contrary notwithstanding, Borrowers shall have no obligation to any Indemnified Person under this Section 11.3 with respect to any Indemnified Liability that a court of competent jurisdiction finally determines to have resulted from the gross negligence or willful misconduct of such Indemnified Person. This provision shall survive the termination of this Agreement and the repayment of the Obligations. If any Indemnified Person makes any payment to any other Indemnified Person with respect to an Indemnified Liability as to which Borrowers were required to indemnify the Indemnified Person receiving such payment, the Indemnified Person making such payment is entitled to be indemnified and reimbursed by Borrowers with respect thereto. WITHOUT LIMITATION, THE FOREGOING INDEMNITY SHALL APPLY TO EACH INDEMNIFIED PERSON WITH RESPECT TO INDEMNIFIED LIABILITIES WHICH IN WHOLE OR IN PART ARE CAUSED BY OR ARISE OUT OF ANY NEGLIGENT ACT OR OMISSION OF SUCH INDEMNIFIED PERSON OR OF ANY OTHER PERSON.

12. NOTICES.

Unless otherwise provided in this Agreement, all notices or demands by Borrowers or Agent to the other relating to this Agreement or any other Loan Document shall be in writing and (except for financial statements and other informational documents which may be sent by first-class mail, postage prepaid) shall be personally delivered or sent by registered or certified mail (postage prepaid, return receipt requested), overnight courier, electronic mail (at such email addresses as Administrative Borrower or Agent, as applicable, may designate to each other in accordance herewith), or telefacsimile to Borrowers in care of Administrative Borrower or to Agent, as the case may be, at its address set forth below:

If to Administrative Borrower: AMERCO

1325 Airmotive Way, Suite 100
Reno, Nevada 89502-3239
Attn: Assistant Treasurer
Fax No. 775.688.6338

with copies to: U-HAUL INTERNATIONAL, INC.
2727 North Central
Phoenix, Arizona 85004
Attn: General Counsel
Fax No. 602.263.6173

with copies to:	SQUIRE, SANDERS & DEMPSEY, L.L.P. Two Renaissance Square 40 North Central Avenue, Suite 2700 Phoenix, Arizona 85004 Attn: Gregory R. Hall, Esq. Fax No. 602.253.8129
If to Agent:	WELLS FARGO FOOTHILL, INC. 2450 Colorado Avenue Suite 3000W Santa Monica, California 90404 Attn: Business Finance Division Manager Fax No. 310.453.7443
with copies to:	PAUL, HASTINGS, JANOFSKY & WALKER LLP 600 Peachtree Street, NE, Suite 2400 Atlanta, Georgia 30308-2222 Attn: Chris D. Molen, Esq. Jesse H. Austin, III, Esq. Fax No. 404.815.2424

Agent and Borrowers may change the address at which they are to receive notices hereunder, by notice in writing in the foregoing manner given to the other party. All notices or demands sent in accordance with this Section 12, other than notices by Agent in connection with enforcement rights against the Collateral under the provisions of the Code, shall be deemed received on the earlier of the date of actual receipt or 3 Business Days after the deposit thereof in the mail. Each Borrower acknowledges and agrees that notices sent by the Lender Group in connection with the exercise of enforcement rights against Collateral under the provisions of the Code shall be deemed sent when deposited in the mail or personally delivered, or, where permitted by law, transmitted by telefacsimile or any other method set forth above.

13. CHOICE OF LAW AND VENUE; JURY TRIAL WAIVER.

(a) THE VALIDITY OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS (UNLESS EXPRESSLY PROVIDED TO THE CONTRARY IN ANOTHER LOAN DOCUMENT IN RESPECT OF SUCH OTHER LOAN DOCUMENT), THE CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT HEREOF AND THEREOF, AND THE RIGHTS OF THE PARTIES HERETO AND THERETO WITH RESPECT TO ALL MATTERS ARISING HEREUNDER OR THEREUNDER OR RELATED HERETO OR THERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

(b) THE PARTIES AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS SHALL BE TRIED AND LITIGATED ONLY IN THE

UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF NEVADA; PROVIDED, HOWEVER, THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT AGENT'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE AGENT ELECTS TO BRING SUCH ACTION OR WHERE SUCH COLLATERAL OR OTHER PROPERTY MAY BE FOUND. BORROWERS AND THE LENDER GROUP WAIVE, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, ANY RIGHT EACH MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION 13(b).

(c) BORROWERS AND THE LENDER GROUP HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF ANY OF THE LOAN DOCUMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED THEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. BORROWERS AND THE LENDER GROUP REPRESENT THAT EACH HAS REVIEWED THIS WAIVER AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

14. ASSIGNMENTS AND PARTICIPATIONS; SUCCESSORS.

14.1 ASSIGNMENTS AND PARTICIPATIONS.

(a) Any Lender may, with the written consent of Agent (provided that no written consent of Agent shall be required in connection with any assignment and delegation by a Lender to an Eligible Transferee), assign and delegate to one or more assignees (each an "Assignee") all, or any ratable part of all, of the Obligations, the Commitments and the other rights and obligations of such Lender hereunder and under the other Loan Documents, in a minimum amount of $5,000,000 (except that such minimum amount shall not apply to an Affiliate of a Lender or to a Related Fund); provided, however, that Borrowers and Agent may continue to deal solely and directly with such Lender in connection with the interest so assigned to an Assignee until (i) written notice of such assignment, together with payment instructions, addresses, and related information with respect to the Assignee, have been given to Administrative Borrower and Agent by such Lender and the Assignee, (ii) such Lender and its Assignee have delivered to Administrative Borrower and Agent an Assignment and Acceptance in form and substance reasonably satisfactory to Agent, and (iii) the assignor Lender or Assignee has paid to Agent for Agent's separate account a processing fee in the amount of $5,000. Anything contained herein to the contrary notwithstanding, the consent of Agent shall not be required (and payment of any fees shall not be required) if (x) such assignment is in connection with any merger, consolidation, sale, transfer, or other disposition of all or any substantial portion of the business or loan portfolio of such Lender or (y) the assignee is an Affiliate (other than individual(s)) of a Lender or a Related Fund.

(b) From and after the date that Agent notifies the assignor Lender (with a copy to Administrative Borrower) that it has received an executed Assignment and Acceptance and payment of the above-referenced processing fee, as applicable, (i) the Assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Acceptance, shall have the rights and obligations of a Lender under the Loan Documents, and (ii) the assignor Lender shall, to the extent that rights and obligations hereunder and under the other Loan Documents have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights (except with respect to Section 11.3 hereof) and be released from its obligations under this Agreement (and in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement and the other Loan Documents, such Lender shall cease to be a party hereto and thereto), and such assignment shall effect a novation between Borrowers and the Assignee; provided, however, that nothing contained herein shall release any assigning Lender from obligations that survive the termination of this Agreement, including such assigning Lender's obligations under Article 16 and Section 17.8 of this Agreement.

(c) By executing and delivering an Assignment and Acceptance, the assigning Lender thereunder and the Assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than as provided in such Assignment and Acceptance, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other Loan Document furnished pursuant hereto, (ii) such assigning Lender makes no representation or warranty and assumes no responsibility with respect to the financial condition of Borrowers or the performance or observance by Borrowers of any of their obligations under this Agreement or any other Loan Document furnished pursuant hereto, (iii) such Assignee confirms that it has received a copy of this Agreement, together with such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance, (iv) such Assignee will, independently and without reliance upon Agent, such assigning Lender or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement, (v) such Assignee appoints and authorizes Agent to take such actions and to exercise such powers under this Agreement as are delegated to Agent, by the terms hereof, together with such powers as are reasonably incidental thereto, and (vi) such Assignee agrees that it will perform all of the obligations which by the terms of this Agreement are required to be performed by it as a Lender.

(d) Immediately upon each Assignee's making its processing fee payment under the Assignment and Acceptance and receipt and acknowledgment by Agent of such fully executed Assignment and Acceptance, this Agreement shall be deemed to be amended to the extent, but only to the extent, necessary to reflect the addition of the Assignee and the resulting adjustment of the Commitments arising therefrom. The Commitment allocated to each Assignee shall reduce such Commitments of the assigning Lender pro tanto.

(e) Any Lender may at any time sell to one or more commercial banks, financial institutions, or other Persons not Affiliates of such Lender (a "Participant") participating interests in its Obligations, the Commitment, and the other rights and interests of

that Lender (the "Originating Lender") hereunder and under the other Loan Documents; provided, however, that (i) the Originating Lender shall remain a "Lender" for all purposes of this Agreement and the other Loan Documents and the Participant receiving the participating interest in the Obligations, the Commitments, and the other rights and interests of the Originating Lender hereunder shall not constitute a "Lender" hereunder or under the other Loan Documents and the Originating Lender's obligations under this Agreement shall remain unchanged, (ii) the Originating Lender shall remain solely responsible for the performance of such obligations, (iii) Borrowers, Agent, and the Lenders shall continue to deal solely and directly with the Originating Lender in connection with the Originating Lender's rights and obligations under this Agreement and the other Loan Documents, (iv) no Lender shall transfer or grant any participating interest under which the Participant has the right to approve any amendment to, or any consent or waiver with respect to, this Agreement or any other Loan Document, except to the extent such amendment to, or consent or waiver with respect to this Agreement or of any other Loan Document would (1) extend the final maturity date of the Obligations hereunder in which such Participant is participating, (2) reduce the interest rate applicable to the Obligations hereunder in which such Participant is participating, (3) release all or substantially all of the Collateral or guaranties (except to the extent expressly provided herein or in any of the Loan Documents) supporting the Obligations hereunder in which such Participant is participating, (4) postpone the payment of, or reduce the amount of, the interest or fees payable to such Participant through such Lender, or (5) change the amount or due dates of scheduled principal repayments or prepayments or premiums, and (v) all amounts payable by Borrowers hereunder shall be determined as if such Lender had not sold such participation; except that, if amounts outstanding under this Agreement are due and unpaid, or shall have been declared or shall have become due and payable upon the occurrence of an Event of Default, each Participant shall be deemed to have the right of set-off in respect of its participating interest in amounts owing under this Agreement to the same extent as if the amount of its participating interest were owing directly to it as a Lender under this Agreement. The rights of any Participant shall only be derivative through the Originating Lender with whom such Participant participates and no Participant shall have any rights under this Agreement or the other Loan Documents or any direct rights as to the other Lenders, Agent, Borrowers, the Collections, the Collateral, or otherwise in respect of the Obligations. No Participant shall have the right to participate directly in the making of decisions by the Lenders among themselves.

(f) In connection with any such assignment or participation or proposed assignment or participation, a Lender may disclose all documents and information which it now or hereafter may have relating to Borrowers or Borrowers' business.

(g) Any other provision in this Agreement notwithstanding, any Lender may at any time create a security interest in, or pledge, all or any portion of its rights under and interest in this Agreement in favor of any Federal Reserve Bank in accordance with Regulation A of the Federal Reserve Bank or United States Treasury Regulation 31 C.F.R. Section 203.14, and such Federal Reserve Bank may enforce such pledge or security interest in any manner permitted under applicable law.

(h) Subject to the last sentence of this Section 14.1(h), Agent shall maintain, or cause to be maintained, a register (the "Register") on which it enters the name of a Lender as the registered owner of each Advance, as the case may be, held by such Lender. A Registered

Loan (and the Registered Note, if any, evidencing the same) may be assigned or sold in whole or in part only by registration of such assignment or sale on the Register (and each Registered Note shall expressly so provide). Subject to the last sentence of this Section 14.1(h), any assignment or sale of all or part of such Registered Loan (and the Registered Note, if any, evidencing the same) may be effected only by registration of such assignment or sale on the Register, together with the surrender of the Registered Note, if any, evidencing the same duly endorsed by (or accompanied by a written instrument of assignment or sale duly executed by) the holder of such Registered Note, whereupon, at the request of the designated assignee(s) or transferee(s), one or more new Registered Notes in the same aggregate principal amount shall be issued to the designated assignee(s) or transferee(s). Prior to the registration of an assignment or sale of any Registered Loan (and the Registered Note, if any, evidencing the same), Borrowers, Agent and the Lenders shall treat the Person in whose name such Registered Loan (and the Registered Note, if any, evidencing the same) is registered as the owner thereof for the purpose of receiving all payments thereon and for all other purposes, notwithstanding notice to the contrary. In the case of an assignment or delegation covered by Section 14.1(a)(y), the assigning Lender shall maintain a register comparable to the Register on behalf of Agent.

(i) In the event that a Lender sells participations in a Registered Loan, such Lender shall maintain a register on which it enters the name of all participants in the Registered Loans held by it (the "Participant Register"). A Registered Loan (and the Registered Note, if any, evidencing the same) may be participated in whole or in part only by registration of such participation on the Participant Register (and each Registered Note shall expressly so provide). Any participation of such Registered Loan (and the Registered Note, if any, evidencing the same) may be effected only by the registration of such participation on the Participant Register.

(j) Notwithstanding any other provision hereof, the Lenders hereby consent to any Lender's pledge (a "Pledge") of its interest in the Obligations, the Commitment, and the other rights and interests of that Lender (a "Loan Pledgor") to any Eligible Transferee that has extended a credit facility to such Loan Pledgor (a "Loan Pledgee"), on the terms and conditions set forth in this paragraph. Upon written notice by any Loan Pledgor to Agent that the Pledge has been effected, Agent agrees to acknowledge receipt of such notice and thereafter agrees: (a) to use its best efforts to give Loan Pledgee written notice of any default by Loan Pledgor under this Agreement and any amendment, modification, waiver or termination of Loan Pledgor's rights under this Agreement; provided, however, Agent shall not have any liability to Loan Pledgee if Agent fails to give such notice; (b) that Agent shall deliver, at the expense of Loan Pledgor, to Loan Pledgee such information available to the Lenders hereunder as Loan Pledgee shall reasonably request; and (c) that, upon written notice (a "Redirection Notice") to Agent by Loan Pledgee that Loan Pledgor is in default, beyond applicable cure periods, under Loan Pledgor's obligations to Loan Pledgee pursuant to the applicable credit agreement between Loan Pledgor and Loan Pledgee (which notice need not be joined in or confirmed by all Lenders), and until such Redirection Notice is withdrawn or rescinded by Loan Pledgee, any payments to which Loan Pledgor is entitled from time to time pursuant to this Agreement, or any other Loan Document, shall be paid or directed to Loan Pledgee. The relevant Loan Pledgor hereby unconditionally and absolutely releases Agent and the other Lenders from any liability to the such Loan Pledgor on account of Agent's or any Lender's compliance with any Redirection Notice reasonably believed by Agent or the Lenders to have been delivered in good faith. Loan Pledgee shall be permitted fully to exercise its rights and remedies against the relevant Loan

Pledgor, and realize on any and all collateral granted by such Loan Pledgor to Loan Pledgee (and accept an assignment in lieu of foreclosure as to such collateral), in accordance with applicable law and the provisions of this Agreement. In such event, Agent and the Lenders shall recognize Loan Pledgee, and its successors and assigns that are Eligible Transferees, as the successor to the applicable Loan Pledgor's rights, remedies and obligations under this Agreement and the Loan Documents. The rights of Loan Pledgee under this paragraph shall remain effective unless and until such Loan Pledgee shall have notified Agent in writing that its interest in the Obligations, the Commitment, and the other rights and interests of the relevant Loan Pledgor has terminated.

(k) It is contemplated that those Persons which are Lenders hereunder on the Closing Date will assign and transfer all or a portion of their Commitments and the Obligations related thereto effective as of the date established by Agent, after consultation with such Lenders, as the date for closing the general syndication ("General Syndication Closing Date"). Notwithstanding the foregoing provisions of this Section 14.1, assignments effective on the General Syndication Closing Date (i) do not require the consent of Administrative Borrower or payment of a processing fee, (ii) may not be in a ratable amount of the Obligations and Commitments of such Lenders, and (iii) shall be accomplished by the execution by all such Lenders as of such date and all such transferees of a single agreement provided by Agent in substantially the form of an Assignment and Acceptance. Such agreement shall provide that all Commitments shall, as of the effective date of such agreement, be as set forth on Annex I thereto, which Annex shall, as of the General Syndication Closing Date, amend Schedule C-2 hereto.

14.2 SUCCESSORS. This Agreement shall bind and inure to the benefit of the respective successors and assigns of each of the parties hereto including, with respect to each Borrower, the estate of such Borrower, any trustee or successor-in-interest of such Borrower in the Chapter 11 Case or any subsequent case commenced under Chapter 7 of the Bankruptcy Code; provided, however, that Borrowers may not assign this Agreement or any rights or duties hereunder without the Lenders' prior written consent and any prohibited assignment shall be absolutely void ab initio. No consent to assignment by the Lenders shall release any Borrower from its Obligations. A Lender may assign this Agreement and the other Loan Documents and its rights and duties hereunder and thereunder pursuant to Section 14.1 hereof and, except as expressly required pursuant to Section 14.1 hereof, no consent or approval by any Borrower is required in connection with any such assignment.

15. AMENDMENTS; WAIVERS.

15.1 AMENDMENTS AND WAIVERS. No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent with respect to any departure by Borrowers therefrom, shall be effective unless the same shall be in writing and signed by the Required Lenders (or by Agent at the written request of the Required Lenders) and Administrative Borrower (on behalf of all Borrowers) and then any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no such waiver, amendment, or consent shall, unless in writing and signed by all of the Lenders affected thereby and Administrative Borrower (on behalf of all Borrowers) and acknowledged by Agent, do any of the following:

(a) increase or extend any Commitment of any Lender,

(b) postpone or delay any date fixed by this Agreement or any other Loan Document for any payment of principal, interest, fees, or other amounts due hereunder or under any other Loan Document,

(c) reduce the principal of, or the rate of interest on, any loan or other extension of credit hereunder, or reduce any fees or other amounts payable hereunder or under any other Loan Document,

(d) change the percentage of the Commitments that is required to take any action hereunder,

(e) amend, modify or waive this Section or any provision of the Agreement providing for consent or other action by all Lenders,

(f) release Collateral other than as permitted by Section 16.12,

(g) change the definition of "Required Lenders" or "Pro Rata Share",

(h) contractually subordinate any of the Agent's Liens or modify, waive, release or subordinate the superpriority claim status of the Obligations (except as permitted by this Agreement and the other Loan Documents),

(i) release any Borrower or any material Guarantor from any obligation for the payment of money,

(j) change the definitions of Availability, Bank Product Reserves, Borrowing Base, Fair Market Valuation, Maximum Revolver Amount, or Term Loan Amount or amend, modify or waive any of the provisions of Section 2.1(a), Section 2.1(b), Section 2.2, Section 2.3(e), Section 2.3 (i) or Section 2.4(b); or

(k) amend, modify or waive any of the provisions of
Section 16.

and, provided further, however, that no amendment, waiver or consent shall, unless in writing and signed by Agent, Issuing Lender, or Swing Lender, affect the rights or duties of Agent, Issuing Lender, or Swing Lender, as applicable, under this Agreement or any other Loan Document. The foregoing notwithstanding, any amendment, modification, waiver, consent, termination, or release of, or with respect to, any provision of this Agreement or any other Loan Document that relates only to the relationship of the Lender Group among themselves, and that does not affect the rights or obligations of Borrowers, shall not require consent by or the agreement of Borrowers. Furthermore, notwithstanding the foregoing, any amendment, modification, waiver, consent, termination, or release of, or with respect to, any provision of any Bank Product Agreement may be effected by the parties thereto without the consent of the Lender Group.

15.2 REPLACEMENT OF HOLDOUT LENDER.

If any action to be taken by the Lender Group or Agent hereunder requires the unanimous consent, authorization, or agreement of all Lenders, and a Lender ("Holdout Lender") fails to give its consent, authorization, or agreement, then Agent, upon at least 5 Business Days prior irrevocable notice to the Holdout Lender, may permanently replace the Holdout Lender with one or more substitute Lenders (each, a "Replacement Lender"), and the Holdout Lender shall have no right to refuse to be replaced hereunder. Such notice to replace the Holdout Lender shall specify an effective date for such replacement, which date shall not be later than 15 Business Days after the date such notice is given.

Prior to the effective date of such replacement, the Holdout Lender and each Replacement Lender shall execute and deliver an Assignment and Acceptance Agreement, subject only to the Holdout Lender's being repaid its share of the outstanding Obligations (including an assumption of its Pro Rata Share of the Risk Participation Liability) without any premium or penalty of any kind whatsoever. If the Holdout Lender shall refuse or fail to execute and deliver any such Assignment and Acceptance Agreement prior to the effective date of such replacement, the Holdout Lender shall be deemed to have executed and delivered such Assignment and Acceptance Agreement. The replacement of any Holdout Lender shall be made in accordance with the terms of Section 14.1. Until such time as the Replacement Lenders shall have acquired all of the Obligations, the Commitments, and the other rights and obligations of the Holdout Lender hereunder and under the other Loan Documents, the Holdout Lender shall remain obligated to make the Holdout Lender's Pro Rata Share of Advances and to purchase a participation in each Letter of Credit, in an amount equal to its Pro Rata Share of the Risk Participation Liability of such Letter of Credit.

15.3 NO WAIVERS; CUMULATIVE REMEDIES. No failure by Agent or any Lender to exercise any right, remedy, or option under this Agreement or any other Loan Document, or delay by Agent or any Lender in exercising the same, will operate as a waiver thereof. No waiver by Agent or any Lender will be effective unless it is in writing, and then only to the extent specifically stated. No waiver by Agent or any Lender on any occasion shall affect or diminish Agent's and each Lender's rights thereafter to require strict performance by Borrowers of any provision of this Agreement. Agent's and each Lender's rights under this Agreement and the other Loan Documents will be cumulative and not exclusive of any other right or remedy that Agent or any Lender may have.

16. AGENT; THE LENDER GROUP.

16.1 APPOINTMENT AND AUTHORIZATION OF AGENT. Each Lender hereby designates and appoints Foothill as its representative under this Agreement and the other Loan Documents (other than the Bank Product Agreements) and each Lender hereby irrevocably authorizes Agent to execute and deliver each of the other Loan Documents (other than the Bank Product Agreements) on its behalf and to take such other action on its behalf under the provisions of this Agreement and each other Loan Document (other than the Bank Product Agreements) and to exercise such powers and perform such duties as are expressly delegated to Agent by the terms of this Agreement or any other Loan Document, together with such powers as are reasonably incidental thereto. Agent agrees to act as such on the express conditions contained in this

Section 16. The provisions of this Section 16 are solely for the benefit of Agent, and the Lenders, and Borrowers shall have no rights as a third party beneficiary of any of the provisions contained herein. Any provision to the contrary contained elsewhere in this Agreement or in any other Loan Document notwithstanding, Agent shall not have any duties or responsibilities, except those expressly set forth herein, nor shall Agent have or be deemed to have any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against Agent; it being expressly understood and agreed that the use of the word "Agent" is for convenience only, that Foothill is merely the representative of the Lenders, and only has the contractual duties set forth herein. Except as expressly otherwise provided in this Agreement, Agent shall have and may use its sole discretion with respect to exercising or refraining from exercising any discretionary rights or taking or refraining from taking any actions that Agent expressly is entitled to take or assert under or pursuant to this Agreement and the other Loan Documents. Without limiting the generality of the foregoing, or of any other provision of the Loan Documents that provides rights or powers to Agent, Lenders agree that Agent shall have the right to exercise the following powers as long as this Agreement remains in effect: (a) maintain, in accordance with its customary business practices, ledgers and records reflecting the status of the Obligations, the Collateral, the Collections, and related matters, (b) execute or file any and all financing or similar statements or notices, amendments, renewals, supplements, documents, instruments, proofs of claim, notices and other written agreements with respect to the Loan Documents, (c) make Advances, for itself or on behalf of Lenders as provided in the Loan Documents, (d) exclusively receive, apply, and distribute the Collections as provided in the Loan Documents, (e) open and maintain such bank accounts and cash management accounts as Agent deems necessary and appropriate in accordance with the Loan Documents for the foregoing purposes with respect to the Collateral and the Collections, (f) perform, exercise, and enforce any and all other rights and remedies of the Lender Group with respect to Borrowers, the Obligations, the Collateral, the Collections, or otherwise related to any of same as provided in the Loan Documents, and (g) incur and pay such Lender Group Expenses as Agent may deem necessary or appropriate for the performance and fulfillment of its functions and powers pursuant to the Loan Documents.

16.2 DELEGATION OF DUTIES. Agent may execute any of its duties under this Agreement or any other Loan Document by or through agents, employees or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. Agent shall not be responsible for the negligence or misconduct of any agent or attorney-in-fact that it selects as long as such selection was made without gross negligence or willful misconduct.

16.3 LIABILITY OF AGENT. None of the Agent-Related Persons shall
(i) be liable for any action taken or omitted to be taken by any of them under or in connection with this Agreement or any other Loan Document or the transactions contemplated hereby (except for its own gross negligence or willful misconduct), or (ii) be responsible in any manner to any of the Lenders for any recital, statement, representation or warranty made by any Borrower or any Subsidiary or Affiliate of any Borrower, or any officer or director thereof, contained in this Agreement or in any other Loan Document, or in any certificate, report, statement or other document referred to or provided for in, or received by Agent under or in connection with, this Agreement or any other Loan Document, or the validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document, or for any failure of any Borrower or any other

party to any Loan Document to perform its obligations hereunder or thereunder. No Agent-Related Person shall be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document, or to inspect the Books or properties of Borrowers or the books or records or properties of any of Borrowers' Subsidiaries or Affiliates.

16.4 RELIANCE BY AGENT. Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter, telegram, facsimile, telex or telephone message, statement or other document or conversation believed by it to be genuine and correct and to have been signed, sent, or made by the proper Person or Persons, and upon advice and statements of legal counsel (including counsel to Borrowers or counsel to any Lender), independent accountants and other experts selected by Agent. Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Loan Document unless Agent shall first receive such advice or concurrence of the Lenders as it deems appropriate and until such instructions are received, Agent shall act, or refrain from acting, as it deems advisable. If Agent so requests, it shall first be indemnified to its reasonable satisfaction by Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement or any other Loan Document in accordance with a request or consent of the requisite Lenders and such request and any action taken or failure to act pursuant thereto shall be binding upon all of the Lenders.

16.5 NOTICE OF DEFAULT OR EVENT OF DEFAULT. Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default, except with respect to defaults in the payment of principal, interest, fees, and expenses required to be paid to Agent for the account of the Lenders, except with respect to Defaults and Events of Default of which Agent has actual knowledge, unless Agent shall have received written notice from a Lender or Administrative Borrower referring to this Agreement, describing such Default or Event of Default, and stating that such notice is a "notice of default." Agent promptly will notify the Lenders of its receipt of any such notice or of any Event of Default of which Agent has actual knowledge. If any Lender obtains actual knowledge of any Event of Default, such Lender promptly shall notify the other Lenders and Agent of such Event of Default. Each Lender shall be solely responsible for giving any notices to its Participants, if any. Subject to
Section 16.4, Agent shall take such action with respect to such Default or Event of Default as may be requested by the Required Lenders in accordance with
Section 9; provided, however, that unless and until Agent has received any such request, Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable.

16.6 CREDIT DECISION. Each Lender acknowledges that none of the Agent-Related Persons has made any representation or warranty to it, and that no act by Agent hereinafter taken, including any review of the affairs of Borrowers and their Subsidiaries or Affiliates, shall be deemed to constitute any representation or warranty by any Agent-Related Person to any Lender. Each Lender represents to Agent that it has, independently and without reliance upon any Agent-Related Person and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, prospects, operations, property, financial and other condition and creditworthiness of Borrowers and any other Person party to a

Loan Document, and all applicable bank regulatory laws relating to the transactions contemplated hereby, and made its own decision to enter into this Agreement and to extend credit to Borrowers. Each Lender also represents that it will, independently and without reliance upon any Agent-Related Person and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of Borrowers and any other Person party to a Loan Document. Except for notices, reports, and other documents expressly herein required to be furnished to the Lenders by Agent, Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of Borrowers and any other Person party to a Loan Document that may come into the possession of any of the Agent-Related Persons.

16.7 COSTS AND EXPENSES; INDEMNIFICATION. Agent may incur and pay Lender Group Expenses to the extent Agent reasonably deems necessary or appropriate for the performance and fulfillment of its functions, powers, and obligations pursuant to the Loan Documents, including court costs, reasonable attorneys' fees and expenses, fees and expenses of financial accountants, advisors, consultants and appraisers, costs of collection by outside collection agencies and auctioneer fees and expenses and costs of security guards or insurance premiums paid to maintain the Collateral or any other collateral securing the obligations, whether or not Borrowers are obligated to reimburse Agent or Lenders for such expenses pursuant to the Loan Agreement or otherwise. Agent is authorized and directed to deduct and retain sufficient amounts from Collections received by Agent to reimburse Agent for such out-of-pocket costs and expenses prior to the distribution of any amounts to Lenders. In the event Agent is not reimbursed for such costs and expenses from Collections received by Agent, each Lender hereby agrees that it is and shall be obligated to pay to or reimburse Agent for the amount of such Lender's Pro Rata Share thereof. Whether or not the transactions contemplated hereby are consummated, the Lenders shall indemnify upon demand the Agent-Related Persons (to the extent not reimbursed by or on behalf of Borrowers and without limiting the obligation of Borrowers to do so), according to their Pro Rata Shares, from and against any and all Indemnified Liabilities; provided, however, that no Lender shall be liable for the payment to any Agent-Related Person of any portion of such Indemnified Liabilities resulting solely from such Person's gross negligence or willful misconduct nor shall any Lender be liable for the obligations of any Defaulting Lender in failing to make an Advance or other extension of credit hereunder. Without limitation of the foregoing, each Lender shall reimburse Agent upon demand for such Lender's Pro Rata Share of any costs or out-of-pocket expenses (including attorneys fees and expenses) incurred by Agent in connection with the preparation, execution, delivery, administration, modification, amendment, or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement, any other Loan Document, or any document contemplated by or referred to herein, to the extent that Agent is not reimbursed for such expenses by or on behalf of Borrowers. The undertaking in this Section shall survive the payment of all Obligations hereunder and the resignation or replacement of Agent.

16.8 AGENT IN INDIVIDUAL CAPACITY. Foothill and its Affiliates may make loans to, issue letters of credit for the account of, accept deposits from, acquire equity interests in, and generally engage in any kind of banking, trust, financial advisory, underwriting, or other business with Borrowers and their Subsidiaries and Affiliates and any other Person party to any Loan Documents as though Foothill were not Agent hereunder, and, in each case, without notice to or consent of the other members of the Lender Group. The other members of the Lender Group acknowledge that, pursuant to such activities, Foothill or its Affiliates may receive information regarding Borrowers or their Affiliates and any other Person party to any Loan Documents that is subject to confidentiality obligations in favor of Borrowers or such other Person and that prohibit the disclosure of such information to the Lenders, and the Lenders acknowledge that, in such circumstances (and in the absence of a waiver of such confidentiality obligations, which waiver Agent will use its reasonable best efforts to obtain), Agent shall not be under any obligation to provide such information to them. The terms "Lender" and "Lenders" include Foothill in its individual capacity.

16.9 SUCCESSOR AGENT. Agent may resign as Agent upon 45 days' notice to the Lenders (and at least 15 days notice to Administrative Borrower). If Agent resigns under this Agreement, the Required Lenders shall appoint a successor Agent for the Lenders. If no successor Agent is appointed prior to the effective date of the resignation of Agent, Agent may appoint, after consulting with the Lenders, a successor Agent. If Agent has materially breached or failed to perform any material provision of this Agreement or of applicable law, the Required Lenders may agree in writing to remove and replace Agent with a successor Agent from among the Lenders. In any such event, upon the acceptance of its appointment as successor Agent hereunder, such successor Agent shall succeed to all the rights, powers, and duties of the retiring Agent and the term "Agent" shall mean such successor Agent and the retiring Agent's appointment, powers, and duties as Agent shall be terminated. After any retiring Agent's resignation hereunder as Agent, the provisions of this Article 16 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Agreement. If no successor Agent has accepted appointment as Agent by the date which is 45 days following a retiring Agent's notice of resignation, the retiring Agent's resignation shall nevertheless thereupon become effective and the Lenders shall perform all of the duties of Agent hereunder until such time, if any, as the Lenders appoint a successor Agent as provided for above.

16.10 LENDER IN INDIVIDUAL CAPACITY. Any Lender and its respective Affiliates may make loans to, issue letters of credit for the account of, accept deposits from, acquire equity interests in and generally engage in any kind of banking, trust, financial advisory, underwriting or other business with Borrowers and their Subsidiaries and Affiliates and any other Person party to any Loan Documents as though such Lender were not a Lender hereunder without notice to or consent of the other members of the Lender Group. The other members of the Lender Group acknowledge that, pursuant to such activities, such Lender and its respective Affiliates may receive information regarding Borrowers or their Affiliates and any other Person (other than the Lender Group) party to any Loan Documents that is subject to confidentiality obligations in favor of Borrowers or such other Person and that prohibit the disclosure of such information to the Lenders, and the Lenders acknowledge that, in such circumstances (and in the absence of a waiver of such confidentiality obligations, which waiver such Lender will use its reasonable best efforts to obtain), such Lender not shall be under any obligation to provide such information to them. With respect to the Swing Loans and Agent Advances, Swing Lender shall have the same

rights and powers under this Agreement as any other Lender and may exercise the same as though it were not the sub-agent of the Agent.

16.11 WITHHOLDING TAXES.

(a) If any Lender is a "foreign person" within the meaning of the IRC and such Lender claims exemption from, or a reduction of, United States withholding tax under Sections 1441 or 1442 of the IRC, such Lender agrees with and in favor of Agent and Borrowers, to deliver to Agent and Administrative Borrower:

(i) if such Lender claims an exemption from withholding tax pursuant to its portfolio interest exception,
(1) a statement of the Lender, signed under penalty of perjury, that it is not a (A) a "bank" as described in Section 881(c)(3)(A) of the IRC, (B) a 10% shareholder of a Borrower (within the meaning of Section 871(h)(3)(B) of the IRC), or
(C) a controlled foreign corporation related to a Borrower within the meaning of 864(d)(4) of the IRC, and (2) a properly completed and executed IRS Form W-8BEN, before the first payment of any interest under this Agreement and at any other time reasonably requested by Agent or Administrative Borrower;

(ii) if such Lender claims an exemption from, or a reduction of, withholding tax under a United States tax treaty, properly completed and executed IRS Form W-8BEN before the first payment of any interest under this Agreement and at any other time reasonably requested by Agent or Administrative Borrower;

(iii) if such Lender claims that interest paid under this Agreement is exempt from United States withholding tax because it is effectively connected with a United States trade or business of such Lender, two properly completed and executed copies of IRS Form W-8ECI before the first payment of any interest is due under this Agreement and at any other time reasonably requested by Agent or Administrative Borrower; and

(iv) such other form or forms as may be required under the IRC or other laws of the United States as a condition to exemption from, or reduction of, United States withholding tax.

Such Lender agrees promptly to notify Agent and Administrative Borrower of any change in circumstances which would modify or render invalid any claimed exemption or reduction.

(b) If any Lender claims exemption from, or reduction of, withholding tax under a United States tax treaty by providing IRS Form W-8BEN and such Lender sells, assigns, grants a participation in, or otherwise transfers all or part of the Obligations of Borrowers to such Lender, such Lender agrees to notify Agent of the percentage amount in which it is no longer the beneficial owner of Obligations of Borrowers to such Lender. To the extent of such percentage amount, Agent will treat such Lender's IRS Form W-8BEN as no longer valid.

(c) If any Lender is entitled to a reduction in the applicable withholding tax, Agent may withhold from any interest payment to such Lender an amount equivalent to the

applicable withholding tax after taking into account such reduction. If the forms or other documentation required by subsection (a) of this Section are not delivered to Agent, then Agent may withhold from any interest payment to such Lender not providing such forms or other documentation an amount equivalent to the applicable withholding tax.

(d) If the IRS or any other Governmental Authority of the United States or other jurisdiction asserts a claim that Agent did not properly withhold tax from amounts paid to or for the account of any Lender (because the appropriate form was not delivered, was not properly executed, or because such Lender failed to notify Agent of a change in circumstances which rendered the exemption from, or reduction of, withholding tax ineffective, or for any other reason) such Lender shall indemnify and hold Agent harmless for all amounts paid, directly or indirectly, by Agent as tax or otherwise, including penalties and interest, and including any taxes imposed by any jurisdiction on the amounts payable to Agent under this Section, together with all costs and expenses (including attorneys fees and expenses). The obligation of the Lenders under this subsection shall survive the payment of all Obligations and the resignation or replacement of Agent.

(e) All payments made by Borrowers hereunder or under any note or other Loan Document will be made without setoff, counterclaim, or other defense, except as required by applicable law other than for Taxes (as defined below). All such payments will be made free and clear of, and without deduction or withholding for, any present or future taxes, levies, imposts, duties, fees, assessments or other charges of whatever nature now or hereafter imposed by any jurisdiction (other than the United States) or by any political subdivision or taxing authority thereof or therein (other than of the United States) with respect to such payments (but excluding, any tax imposed by any jurisdiction or by any political subdivision or taxing authority thereof or therein (i) measured by or based on the net income or net profits of a Lender, or (ii) to the extent that such tax results from a change in the circumstances of the Lender, including a change in the residence, place of organization, or principal place of business of the Lender, or a change in the branch or lending office of the Lender participating in the transactions set forth herein) and all interest, penalties or similar liabilities with respect thereto (all such non-excluded taxes, levies, imposts, duties, fees, assessments or other charges being referred to collectively as "Taxes"). If any Taxes are so levied or imposed, each Borrower agrees to pay the full amount of such Taxes, and such additional amounts as may be necessary so that every payment of all amounts due under this Agreement or under any note, including any amount paid pursuant to this Section 16.11(e) after withholding or deduction for or on account of any Taxes, will not be less than the amount provided for herein; provided, however, that Borrowers shall not be required to increase any such amounts payable to Agent or any Lender (i) that is not organized under the laws of the United States, if such Person fails to comply with the other requirements of this Section 16.11, or
(ii) if the increase in such amount payable results from Agent's or such Lender's own willful misconduct or gross negligence. Borrowers will furnish to Agent as promptly as possible after the date the payment of any Taxes is due pursuant to applicable law certified copies of tax receipts evidencing such payment by Borrowers.

16.12 COLLATERAL MATTERS.

(a) The Lenders hereby irrevocably authorize Agent, at its option and in its sole discretion, to release any Lien on any Collateral or any other collateral securing the

Obligations (i) upon the termination of the Commitments and payment and satisfaction in full by Borrowers of all Obligations, (ii) constituting property being sold or disposed of if a release is required or desirable in connection therewith and if Administrative Borrower certifies to Agent that the sale or disposition is permitted under Section 7.4 of this Agreement or the other Loan Documents (and Agent may rely conclusively on any such certificate, without further inquiry), (iii) constituting property in which no Borrower and its Subsidiaries owned any interest at the time the Agent's Lien was granted or at any time thereafter, or (iv) constituting property leased to a Borrower and its Subsidiaries under a lease that has expired or is terminated in a transaction permitted under this Agreement. Except as provided above, Agent will not execute and deliver a release of any Lien on any Collateral or any other collateral securing the Obligations without the prior written authorization of (y) if the release is of all or any substantial portion of the Collateral or any other collateral securing the Obligations, all of the Lenders, or (z) otherwise, the Required Lenders. Upon request by Agent or Administrative Borrower at any time, the Lenders will confirm in writing Agent's authority to release any such Liens on particular types or items of Collateral or any other collateral securing the Obligations pursuant to this Section 16.12; provided, however, that (1) Agent shall not be required to execute any document necessary to evidence such release on terms that, in Agent's opinion, would expose Agent to liability or create any obligation or entail any consequence other than the release of such Lien without recourse, representation, or warranty, and (2) such release shall not in any manner discharge, affect, or impair the Obligations or any Liens (other than those expressly being released) upon (or obligations of Borrowers in respect of) all interests retained by Borrowers, including, the proceeds of any sale, all of which shall continue to constitute part of the Collateral or any other collateral securing the Obligations.

(b) Agent shall have no obligation whatsoever to any of the Lenders to assure that the Collateral or any other collateral securing the Obligations exists or is owned by Borrowers or Guarantors or is cared for, protected, or insured or has been encumbered, or that the Agent's Liens have been properly or sufficiently or lawfully created, perfected, protected, or enforced or are entitled to any particular priority, or to exercise at all or in any particular manner or under any duty of care, disclosure or fidelity, or to continue exercising, any of the rights, authorities and powers granted or available to Agent pursuant to any of the Loan Documents, it being understood and agreed that in respect of the Collateral or any other collateral securing the Obligations, or any act, omission, or event related thereto, subject to the terms and conditions contained herein, Agent may act in any manner it may deem appropriate, in its sole discretion given Agent's own interest in the Collateral or any other collateral securing the Obligations in its capacity as one of the Lenders and that Agent shall have no other duty or liability whatsoever to any Lender as to any of the foregoing, except as otherwise provided herein.

(c) Notwithstanding any provision in the Loan Documents to the contrary, the Lenders hereby irrevocably authorize Agent, and Agent hereby agrees that it shall, upon the written request of Administrative Borrower, execute, have acknowledged as appropriate, and deliver to Administrative Borrower such release documents as are reasonably necessary or appropriate under the circumstances to effect the release of any Collateral to the extent the sale of such Collateral is permitted under this Agreement. Agent shall deliver any such release documents to Administrative Borrower (or, if applicable, any closing attorney) to hold in escrow pending the closing of the related transaction. In the event the closing of such transaction does

not occur, Administrative Borrower shall promptly return to Agent the release documents executed and delivered by Agent.

16.13 RESTRICTIONS ON ACTIONS BY LENDERS; SHARING OF PAYMENTS.

(a) Each of the Lenders agrees that it shall not, without the express written consent of Agent, and that it shall, to the extent it is lawfully entitled to do so, upon the written request of Agent, set off against the Obligations, any amounts owing by such Lender to Borrowers or any Deposit Accounts of Borrowers now or hereafter maintained with such Lender. Each of the Lenders further agrees that it shall not, unless specifically requested to do so in writing by Agent, take or cause to be taken any action, including, the commencement of any legal or equitable proceedings, to foreclose any Lien on, or otherwise enforce any security interest in, any of the Collateral.

(b) If, at any time or times any Lender shall receive (i) by payment, foreclosure, setoff, or otherwise, any proceeds of Collateral or any payments with respect to the Obligations, except for any such proceeds or payments received by such Lender from Agent pursuant to the terms of this Agreement, or (ii) payments from Agent in excess of such Lender's Pro Rata Share of all such distributions by Agent, such Lender promptly shall (1) turn the same over to Agent, in kind, and with such endorsements as may be required to negotiate the same to Agent, or in immediately available funds, as applicable, for the account of all of the Lenders and for application to the Obligations in accordance with the applicable provisions of this Agreement, or (2) purchase, without recourse or warranty, an undivided interest and participation in the Obligations owed to the other Lenders so that such excess payment received shall be applied ratably as among the Lenders in accordance with their Pro Rata Shares; provided, however, that if all or part of such excess payment received by the purchasing party is thereafter recovered from it, those purchases of participations shall be rescinded in whole or in part, as applicable, and the applicable portion of the purchase price paid therefor shall be returned to such purchasing party, but without interest except to the extent that such purchasing party is required to pay interest in connection with the recovery of the excess payment.

16.14 AGENCY FOR PERFECTION. Agent hereby appoints each other Lender as its agent (and each Lender hereby accepts such appointment) for the purpose of perfecting the Agent's Liens in assets which, in accordance with Article 9 of the Code can be perfected only by possession or control. Should any Lender obtain possession or control of any such Collateral or any other collateral securing the Obligations, such Lender shall notify Agent thereof, and, promptly upon Agent's request therefor shall deliver possession or control of such Collateral or any other collateral securing the Obligations to Agent or in accordance with Agent's instructions.

16.15 PAYMENTS BY AGENT TO THE LENDERS. All payments to be made by Agent to the Lenders shall be made by bank wire transfer or internal transfer of immediately available funds pursuant to such wire transfer instructions as each party may designate for itself by written notice to Agent. Concurrently with each such payment, Agent shall identify whether such payment (or any portion thereof) represents principal, premium, or interest of the Obligations.

16.16 CONCERNING THE COLLATERAL AND RELATED LOAN DOCUMENTS. Each member of the Lender Group authorizes and directs Agent to enter into this Agreement and the other Loan

Documents relating to the Collateral or other collateral securing the Obligations, for the benefit of the Lender Group and the Bank Product Providers. Each member of the Lender Group agrees that any action taken by Agent in accordance with the terms of this Agreement or the other Loan Documents relating to the Collateral or any other collateral securing the Obligations and the exercise by Agent of its powers set forth therein or herein, together with such other powers that are reasonably incidental thereto, shall be binding upon all of the Lenders.

16.17 FIELD AUDITS AND EXAMINATION REPORTS; CONFIDENTIALITY; DISCLAIMERS BY LENDERS; OTHER REPORTS AND INFORMATION. By becoming a party to this Agreement, each Lender:

(a) is deemed to have requested that Agent furnish such Lender, promptly after it becomes available, a copy of each field audit or examination report (each a "Report" and collectively, "Reports") prepared by or at the request of Agent, and Agent shall so furnish each Lender with such Reports,

(b) expressly agrees and acknowledges that Agent does not
(i) make any representation or warranty as to the accuracy of any Report, and
(ii) shall not be liable for any information contained in any Report,

(c) expressly agrees and acknowledges that the Reports are not comprehensive audits or examinations, that Agent or other party performing any audit or examination will inspect only specific information regarding Borrowers and will rely significantly upon Loan Parties' Books, as well as on representations of Borrowers' personnel,

(d) agrees to keep all Reports and other material, non-public information regarding Borrowers and their Subsidiaries and their operations, assets, and existing and contemplated business plans in a confidential manner in accordance with Section 17.10, and

(e) without limiting the generality of any other indemnification provision contained in this Agreement, agrees: (i) to hold Agent and any such other Lender preparing a Report harmless from any action the indemnifying Lender may take or conclusion the indemnifying Lender may reach or draw from any Report in connection with any loans or other credit accommodations that the indemnifying Lender has made or may make to Borrowers, or the indemnifying Lender's participation in, or the indemnifying Lender's purchase of, a loan or loans of Borrowers; and (ii) to pay and protect, and indemnify, defend and hold Agent, and any such other Lender preparing a Report harmless from and against, the claims, actions, proceedings, damages, costs, expenses, and other amounts (including, attorneys fees and costs) incurred by Agent and any such other Lender preparing a Report as the direct or indirect result of any third parties who might obtain all or part of any Report through the indemnifying Lender.

In addition to the foregoing: (x) any Lender may from time to time request in writing that Agent provide to such Lender a copy of any report or document provided by Borrowers to Agent that has not been contemporaneously provided by Borrowers to such Lender, and, upon receipt of such request, Agent shall provide a copy of same to such Lender, (y) to the extent that Agent is entitled, under any provision of the Loan Documents, to request additional reports or information from Borrowers, any Lender may, from time to time, reasonably request Agent to exercise such

right as specified in such Lender's notice to Agent, whereupon Agent promptly shall request of Administrative Borrower the additional reports or information reasonably specified by such Lender, and, upon receipt thereof from Administrative Borrower, Agent promptly shall provide a copy of same to such Lender, and (z) any time that Agent renders to Administrative Borrower a statement regarding the Loan Account, Agent shall send a copy of such statement to each Lender.

16.18 SEVERAL OBLIGATIONS; NO LIABILITY. Notwithstanding that certain of the Loan Documents now or hereafter may have been or will be executed only by or in favor of Agent in its capacity as such, and not by or in favor of the Lenders, any and all obligations on the part of Agent (if any) or any Lender to make any credit available hereunder shall constitute the several (and not joint) obligations of the respective Lenders on a ratable basis, according to their respective Commitments, to make an amount of such credit not to exceed, in principal amount, at any one time outstanding, the amount of their respective Commitments. Nothing contained herein shall confer upon any Lender any interest in, or subject any Lender to any liability for, or in respect of, the business, assets, profits, losses, or liabilities of any other Lender. Each Lender shall be solely responsible for notifying its Participants of any matters relating to the Loan Documents to the extent any such notice may be required, and no Lender shall have any obligation, duty, or liability to any Participant of any other Lender. Except as provided in Section 16.7, no member of the Lender Group shall have any liability for the acts or any other member of the Lender Group. No Lender shall be responsible to any Borrower or any other Person for any failure by any other Lender to fulfill its obligations to make credit available hereunder, nor to advance for it or on its behalf in connection with its Commitment, nor to take any other action on its behalf hereunder or in connection with the financing contemplated herein.

16.19 [INTENTIONALLY OMITTED.]

16.20 ADDITIONAL AGENTS. None of the Lenders or other entities identified on the facing page of or elsewhere in this Agreement as a "Lead Arranger", "Syndication Agent" or "Co-Documentation Agent" shall have any right, power, obligation, liability, responsibility or duty under this Agreement or any other Loan Document other than those applicable to all Lenders as such. Without limiting the foregoing, none of the Lenders so identified shall have or be deemed to have any fiduciary relationship with any other Lender. Each Lender acknowledges that it has not relied, and will not rely, on any of the Lenders or other entities so identified in deciding to enter into this Agreement or any other Loan Document or in taking or not taking action hereunder or thereunder.

16.21 QUEBEC SECURITY. For greater certainty, and without limiting the powers of Agent or any other Person acting as an agent for the Lender Group hereunder or under any of the Loan Documents, each Borrower hereby acknowledges that, for purposes of holding any Liens, including hypothecs, granted or to be granted by any Borrower or any Guarantor on movable or immovable property pursuant to the laws of the Province of Quebec to secure obligations of any Borrower or any Guarantor under any bond issued by any Borrower or any Guarantor, Agent shall be the holder of an irrevocable power of attorney (fonde de pouvoir within the meaning of Article 2692 of the Civil Code of Quebec) for and on behalf of (i) all present and future Lenders (including the Issuing Lender), (ii) the Issuing Lender and the Underlying Issuer that may from time to time, and respectively, issue L/C and L/C Undertaking for the account of Borrowers, and

(iii) any Bank Product Provider that may from time to time extend Bank Products to Administrative Borrower or its Subsidiaries. Each Lender (including the Issuing Lender), for itself and on behalf of any Underlying Issuer that issues or may issue L/C Undertaking for the account of Borrowers and any Bank Product Provider that extends or may extend Bank Products to the Administrative Borrower or its Subsidiaries, hereby (i) irrevocably constitutes, to the extent necessary Agent as the holder of an irrevocable power of attorney (fonde de pouvoir within the meaning of Article 2692 of the Civil Code of Quebec) in order to hold Liens, including hypothecs, granted or to be granted by any Borrower or any Guarantor on movable and immovable property pursuant to the laws of the Province of Quebec to secure obligations of any Borrower or any Guarantor under any bond issued by any Borrower or any Guarantor; and (ii) appoints and agrees that Agent, acting as administrative agent for the Lenders (including the Issuing Lender) may act as the bondholder and mandatory with respect to any bond that may be issued and pledged from time to time for the benefit of the Lenders (including the Issuing Lender), any Underlying Issuer and any Bank Product Provider.

The said constitution of the fonde de pouvoir (within the meaning of Article 2692 of the Civil Code of Quebec) as the holder of such irrevocable power of attorney and of Agent as bondholder and mandatory with respect to any bond that may be issued and pledged from time to time for the benefit of the Lenders (including the Issuing Lender), the Underlying Issuer and the Bank Product Provider shall be deemed to have been ratified and confirmed as follows:

(i) by any Assignee by the execution of an Assignment and Acceptance;

(ii) by any Issuing Lender, Underlying Issuer or Bank Product Provider by the issuance or execution, as the case may be, of L/C, L/C Undertaking or Bank Product; and

(iii) by any assignee of the Issuing Lender, the Underlying Issuer or of the Bank Product Provider by the execution of an assignment agreement.

Notwithstanding the provisions of Section 32 of the An Act respecting the special powers of legal persons (Quebec), Agent may purchase, acquire and be the holder of any bond issued by any Borrower or any Guarantor (i.e. the fonde de pouvoir may acquire and hold the first bond issued under any deed of hypothec granted by any Borrower or any Guarantor). Each Borrower hereby acknowledges that any such bond shall constitute a title of indebtedness, as such term is used in Article 2692 of the Civil Code of Quebec.

Agent herein appointed as fonde de pouvoir shall have the same rights, powers and immunities as the Agent as stipulated in this Article 16, which shall apply mutates mutandis. Without limitation, the provisions of Section 16.9 shall apply mutates mutandis to the resignation and appointment of a successor to Agent acting as fonde de pouvoir.

17. GENERAL PROVISIONS.

17.1 EFFECTIVENESS. This Agreement shall be binding and deemed effective when executed by Borrowers, Agent, and each Lender whose signature is provided for on the signature pages hereof.

17.2 SECTION HEADINGS. Headings and numbers have been set forth herein for convenience only. Unless the contrary is compelled by the context, everything contained in each Section applies equally to this entire Agreement.

17.3 INTERPRETATION. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against the Lender Group or Borrowers, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by all parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to accomplish fairly the purposes and intentions of all parties hereto.

17.4 SEVERABILITY OF PROVISIONS. Each provision of this Agreement shall be severable from every other provision of this Agreement for the purpose of determining the legal enforceability of any specific provision.

17.5 AMENDMENTS IN WRITING. This Agreement only can be amended by a writing in accordance with Section 15.1.

17.6 COUNTERPARTS; TELEFACSIMILE EXECUTION. This Agreement may be executed in any number of counterparts and by different parties on separate 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 Agreement by telefacsimile shall be equally as effective as delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telefacsimile also shall deliver an original executed counterpart of this Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement. The foregoing shall apply to each other Loan Document mutatis mutandis.

17.7 REVIVAL AND REINSTATEMENT OF OBLIGATIONS. If the incurrence or payment of the Obligations by any Borrower or any Guarantor or the transfer to the Lender Group of any property should for any reason subsequently be declared to be void or voidable under any state or federal law relating to creditors' rights, including provisions of the Bankruptcy Code relating to fraudulent conveyances, preferences, or other voidable or recoverable payments of money or transfers of property (collectively, a "Voidable Transfer"), and if the Lender Group is required to repay or restore, in whole or in part, any such Voidable Transfer, or elects to do so upon the reasonable advice of its counsel, then, as to any such Voidable Transfer, or the amount thereof that the Lender Group is required or elects to repay or restore, and as to all reasonable costs, expenses, and attorneys fees of the Lender Group related thereto, the liability of Borrowers or Guarantors automatically shall be revived, reinstated, and restored and shall exist as though such Voidable Transfer had never been made.

17.8 INTEGRATION. This Agreement, together with the other Loan Documents, reflects the entire understanding of the parties with respect to the transactions contemplated hereby and shall not be contradicted or qualified by any other agreement, oral or written, before the date hereof.

17.9 PARENT AS AGENT FOR BORROWERS.

Each Borrower hereby irrevocably appoints Parent as the borrowing agent and attorney-in-fact for all Borrowers (the "Administrative Borrower") which appointment shall remain in full force and effect unless and until Agent shall have received prior written notice signed by each Borrower that such appointment has been revoked and that another Borrower has been appointed Administrative Borrower. Each Borrower hereby irrevocably appoints and authorizes the Administrative Borrower (i) to provide Agent with all notices with respect to Advances and Letters of Credit obtained for the benefit of any Borrower and all other notices and instructions under this Agreement and (ii) to take such action as the Administrative Borrower deems appropriate on its behalf to obtain Advances and Letters of Credit and to exercise such other powers as are reasonably incidental thereto to carry out the purposes of this Agreement. It is understood that the handling of the Loan Account and Collateral of Borrowers in a combined fashion, as more fully set forth herein, is done solely as an accommodation to Borrowers in order to utilize the collective borrowing powers of Borrowers in the most efficient and economical manner and at their request, and that Lender Group shall not incur liability to any Borrower as a result hereof. Each Borrower expects to derive benefit, directly or indirectly, from the handling of the Loan Account and the Collateral in a combined fashion since the successful operation of each Borrower is dependent on the continued successful performance of the integrated group. To induce the Lender Group to do so, and in consideration thereof, each Borrower hereby jointly and severally agrees to indemnify each member of the Lender Group and hold each member of the Lender Group harmless against any and all liability, expense, loss or claim of damage or injury, made against the Lender Group by any Borrower or by any third party whosoever, arising from or incurred by reason of (a) the handling of the Loan Account and Collateral of Borrowers as herein provided, (b) the Lender Group's relying on any instructions of the Administrative Borrower, or (c) any other action taken by the Lender Group hereunder or under the other Loan Documents, except that Borrowers will have no liability to the relevant Agent-Related Person or Lender-Related Person under this Section 17.9 with respect to any liability that has been finally determined by a court of competent jurisdiction to have resulted solely from the gross negligence or willful misconduct of such Agent-Related Person or Lender-Related Person, as the case may be.

17.10 CONFIDENTIALITY. Agent and the Lenders each individually (and not jointly or jointly and severally) agree that material, non-public information regarding Borrowers and their Subsidiaries, their operations, assets, and existing and contemplated business plans shall be treated by Agent and the Lenders in a confidential manner, and shall not be disclosed by Agent and the Lenders to Persons who are not parties to this Agreement, except: (a) to attorneys for and other advisors, accountants, auditors, and consultants to any member of the Lender Group, (b) to Subsidiaries and Affiliates of any member of the Lender Group (including the Bank Product Providers), provided that any such Subsidiary or Affiliate shall have agreed to receive such information hereunder subject to the terms of this Section 17.10, (c) as may be required by statute, decision, or the Court or other judicial or administrative order, rule, or regulation, (d) as may be agreed to in advance by Administrative Borrower or its Subsidiaries or as requested or required by any Governmental Authority pursuant to any subpoena or other legal process, (e) as to any such information that is or becomes generally available to the public (other than as a result of prohibited disclosure by Agent or the Lenders), (f) in connection with any assignment, prospective assignment, sale, prospective sale, participation or prospective participations, or

pledge or prospective pledge of any Lender's interest under this Agreement, provided that any such assignee, prospective assignee, purchaser, prospective purchaser, participant, prospective participant, pledgee, or prospective pledgee shall have agreed in writing to in writing to receive such information hereunder subject to the terms of this Section, and (g) in connection with any litigation or other adversary proceeding involving parties hereto which such litigation or adversary proceeding involves claims related to the rights or duties of such parties under this Agreement or the other Loan Documents. The provisions of this
Section 17.10 shall survive for 2 years after the payment in full of the Obligations. Anything contained herein or in any other Loan Document to the contrary notwithstanding, the obligations of confidentiality contained herein and therein, as they relate to the transactions contemplated hereby, shall not apply to the federal tax structure or federal tax treatment of such transactions, and each party hereto (and any employee, representative, or agent of any party hereto) may disclose to any and all Persons, without limitation of any kind, the federal tax structure and federal tax treatment of such transactions (including all written materials related to such tax structure and tax treatment). The preceding sentence is intended to cause the transactions contemplated hereby to not be treated as having been offered under conditions of confidentiality for purposes of Section 1.6011-4(b)(3) (or any successor provision) of the Treasury Regulations promulgated under Section 6011 of the IRC and shall be construed in a manner consistent with such purpose. In addition, each party hereto acknowledges that it has no proprietary or exclusive rights to the tax structure of the transactions contemplated hereby or any tax matter or tax idea related thereto.

17.11 AGENT AS PARTY IN INTEREST. Each Borrower hereby stipulates and agrees that, until the repayment in full of the Obligations and the termination of this Agreement, Agent is and shall remain a party in interest in the Chapter 11 Case and shall have the right to participate, object and be heard in any motion or proceeding in connection therewith. Without limitation of the foregoing, Agent shall have the right to make any motion or raise any objection it deems to be in its interest (specifically including but not limited to objections to use of proceeds of the Advances, to payment of professional fees and expenses or the amount thereof, to sales or other transactions outside the ordinary course of business or to assumption or rejection of any executory contract or lease), until the repayment in full of the Obligations and the termination of this Agreement.

[Signature page to follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered as of the date first above written.

AMERCO, a Nevada corporation

By: _____ Title: _____

AMERCO REAL ESTATE COMPANY, a
Nevada corporation

By: _____ Title: _____

WELLS FARGO FOOTHILL, INC.
a California corporation, as Agent and as Lender

By: _____
Title: _____

DIP LOAN AND SECURITY AGREEMENT

SCHEDULE A-2
AGENT'S ACCOUNT

An account at a bank designated by Agent from time to time as the account into which Borrowers shall make all payments to Agent for the benefit of the Lender Group and into which the Lender Group shall make all payments to Agent under this Agreement and the other Loan Documents; unless and until Agent notifies Administrative Borrower and the Lender Group to the contrary, Agent's Account shall be that certain deposit account bearing account number 323-266193 and maintained by Agent with JPMorgan Chase Bank, 4 New York Plaza, 15th Floor, New York, New York 10004, ABA #021000021.

SCHEDULE C-2
COMMITMENTS

LENDER	REVOLVER COMMITMENT	TERM LOAN COMMITMENT	TOTAL COMMITMENT
Wells Fargo Foothill, Inc.	$ 250,000,000	$ 50,000,000	$ 300,000,000
All Lenders	$ 250,000,000	$ 50,000,000	$ 300,000,000

SCHEDULE D-1
DESIGNATED ACCOUNT

Account number 42-4903 of Administrative Borrower maintained with Administrative Borrower's Designated Account Bank, or such other deposit account of Administrative Borrower (located within the United States) that has been designed as such, in writing, by Administrative Borrower to Agent.

"Designated Account Bank" means Bank One Arizona whose office is located at 201 North Central Avenue, Phoenix, Arizona 85004 and whose ABA number is 122100024

SCHEDULE 3.2(h)
ZONING LETTERS

1. 6889 New Hampshire A., Takoma Park, Maryland ($2,150,000) (818070) (Owner: AREC)

2. 3175 S. Fort, Detroit, Michigan ($1,720,000) (754071) (Owner: AREC)

3. 1649 N. Telegraph Road, Monroe, Michigan ($1,000,000) (765064) (Owner: AREC)

4. 1901 Eubank NE, Albuquerque, New Mexico ($683,000) (724052) (Owner: AREC)

5. 13645 1st Avenue South, Bunen, Washington ($450,000) (701066) (Owner: **AREC)**

6. 18270 Telegraph, Detroit, Michigan ($400,000) (754056) (Owner: UREC)

7. 13020 Grand River Avenue, Detroit, Michigan ($60,000) (615087) (Owner: **AREC)**

8. 2701 N. Shadeland Avenue, Indianapolis, Indiana

EXHIBIT 10.71

AMERCO REVOLVER LENDERS RESTRUCTURING AGREEMENT

This AMERCO Revolver Lenders Restructuring Agreement (this "Agreement") is made and entered into as of August __ 2003, by AMERCO, a Nevada corporation ("AMERCO"), JPMorgan Chase Bank, as Administrative Agent under the Credit Agreement described below (the "Administrative Agent"), and the lenders under the Credit Agreement described below (the "Revolver Lenders"). AMERCO, the Administrative Agent and the Revolver Lenders are collectively referred to herein as the "Parties" and individually as a "Party."

RECITALS

WHEREAS, AMERCO, the Administrative Agent and the Revolver Lenders have engaged in good faith negotiations with the objective of reaching an agreement with regard to the restructuring of the indebtedness of AMERCO under that certain 3-Year Credit Agreement dated as of June 28, 2002 (as amended to date, the "Credit Agreement"), among AMERCO, the Revolver Lenders and JPMorgan Chase Bank, as Administrative Agent for the Revolver Lenders, and the recapitalization of AMERCO and its subsidiaries.

WHEREAS, on June 20, 2003, AMERCO filed for relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. Section Section 101, et. seq. (the "Bankruptcy Code"), which case is pending before the United States Bankruptcy Court for the District of Nevada (the "Bankruptcy Court") and on August 13, 2003, AMERCO Real Estate Company ("AREC") filed for relief under Chapter 11 of the Bankruptcy Code, which case is also pending before the Bankruptcy Court.

WHEREAS, AMERCO, the Administrative Agent and the Revolver Lenders desire to implement the financial restructuring consistent with this Agreement and the term sheet attached hereto as Exhibit A (the "Term Sheet," and the restructuring and recapitalization contemplated therein, the "Financial Restructuring").

WHEREAS, in order to implement the Financial Restructuring, AMERCO intends, subject to the terms and conditions of this Agreement and the Term Sheet, to prepare a plan of reorganization (the "Plan") and a disclosure statement (the "Disclosure Statement")1 consistent with the terms set forth in this Agreement and the Term Sheet, to file and seek approval of such Disclosure Statement, to solicit acceptances of such Plan, and to seek confirmation of such Plan in its administratively consolidated Chapter 11 cases, as expeditiously as possible under the Bankruptcy Code and the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").

WHEREAS, the Administrative Agent and each consenting Lender (collectively, the "Consenting Parties") owns or controls the aggregate principal amount of revolving loans under the Credit Agreement ("Existing Loans"), in each case as identified on the signature pages hereto.

WHEREAS, in order to facilitate and expedite the implementation of the Financial Restructuring, the Administrative Agent and the Consenting Parties are prepared, subject to the terms and conditions of this Agreement, to vote their Claims (as that term is defined in the Bankruptcy Code) to accept the Plan.

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1 For purposes of this Agreement, the terms "Plan" and "Disclosure Statement" shall mean a Plan and Disclosure Statement consistent with the terms set forth in this Agreement and the Term Sheet.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Recitals. Each of the foregoing Recitals is incorporated hereby as if fully set forth herein.

2. Voting in Favor of the Plan. Each Consenting Party agrees to timely vote its claim under the Credit Agreement to accept the Plan and not to revoke or withdraw such vote. The Parties understand that the Plan and all related documents will contain customary provisions for transactions of the nature set forth herein and in the Term Sheet. Each Consenting Party to this Agreement agrees not to elect on its ballot for its Credit Agreement Claim to preserve any rights, if any, that such Party may have that may be affected by the releases provided for under the Plan.

3. Restrictions on Transfer. Each Consenting Party hereby agrees, so long as this Agreement remains in effect, not to (i) sell, transfer, assign, pledge, or otherwise dispose of any of its Existing Loans, in whole or in part, or any interest therein, unless the transferee accepts such claims subject to the terms of this Agreement, or (ii) grant any proxies, deposit any of its Existing Loans into a voting trust, or enter into a voting agreement with respect to any of the Existing Loans unless such arrangement provides for compliance herewith. In the event that a Consenting Party transfers such Existing Loans prior to the last date for voting on the Plan, such transferee shall comply with and be subject to all the terms of this Agreement as long as such Agreement remains in effect, including, but not limited to, such Consenting Party's obligations to vote its Existing Loans in favor of the Plan and shall, as a condition precedent to such transfer, execute an agreement on terms substantially identical to the terms of this Agreement and, upon commencement of the solicitation of votes to accept or reject the Plan, a ballot for the Existing Loan indicating its acceptance of the Plan.

4. AMERCO Agreements. During the term of this Agreement, AMERCO hereby agrees to the following:

(a) AMERCO shall use its commercially reasonable efforts to have the Disclosure Statement approved by the Bankruptcy Court, and to use its commercially reasonable efforts to obtain an order of the Bankruptcy Court confirming the Plan, in each case as expeditiously as possible under the Bankruptcy Code and the Bankruptcy Rules and consistent with the terms and conditions set forth in this Agreement and in the Term Sheet.

(b) AMERCO shall use its commercially reasonable efforts to obtain approval by the Bankruptcy Court of the $300,000,000 debtor-in-possession financing facility (the "DIP Facility") based on the Term Sheet (the "Foothill Term Sheet") provided to AMERCO by Wells Fargo Foothill, Inc., as lead arranger, collateral agent, syndication agent and administrative agent ("Foothill"), and an emergence facility of approximately $650,000,000 also to be provided by Foothill on the confirmation and consummation of the Plan (the "Emergence Facility"). Notwithstanding the references in this Agreement or the Term Sheet to Foothill and the Foothill Term Sheet, AMERCO may select an alternative

senior lender or lenders to provide the DIP Facility or the Emergence Facility under terms substantially similar to the Foothill Term Sheet.

5. Support of the Plan. As long as this Agreement remains in effect, AMERCO and each Consenting Party (acting only in its capacity as the holder of an Existing Loan) will: (i) use its commercially reasonable efforts to obtain confirmation of the Plan in accordance with the Bankruptcy Code as expeditiously as possible; and (ii) take all commercially reasonable, necessary and appropriate actions to achieve confirmation including communicating the Consenting Holders' support of the Plan to the holders of allowed impaired claims. As long as this Agreement remains in effect, no Consenting Party, acting in its capacity as a holder of an Existing Loan, shall (a) object to confirmation of the Plan or otherwise commence any proceeding to oppose or alter the Plan or any other reorganization related documents or agreements (the "Plan Documents"), which shall include, but not be limited to, any documents or agreements related to the DIP Facility and the Emergence Facility, to the extent such documents, in the reasonable judgment of the Consenting Parties, substantially conform to the terms of the Foothill Term Sheet, (b) vote for, consent to, support or participate in the formulation of any other plan of reorganization or liquidation proposed or filed or to be proposed or filed in any Chapter 11 or Chapter 7 case commenced in respect of AMERCO, (c) directly or indirectly seek, solicit, support or encourage any other plan, sale, proposal or offer of dissolution, winding up, liquidation, reorganization, merger or restructuring of AMERCO or any of its subsidiaries that could reasonably be expected to materially prevent, delay or impede the successful restructuring of AMERCO as contemplated by the Plan or the Plan Documents, (d) object to the Disclosure Statement or the solicitation of consents to the Plan, or (e) take any other action that is inconsistent with, or that would materially delay confirmation of, the Plan.

6. Acknowledgment. This Agreement is not, and shall not be deemed to be, a solicitation for consents to the Plan. The acceptances of the Consenting Parties will not be solicited until such Parties have received the Disclosure Statement approved by order of the Bankruptcy Court as continuing "adequate information," as such term is defined in Section 1125(a)(1) and (2) the Bankruptcy Code, the Plan and related ballot.

7. Disclaimer. The Parties agree that a copy of this Agreement shall be filed with the Bankruptcy Court.

8. Termination of Agreement.

(a) Upon the effectiveness of this Agreement in accordance with
Section 23, the obligations of AMERCO, the Consenting Parties and the Administrative Agent hereunder shall remain effective and binding until the "Effective Date" (as defined in the Term Sheet) of the Plan unless terminated earlier pursuant to this Section 8.

(b) If any of the following occurs, one or more Revolver Lenders whose claims in respect of the Existing Loans equal or exceed two-thirds in amount of the total of the Existing Loans, may provide written notice to AMERCO of the termination of this Agreement, and upon the receipt of such notice by AMERCO, the obligations of the Parties hereunder shall immediately and automatically terminate and shall be of no further force or effect, which notice may be given by any such Revolver Lenders:

(1) the Plan or any Plan Document provides for or is modified to provide for treatment of the Existing Loans that is different in any material adverse respect from the treatment described in the Term Sheet;

(2) the Plan or any Plan Document provides or is modified to provide for the treatment of the Senior Notes, Series A, due April 30, 2012 and Senior Notes, Series B, due April 30, 2007 (collectively, the "Notes"), issued by AREC, under that certain Note Purchase Agreement dated March 15, 2002, that is different in any material adverse respect from the treatment described in that certain Restructuring Agreement dated as of August 12, 2003, among the holders of the Notes and AREC, a copy of which has been filed with the Bankruptcy Court.

(3) AMERCO or AREC pays to the Indenture Trustee on behalf of the holders of the Notes any cash from the DIP Facility.

(4) AMERCO fails to file the Plan and Disclosure Statement on or before October 15, 2003;

(5) the Disclosure Statement is not approved on or before December 15, 2003;

(6) the Plan is not confirmed on or before February 27, 2004;

(7) the Plan is not consummated on or before March 15, 2004;

(8) the Bankruptcy Court does not approve the Emergence Facility as part of the confirmation and consummation of the Plan;

(9) the revolving credit facility exceeds $200,000,000 in face amount and the "Term Loan A Notes" exceeds $350,000,000 in face amount (as such terms are defined in the attached Term Sheet);

(10) the "Term Loan B Notes" exceeds $200,000,000 in face amount (as such term is defined in the attached Term Sheet);

(11) the Bankruptcy Court denies confirmation of the Plan;

(12) the Chapter 11 case of AMERCO or AREC is converted to a case under Chapter 7 of the Bankruptcy Code or a trustee is appointed under any chapter of the Bankruptcy Code or an examiner with expanded powers to operate the business is appointed for AMERCO or AREC;

(13) any written representation or warranty made by AMERCO or AREC to the Administrative Agent or the Revolver Lenders in this Agreement or the Term Sheet (including without limitation, representations relating to AMERCO's or AREC's current or future financial performance or AMERCO's FY2003 Form 10-K) is false or intentionally misleading in any material respect when made;

(14) a default occurs under the DIP Facility and is not waived by the lenders under the DIP Facility within fifteen business days after such lenders become aware of such default;

(15) there is a material breach of any provision of this Agreement;

(16) the Bankruptcy Court finds or holds unenforceable this Agreement, the Term Sheet, or any material provision hereof or thereof;

(17) the estates of AMERCO and any other entity, including, without limitation, AREC, are substantively consolidated, other than through the Plan;

(18) a voluntary or involuntary bankruptcy, receivership, or assignment for the benefit of creditors proceeding is commenced by or against U-Haul International, Inc. or any other material subsidiary of AMERCO or AREC, other than as part of the implementation of the Plan; or

(19) a "Termination Event" occurs under the "Final Order Authorizing Consensual Use Of Cash Collateral And Granting Adequate Protection," entered August 14, 2003, in the AMERCO Chapter 11 case (the "Cash Collateral Order") (other than the Termination Event set forth in paragraph 11(b) of such Order).

(c) Except as set forth in Section 8(d), no Party shall have any liability to the other or any other person as a result of the termination of such Party's obligations hereunder in accordance with this Section 8.

(d) If this Agreement is found to be unenforceable by the Bankruptcy Court or if AMERCO materially breaches its obligations under this Agreement or the Term Sheet, each of the Administrative Agent, the Revolver Lenders and AMERCO hereby agrees that the Revolver Lenders shall be entitled to receive accrued and unpaid default interest on the principal amount owed to the Revolver Lenders as set forth in the Credit Agreement and related documents, from the effectiveness of this Agreement up to the confirmation and consummation of a plan of reorganization in the Chapter 11 Case and AMERCO shall not object to such claim being an allowed claim in the Chapter 11 Case.

9. Good Faith Negotiation of Documents. Each Party hereby further covenants and agrees to negotiate the definitive documents relating to the Plan Documents, in good faith, and in any event, in all material respects consistent with the Term Sheet.

10. Forbearance. As long as this Agreement shall remain in effect, each Consenting Party hereby severally agrees to forbear (and where necessary cause the forbearance, including by giving all necessary instructions to the Administrative Agent in accordance with the Credit Agreement) from exercising any rights or remedies it may have under the Credit Agreement and all related documents, applicable law, or otherwise with respect to any default with respect to the Existing Loans or the Credit Agreement, whether presently existing or hereafter arising.

11. Representations and Warranties. Each Consenting Party (and with respect to sections (a)-(e), AMERCO) represents and warrants that the following statements are true, correct and complete as of the date hereof:

(a) Corporate Power and Authority. It is duly organized, validly existing, and in good standing under the laws of the state of its organization, and has all requisite corporate, partnership or limited liability company power and authority to enter into this Agreement and to carry out the transactions contemplated by, and perform its respective obligations under, this Agreement.

(b) Authorization. The execution and delivery of this Agreement and the performance of its obligations hereunder have been duly authorized by all necessary corporate, partnership or limited liability company action on its part.

(c) No Conflicts. The execution, delivery and performance by it of this Agreement do not and shall not (i) violate any provision of law, rule or regulation applicable to it or any of its subsidiaries or its certificate of incorporation or bylaws or other organizational documents or those of any of its subsidiaries or (ii) conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any material contractual obligation to which it or any of its subsidiaries is a party.

(d) Governmental Consents. The execution, delivery and performance by it of this Agreement do not and shall not require any registration or filing with consent or approval of, or notice to, or other action to, with or by, any federal, state or other governmental authority or regulatory body, other than the approval of the Bankruptcy Court, in the case of AMERCO.

(e) Binding Obligation. Subject to the provisions of Sections 1125 and 1126 of the Bankruptcy Code, this Agreement is the legally valid and binding obligation of AMERCO, enforceable against it in accordance with its terms.

(f) Owner of Claims. As of the date hereof, the Consenting Parties are the beneficial owners of, or holders of investment authority over, the Existing Loans that each Consenting Party has agreed to vote in favor of the Plan.

(g) Acknowledgment of Risks. Each Consenting Party has received and reviewed this Agreement and all schedules and exhibits hereto and has received all such information as it deems necessary and appropriate to enable it to evaluate whether to become a Consenting Party.

12. Further Acquisition of Claims. This Agreement shall in no way be construed to preclude any of the Revolver Lenders or the Administrative Agent from acquiring additional Existing Loans. However, any such additional Existing Loans so acquired shall automatically be deemed to be subject to the terms of this Agreement.

13. Amendments. This Agreement may not be modified, amended or supplemented without the prior written consent of AMERCO, the Administrative Agent and the Revolver

Lenders whose claims in respect of the Existing Loans equal or exceed two-thirds in amount of the total of the Existing Loans.

14. Governing Law; Jurisdiction. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York, without regard to any conflicts of law provision which would require the application of the law of any other jurisdiction. By its execution and delivery of this Agreement, each of the Parties hereto hereby irrevocably and unconditionally agrees for itself that any legal action, suit or proceeding against it with respect to any matter under or arising out of or in connection with this Agreement or for recognition or enforcement of any judgment rendered in any such action, suit or proceeding, may be brought in the United States District Court for the District of Nevada. By execution and delivery of this Agreement, each of the Parties hereto irrevocably accepts and submits itself to the nonexclusive jurisdiction of such court, generally and unconditionally, with respect to any such action, suit or proceeding. Notwithstanding the foregoing consent to Nevada jurisdiction, each of the Parties hereto hereby agrees that the Bankruptcy Court shall have exclusive jurisdiction of all matters arising out of or in connection with this Agreement.

15. Specific Performance. It is understood and agreed by each of the Parties hereto that money damages would not be a sufficient remedy for any breach of this Agreement by any Party and each non-breaching Party shall be entitled to specific performance and injunctive or other equitable relief as a remedy of any such breach.

16. Headings. The headings of the sections, paragraphs and subsections of this Agreement are inserted for convenience only and shall not affect the interpretation hereof.

17. Successors and Assigns. This Agreement is intended to bind *and inure to the benefit of the Parties and their respective successors, assigns, heirs, executors, administrators and representatives.

18. Prior Negotiations. This Agreement and the Term Sheet supersede all prior negotiations with respect to the subject matter hereof.

19. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement. Delivery of an executed counterpart of this Agreement by facsimile shall be equally as effective as delivery of the original executed counterpart of this Agreement.

20. No Third-Party Beneficiaries. Unless expressly stated herein, this Agreement shall be solely for the benefit of the Parties hereto and no other person or entity shall be a third-party beneficiary hereof, other than successors and assigns of any Party.

21. Consideration. It is hereby acknowledged by the Parties hereto that no consideration shall be due or paid to the Administrative Agent or any Lender for its agreement to vote to accept the Plan in accordance with the terms and conditions of this Agreement.

22. Notices. (a) All notices hereunder to be served to AMERCO shall be deemed given if in writing and delivered or sent by telecopy, courier or by registered or certified mail

(return receipt requested) to the following addresses or telecopier numbers (or at such other addresses or telecopier numbers as shall be specified by like notice):

AMERCO
2727 North Central Avenue
Suite 500
Phoenix, Arizona 85004
Attn: Robert Peterson
Fax:602-277-4879

with copy to:

SQUIRE, SANDERS & DEMPSEY L.L.P.
40 N. Central Avenue, Suite 2700
Phoenix, AZ 85004
Attn: Craig D. Hansen, Esq.
Fax:602-253-8129

(b) All notices hereunder to be served to a Consenting Party shall be deemed given if in writing and delivered or sent by telecopy, courier or by registered or certified mail (return receipt requested) to the address or telecopier number for such Consenting Party set forth above its signature hereto (or at such other addresses or telecopier numbers as shall be specified by like notice), with a copy to:

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP
300 South Grand
Avenue, 34th Floor
Los Angeles, CA 90071
Attn: Richard Levin, Esq.
Fax:213-687-5600

23. Effectiveness. This Agreement shall become effective when AMERCO has received counterparts of this Agreement duly executed and delivered by AMERCO, the Administrative Agent and Revolver Lenders holding at least two-thirds in principal in amount of the Existing Loans; provided that such condition of effectiveness may be waived by the written consent of each of AMERCO and the Consenting Parties.

24. Cash Collateral Order Unaffected. Nothing in this Agreement supercedes any provision in the Cash Collateral Order or is intended to constitute a consent by any Consenting Party beyond the consents under the Cash Collateral Order.

[Signature page follows]

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed and delivered by its duly authorized officer as of the date first above written.

AMERCO

By:

Name:
Title:

[Additional signature pages follow]

JPMORGAN CHASE BANK,
AS ADMINISTRATIVE AGENT

By:

Name:
Title:

REVOLVER LENDERS:

By:

Name:
Title:

Principal Amount of Loans Owned or Controlled: $

EXHIBIT A

AMERCO REVOLVER LENDERS

TERM SHEET

This Term Sheet describes the principal terms of the proposed restructuring and recapitalization of certain of the outstanding indebtedness of AMERCO, a Nevada corporation ("AMERCO"), pursuant to a plan of reorganization (the "Plan") in accordance with (a) Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code") and (b) the terms and conditions contained herein. This Term Sheet has been produced for discussion and settlement purposes only and is not an offer with respect to any securities or a solicitation of acceptances of the Plan.

CERTAIN DEFINITIONS

"AREC" means Amerco Real Estate Company.

"Effective Date" means the date the Plan becomes effective in accordance with its terms and conditions.

"Term Loan A Notes" means the notes to be issued by the Debtors, as reorganized, jointly and severally, on the Effective Date of the Plan, in the aggregate face amount not to exceed $350,000,000.

"Term Loan B Notes" means the notes to be issued by the Debtors, as reorganized, jointly and severally, on the Effective Date of the Plan, in the aggregate face amount not to exceed $200,000,000.

"Debtor or Debtors" means, collectively, AMERCO, AREC and any other affiliates or subsidiaries of AMERCO or AREC that file voluntary petitions for relief under Chapter 11 of the Bankruptcy Code, other than PAC Fourteen, Inc. and PAC Fifteen, Inc.

"New Notes" means, collectively, the Term Loan A Notes and the Term Loan B Notes.

"Noteholders" means the holders of the Notes.

CAPITALIZED TERMS USED HEREIN AND NOT OTHERWISE DEFINED SHALL HAVE THE RESPECTIVE MEANINGS ASCRIBED TO THEM IN THE AMERCO-REVOLVER LENDERS RESTRUCTURING AGREEMENT BY AND AMONG AMERCO, THE ADMINISTRATIVE AGENT AND THE REVOLVER LENDERS SIGNATORY THERETO (THE "RESTRUCTURING AGREEMENT").

TREATMENT OF REVOLVER LENDERS

CLASSIFICATION:	The Plan will place the claims of the Revolver Lenders under the Credit Agreement in a single class or subclass, and such class or subclass will be impaired and entitled to vote on the Plan.
CASH DISTRIBUTIONS FROM DIP FACILITY:	Upon execution of the Restructuring Agreement, the Revolver Lenders will receive a cash distribution of $51,250,000 (25% of the principal amount of the Existing Loans).
CASH DISTRIBUTIONS ON EFFECTIVE DATE:	On the Effective Date of the Plan, the Revolver Lenders will receive an additional cash distribution of $71,750,000 (35% of the principal amount of the Existing Loans), plus additional cash in the amount of any and all accrued but unpaid interest on the Existing Loans up to the Effective Date, payable at the non-default rate.
NEW NOTES:	$48,400,000 (23.6% of the principal amount of the Existing Loans) exchanged for and satisfied with Term Loan A Notes under the Emergence Facility in the amount (net after any discount) of $48,400,000, subject to the Syndication Terms set forth in this Term Sheet. $33,600,000 (16.4% of the principal amount of the Existing Loans) exchanged for and satisfied with Term Loan B Notes under the Emergence Facility having an aggregate Market Value (as defined below) of $33,600,000, subject to the Syndication Terms set forth in this Term Sheet.
TERMS OF NEW NOTES:	As the new notes are to be issued under the Emergence Facility, the new notes (under both Term Loan A and Term Loan B) will be identical to the notes issued under the Emergence Facility and will be issued under the same credit agreement, note purchase agreement, or comparable governing document, and will be governed by and entitled to all of the same benefits and terms as the Term Loan A Notes and Term Loan B Notes, including borrowers, guarantors, maturity date, early termination provisions, collateral, lien priority, interest rate, fees, and all other terms of the Foothill Term Sheet, subject to the qualification that the maturity of the New Notes may not exceed 5 years from date of issuance;

FEES:	On the Effective Date, the Revolver Lenders will receive 2% of the par amount of Term Loan B Notes actually issued to the Revolver Lenders, in addition to any fees provided under the Foothill Term Sheet generally to buyers of any of the Term Loan A or Term Loan B Notes.
CLOSING CONDITIONS	-Term Loan A and Term Loan B shall be subject to conditions precedent substantially similar to those set forth in the Foothill Term Sheet. -Treatment in the Chapter 11 case of the Noteholders will be substantially as set forth in that certain Restructuring Agreement dated as of August 12, 2003, among the Noteholders and AREC (the "Noteholders Restructuring Agreement"). - Treatment in the Chapter 11 case of AMERCO's general unsecured claims will provide for cash not in excess of 35% of their allowed general unsecured claims, with the balance thereof to be satisfied through a combination of Term Loan B Notes and other securities with a priority position junior to the Term Loan B Notes in the collateral securing the Term Loan B Notes.
RELEASE AND EXCULPATION PROVISIONS:	The Plan will contain release and exculpation provisions in substantially the following form: 1. As of the Effective Date, the Debtors and reorganized Debtors will be deemed to forever release, waive and discharge all claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action and liabilities whatsoever in connection with or related to the Debtors, the Chapter 11 cases or the Plan (other than the rights of the Debtors or reorganized Debtors to enforce the Plan and the contracts, instruments, releases, indentures, and other agreements or documents delivered thereunder) whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen on unforeseen, then existing or thereafter arising, in law, equity or otherwise that are based in whole or part on any act, omission, transaction, event or other occurrence taking place on or prior to the Effective Date in any way relating to the Debtors, the reorganized Debtors, the

Chapter 11 cases or the Plan, and that may be asserted by or on behalf of the Debtors or their estates or the reorganized Debtors against (a) the directors, officers, employees, agents and professionals of the Debtors, (b) the holders of prepetition lender claims and the agents thereof, (c) the DIP Facility agent and the holders of DIP Facility claims, (d) each Noteholder and Revolver Lender, and (e) the respective directors, officers, employees, agents and professionals of the entities released in subclauses (b) - (d) acting in such capacity.

2. As of the Effective Date, each prepetition lender, each Noteholder and Consenting Party (solely in its capacity as the holder of an Existing Loan) and each holder of an impaired claim that affirmatively elects on the ballot for voting on the Plan to do so, shall in consideration for the obligations of the Debtors and the reorganized Debtors under the Plan and the securities, contracts, instruments, releases and other agreements or documents to be delivered in connection with the Plan, forever release, waive and discharge all claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action and liabilities (other than the rights to enforce the Debtors' or the reorganized Debtors' obligations under the Plan and the securities, contracts, instruments, releases and other agreements and documents delivered thereunder), whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise that are based in whole or in part on any act, omission, transaction, event on other occurrence taking place on or prior to the Effective Date in any way relating to the Debtors, the reorganized Debtors, the Chapter 11 cases, or the Plan against (a) the Debtors and the reorganized Debtors, (b) the directors, officers, employees, agents and professionals of the Debtors, (c) the holders of prepetition lender claims and the agents thereof, (d) the DIP Facility agent and the holders of DIP Facility claims, (e) each Noteholder and Revolver Lender, and (f) the respective directors, officers, employees, agents and professionals of the entities released in subclauses (c) - (e) acting in such capacity.

3. None of the Debtors, the reorganized Debtors, the

Noteholders, the Revolver Lenders, holders of DIP Facility claims, the DIP Facility agent, the holders of prepetition lender claims, the agents thereto, nor any of their respective present or former members, officers, directors, employees, advisors, or attorneys shall have or incur any liability to any holder of a claim or an interest, or any other party in interest, or any of their respective agents, employees, representatives, financial advisors, attorneys, or affiliates, or any of their successors or assigns, for any act or omission in connection with, relating to, or arising out of, the Chapter 11 cases, formulating negotiating or implementing the Plan, the solicitation of acceptances of the Plan, the pursuit of confirmation of the Plan, the confirmation of the Plan, the consummation of the Plan, or the administration of the Plan or the property to be distributed under the Plan, except for their gross negligence or willful misconduct, and in all respects shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities under the Plan.

EMERGENCE FACILITY: On the Effective Date, the Debtors shall close the Emergence Facility with substantially the terms and conditions set forth in the Foothill Term Sheet.

All funded obligations outstanding under the DIP Facility on the Effective Date shall be repaid from borrowings under the Emergence Facility.

SYNDICATION RIGHTS: 1. AMERCO will obtain ratings for the Term Loan B Notes from either S&P or Moody's prior to closing.

2. If the Term Loan B Notes are syndicated as described below, then the "Market Value" of the Term Loan B Notes shall be the price (net after any discounts) at which Term Loan B Notes are purchased in such syndication.

3. AMERCO will use its best efforts to arrange for the placement of a portion of the Term Loan B Notes to Market Participants (as defined below). The proceeds of any commitments from new Market Participants above $30 million aggregate face amount of Term Loan B Notes will be paid initially to the Revolver Lenders until the total cash received by the Revolver Lenders equals 65% of the principal amount of the Existing Loans, and

all proceeds thereafter will be paid, on a pro rata basis, to the Revolver Lenders and Noteholders, in lieu of an equal amount of Term Loan B Notes to reduce, on a pro rata basis, the principal amounts of Term Loan B Notes to be distributed to the Revolver Lenders and the Noteholders under the Plan in accordance with this Restructuring Agreement and the Noteholders Restructuring Agreement.

4. In addition to any fees payable to the Revolver Lenders under "Fees" above, to the extent the Term Loan B Notes are offered in a syndication with fees, discounts, increased spreads or any other additional compensation not already taken into account in the determination of Market Value (whether paid pre- or post-closing of the Term Loan B Notes, and including any "pricing flex"), the Revolver Lenders will fully participate therein, on the same terms offered or issued to each other holder of Term Loan B Notes.

5. If less than $20 million of Term Loan B Notes are sold to Market Participants on the same terms as are to be issued to the Revolver Lenders under the Restructuring Agreement, then the Revolver Lenders will receive Term Loan A Notes in the amount (net after any discount) of $33,600,000, instead of any Term Loan B Notes, and the Revolver Lenders will not participate in the Term Loan B Notes.

For purposes of this Term Sheet, "Market Participants" is defined as recognized institutional investors not affiliated with the Debtors or with any "insider" (as that term is defined in the Bankruptcy Code) of the Debtors.

REVOLVER LENDER FEES: The reasonable fees and expenses of the financial and legal professionals retained by the Administrative Agent or the Revolver Lenders shall be paid on the Effective Date of the Plan.

Exhibit 10.72

RESTRUCTURING AGREEMENT

This Restructuring Agreement (this "Agreement") is made and entered into as of August 12, 2003, by AMERCO Real Estate Company, a Nevada corporation ("AREC") and the signatories hereto that are holders of the Notes described below (collectively, the "Noteholders"). AREC and the Noteholders are collectively referred to herein as the "Parties" and individually as a "Party."

RECITALS

WHEREAS, AREC and the Noteholders have engaged in good faith negotiations with the objective of reaching an agreement with regard to (i) the restructuring of the $95,000,000 Senior Notes, Series A, due April 30, 2012 and the $5,000,000 Senior Notes, Series B, due April 30, 2007, issued by AREC (collectively, the "Notes") under that certain Note Purchase Agreement dated March 15, 2002 (the "Purchase Agreement"), between AREC and the Noteholders, and guaranteed by AREC's parent, AMERCO, a Nevada corporation ("AMERCO"), under and pursuant to the Purchase Agreement, and (ii) the recapitalization of AREC and AMERCO.

WHEREAS, on June 20, 2003, AMERCO filed for relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. Section Section 101, et. seq. (the "Bankruptcy Code"), which case is pending before the United States Bankruptcy Court for the District of Nevada (the "Bankruptcy Court").

WHEREAS, AREC and the Noteholders desire to implement the financial restructuring consistent with this Agreement and the term sheet attached hereto and incorporated herein by reference as Exhibit A (the "Term Sheet," and the restructuring and recapitalization contemplated therein, the "Financial Restructuring"), by AREC filing for relief under Chapter 11 of the Bankruptcy Code on or before August 14, 2003 (the "AREC Petition Date"). AREC intends to file a motion with the Bankruptcy Court requesting that its Chapter 11 Case be consolidated, for administrative purposes only, with the Chapter 11 Case of AMERCO (collectively, with any other bankruptcy cases filed by any affiliates or subsidiaries of AMERCO or AREC under the Bankruptcy Code, the "Chapter 11 Cases").

WHEREAS, in order to implement the Financial Restructuring, AREC intends, subject to the terms and conditions of this Agreement and the Term Sheet, to prepare a disclosure statement and a plan of reorganization consistent with the terms set forth in this Agreement and the Term Sheet, to solicit acceptances of such plan, and to file and seek approval of such Disclosure Statement and confirmation of such plan in its administratively consolidated Chapter 11 Cases, as expeditiously as possible under the Bankruptcy Code and the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").

WHEREAS, each Noteholder executing this Agreement (each a "Consenting Noteholder" and collectively, the "Consenting Noteholders") owns or controls the aggregate principal amount of indebtedness under the Notes ("Existing Noteholder Obligations"), in each case as identified on the signature pages hereto.

WHEREAS, in order to facilitate and expedite the implementation of the Financial Restructuring, the Noteholders are prepared, subject to the terms and conditions of this

Agreement, to vote their respective Claims (as that term is defined in the Bankruptcy Code) against AREC and AMERCO arising under the Notes and the Purchase Agreement (the "Noteholder Claims") to accept the "Conforming Plan" (as defined in Section 3 hereof).

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby as agree as follows:

1. Recitals. Each of the foregoing Recitals is incorporated hereby as if fully set forth herein.

2. Filing of Reorganization Case. AREC will commence its voluntary Chapter 11 case by August 14, 2003, or such other date as may be agreed to in writing by AREC and the Consenting Noteholders.

3. Conforming Plan, Conforming Disclosure Statement, Voting in Favor of the Conforming Plan.

(a) For purposes of this Agreement, a "Conforming Plan" and a "Conforming Disclosure Statement" shall mean, respectively, a plan and disclosure statement, proposed by AREC and AMERCO pursuant to the Bankruptcy Code and reasonably acceptable to the Consenting Noteholders, that shall:

(i) effectuate the Financial Restructuring, in accordance with the terms and conditions of this Agreement and the Term Sheet;

(ii) grant the Noteholders allowed claims in the Chapter 11 Cases on account of the Noteholder Claims in the amount of (w) all outstanding principal on the Notes, (x) interest accrued and unpaid on the Notes from October 15, 2002 up to the AREC Petition Date, payable at the default rate, (y) interest accrued on the Notes from the AREC Petition Date up to the actual date of payment of amounts due to the Consenting Noteholders on the Effective Date pursuant to this Agreement and the Term Sheet, payable at the non-default rate, and (z) any applicable reasonable fees and expenses provided under the Notes and the Purchase Agreement, including, without limitation, all reasonable attorneys fees and other reasonable professional advisor fees (collectively, the "Allowed Noteholder Claims");

(iii) comply with all material terms of this Agreement and the Term Sheet;

(iv) not otherwise prejudice rights, remedies, claims, interests of the Noteholders, including the Allowed Noteholder Claims, or the distributions to be made to the Noteholders under this Agreement and the Term Sheet. The Parties understand that the Conforming Plan and all related documents will contain

customary provisions for transactions of the nature set forth herein and in the Term Sheet;

(v) provide that AREC and AMERCO shall not syndicate the "Term Loan B Notes" to "Market Participants" (as outlined and defined in the Term Sheet) in excess of $30,000,000 aggregate face par amount, unless such syndication is completed in an amount not less than $80,000,000 aggregate face par amount; and

(vi) provide that AREC and AMERCO shall pay to the bondholders of AMERCO an amount no greater than thirty-five percent (35%) of their claims against AMERCO in cash from the proceeds of the Emergence Facility.

(b) Each Consenting Noteholder agrees to timely vote its Noteholder Claim in favor of the Conforming Plan and not to revoke or withdraw such vote unless the Conforming Plan shall be (i) modified to provide for treatment of the Noteholders that is different in any material respect from the treatment described in this Agreement and in the Term Sheet or (ii) withdrawn by AREC or AMERCO. Each Consenting Noteholder to this Agreement agrees not to elect on any ballot concerning a Conforming Plan to preserve any rights, if any, that such Party may have that may be affected by the releases provided for under the Conforming Plan.

4. RESTRICTIONS ON TRANSFER. Without the prior written consent of AREC and provided that no "Event of Termination" (as defined in Section 9 hereof) has theretofore occurred, each Consenting Noteholder hereby agrees not to (a) sell, transfer, assign, pledge, or otherwise dispose of any of its Noteholder Claims, in whole or in part, or any interest therein, unless the transferee accepts such claims subject to the terms of this Agreement, or (b) grant any proxies, deposit any of its Noteholder Claims into a voting trust, or enter into a voting agreement with respect to any of its Noteholder Claims unless such arrangement provides for compliance herewith. Unless AREC has otherwise consented in writing or an Event of Termination has theretofore occurred, in the event that a Consenting Noteholder transfers such Noteholder Claims prior to the last date for voting on the Conforming Plan, such transferee shall comply with and be subject to all the terms of this Agreement so long as such Agreement remains in effect, including, but not limited to, such Consenting Noteholder's obligations to vote in favor of the Conforming Plan and shall, as a condition precedent to such transfer, execute an agreement on terms substantially identical to the terms of this Agreement and, upon commencement of the solicitation of votes to accept or reject the Conforming Plan, a ballot indicating its acceptance of the Conforming Plan.

5. AREC AGREEMENTS. During the term of this Agreement, AREC hereby agrees to the following:

(a) AREC shall use all reasonable efforts to have the Conforming Disclosure Statement approved by the Bankruptcy Court, and to use all reasonable efforts to obtain an order of the Bankruptcy Court confirming the Conforming Plan, in each case as expeditiously as possible under the Bankruptcy Code and the Bankruptcy Rules and

consistent with the terms and conditions set forth in this Agreement and in the Term Sheet.

(b) AREC shall (i) prior to the AREC Petition Date, make a payment of all accrued and unpaid interest on the Notes from April 30, 2003 to the AREC Petition Date, payable at the default rate under the Notes, (ii) prior to the AREC Petition Date, make a cash deposit of (x) $400,000 for counsel to the Noteholders, McDermott Will & Emery, and (y) $100,000 for the financial advisors to the Noteholders, Houlihan, Lokey, Howard, & Zukin ("HLHZ"), to the Consenting Noteholders for reasonable professional fees, including reasonable attorneys fees and other reasonable professional advisor fees, incurred after the Petition Date in connection with this Agreement, the Term Sheet, the Financial Restructuring, and the Chapter 11 Cases, (iii) subject to the approval of the Bankruptcy Court, make additional prepayments for reasonable professional fees as reasonably requested by the Consenting Noteholders from time-to-time, and
(iv) separately pay, prior to the AREC Petition Date, any accrued and unpaid reasonable fees of such professionals, including attorneys and other professional advisors, including, without limitation, fees due to HLHZ under that certain Engagement Agreement between AREC and HLHZ.

(c) AREC shall use all reasonable efforts to obtain approval by the Bankruptcy Court of (i) the $300,000,000 debtor-in-possession financing facility (the "DIP Facility") provided to AREC and AMERCO by Wells Fargo Foothill, Inc., as lead arranger, collateral agent, syndication agent and administrative agent ("Foothill"), and (ii) an emergence facility of approximately $650,000,000 (the "Emergence Facility") also to be provided by Foothill on the confirmation and consummation of the Conforming Plan, based on the Term Sheet, attached hereto as Exhibit B (the "Foothill Term Sheet"). Notwithstanding the references in this Agreement or the Term Sheet to Foothill and the Foothill Term Sheet, AREC and AMERCO may select an alternative senior lender or lenders to provide the DIP Facility or the Emergence Facility under terms (i) similar in all material respects to the Foothill Term Sheet and (ii) effectuating the Financial Restructuring in accordance with the Term Sheet and this Agreement.

(d) Except as provided pursuant to this Agreement and the Term Sheet, AREC shall not request, shall not acquiesce in any request, and shall use all reasonable efforts to oppose any request or action of any other party that (i) impairs or changes the rights, remedies, claims, powers, benefits, privileges, liens, security interests or protections of the Noteholders, including, without limitation, any objection to the Allowed Noteholder Claims, (ii) obtains any additional credit outside of the ordinary course (other than the DIP Facility and the Emergence Facility) without the prior written consent of the Consenting Noteholders, (iii) other than through a Conforming Plan, substantively consolidates the estates of AREC and any other entity, including, without limitation, AMERCO, or (iv) rejects this Agreement pursuant to Section 365 of the Bankruptcy Code or other applicable law. Furthermore, AREC shall use all best efforts to obtain an order approving the assumption of this Agreement pursuant to Section 365 of the Bankruptcy Code on or before October 15, 2003.

(e) Reference is hereby made to the $205 million credit facility (the "Credit Facility") under the Credit Agreement dated as of June 28, 2002, among AMERCO, the lenders identified therein (the "Revolver Lenders") and JPMorgan Chase Bank, acting as administrative agent on behalf of the Revolver Lenders ("JPMorgan"). If the Revolver Lenders and JPMorgan fail to execute a restructuring agreement providing for the financial restructuring of the Credit Facility consistent with the treatment of the Credit Facility, the Revolver Lenders and JPMorgan as provided in the Term Sheet on or before September 15, 2003, AREC hereby agrees that the Revolver Lenders and JPMorgan shall not receive payment of any amounts from or under the DIP Facility.

6. Support of the Conforming Plan.

(a) Provided that an Event of Termination has not theretofore occurred, each Party shall use all reasonable efforts to obtain confirmation of the Conforming Plan in accordance with the Bankruptcy Code as expeditiously as possible, including, without limitation, communicating its support of the Conforming Plan to the holders of allowed impaired claims.

(b) Provided that an Event of Termination has not theretofore occurred, no Party shall:

(i) object to confirmation of the Conforming Plan or otherwise commence any proceeding to oppose or alter the Conforming Plan or any other reorganization related documents or agreements that implement and are consistent with the Conforming Plan (the "Conforming Plan Documents"), which shall include, but not be limited to any documents or agreements related to the DIP Facility and the Emergence Facility, to the extent such documents substantially conform to the terms of the Foothill Term Sheet, the Term Sheet, and this Agreement,

(ii) vote for, consent to, support or participate in the formulation of any other plan of reorganization or liquidation proposed or filed or to be proposed or filed in any of the Chapter 11 Cases,

(iii) directly or indirectly seek, solicit, support or encourage any other plan, sale, proposal or offer of dissolution, winding up, liquidation, reorganization, merger or restructuring of AREC, AMERCO or any of their subsidiaries that could reasonably be expected to materially prevent, delay or impede the successful restructuring of AREC and AMERCO as contemplated by the Conforming Plan or the Conforming Plan Documents,

(iv) object to the Conforming Disclosure Statement or the solicitation of consents to the Conforming Plan, or

(v) take any other action that is inconsistent with, or that would materially delay confirmation of, the Conforming Plan.

7. Acknowledgment.

(a) This Agreement is not, and shall not be deemed to be, a solicitation for consents to the Conforming Plan. The acceptances of the Consenting Noteholders will not be solicited until such Parties have received the Disclosure Statement approved by order of the Bankruptcy Court as containing "adequate information," as such term is defined in Section 1125(a)(1) and (2) of the Bankruptcy Code, the Conforming Plan and related ballot.

(b) The Consenting Noteholders are creditors only. None of the Consenting Noteholders, or any of their respective present or former employees, officers, directors, or agents at any time has agreed or consented to being an agent, principal, participant, joint venturer, partner, or alter ego of AREC. None of the Consenting Noteholders or any of their respective present or former employees, officers, directors, or agents at any time has directed or participated in any of the business dealing of AREC in any capacity other than as a creditor.

(c) Except as expressly set forth herein and subject to the automatic stay provisions of Section 362 of the Bankruptcy Code: (i) the Notes and the Purchase Agreement shall remain in full force and effect in accordance with their respective terms; and (ii) nothing contained in this Agreement shall: (A) modify or alter any of the terms or provisions in the Notes or the Purchase Agreement in any manner whatsoever; (B) cure, waive, release or postpone any defaults now or hereafter existing under the Notes or the Purchase Agreement; (C) establish a custom between any of the parties hereto; (D) in any way waive, limit, or condition the rights of remedies of the Consenting Noteholders under the Notes or the Purchase Agreement; or (E) cause the Consenting Noteholders to be or be deemed in control of AREC and AMERCO, their operations or properties, or to be acting as a "responsible person" with respect to the operation and management of AREC, AMERCO or their properties. Subject to the automatic stay provisions of
Section 362 of the Bankruptcy Code, the Consenting Noteholders may exercise their respective rights and remedies with respect to the events of default upon termination of this Agreement as provided in Section 9 hereof.

8. Disclaimer. On or promptly following the AREC Petition Date, the Parties agree that a copy of this Agreement shall be filed with the Bankruptcy Court.

9. Termination of Agreement.

(a) Upon the effectiveness of this Agreement in accordance with
Section 26 hereof, the obligations of the Consenting Noteholders and AREC hereunder shall remain effective and binding until the "Effective Date" (as defined in the Term Sheet) of the Conforming plan unless terminated as provided herein.

(b) Upon the occurrence of an Event of Termination, which has not been waived in writing by all Consenting Noteholders within seven (7) business days of notice thereof, the obligations of the Parties hereto shall immediately and automatically

terminate without further demand or notice of any kind. The occurrence of any one or more of the following shall constitute an "Event of Termination" hereunder:

(i) the Conforming Plan or any Conforming Plan Document is modified to provide for treatment of the Consenting Noteholders that is different in any material respect from the treatment described in the Term Sheet;

(ii) the Conforming Plan or any Conforming Plan Document is modified to provide for the treatment of the Credit Facility that is different in any material respect from the treatment described in the Term Sheet;

(iii) AMERCO or AREC pays to JPMorgan, on behalf of the Revolver Lenders, more than $51,250,000 in cash in the aggregate from the DIP Facility;

(iv) AREC fails to file the Conforming Plan and Conforming Disclosure Statement on or before October 15, 2003;

(v) the Conforming Disclosure Statement is not approved on or before December 15, 2003;

(vi) the Conforming Plan is not confirmed on or before February 27, 2004;

(vii) the Conforming Plan is not consummated on or before March 15, 2004;

(viii) the Bankruptcy Court does not approve the Emergence Facility as part of the confirmation of the Conforming Plan;

(ix) the revolving credit facility and the "Term Loan A Notes" (as such term is defined in the attached Term Sheet) exceeds $550,000,000 in face amount;

(x) the "Term Loan B Notes" (as such term is defined in the attached Term Sheet), exceeds $200,000,000 in face amount;

(xi) the Bankruptcy Court denies confirmation of the Conforming Plan;

(xii) any of the Chapter 11 Cases are converted to a case under Chapter 7 of the Bankruptcy Code or a trustee or examiner with expanded powers is appointed in any of the Chapter 11 Cases under any chapter of the Bankruptcy Code;

(xiii) any written representation or warranty made by AREC to the Consenting Noteholders in this Agreement or the Term Sheet (including without limitation, representation, relating to AREC or AMERCO's financial performance) is false or misleading in any material respect;

(xiv) a material default occurs under the DIP Facility and is not waived by the lenders under the DIP Facility within ten (10) business days thereof;

(xv) the material breach of any provision of this Agreement;

(xvi) the Bankruptcy Court finds or holds unenforceable this Agreement, the Term Sheet, or any material provision thereof;

(xvii) the estates of AREC and any other entity, including, without limitation, AMERCO, are substantively consolidated, other than through the Conforming Plan; or

(xviii) the voluntary or involuntary commencement of any bankruptcy, receivership, or assignment for the benefit of creditors proceeding by or against U-Haul International, Inc. or any other material subsidiary of AMERCO or AREC, other than as part of the implementation of the Conforming Plan.

(c) Except as set forth in Section 9(d) hereof, no Party shall have any liability to the other or any other person as a result of the termination of such Party's obligations hereunder in accordance with this Section 9. In addition, each of the Parties hereunder acknowledges and agrees that any assumption of this Agreement pursuant to Section 5(d) hereof and Section 365 of the Bankruptcy Code shall not result in the Noteholder Claims being granted any administrative expense priority under the Bankruptcy Code in the Chapter 11 Cases without further order of the Bankruptcy Court.

(d) Upon termination of this Agreement pursuant to Section 9(a),

(i) except as set forth in Section 9(d)(iii) hereof, all obligations contained herein of the Parties shall immediately terminate and no provision contained herein shall be binding upon any Party;

(ii) the Noteholders shall be immediately entitled to exercise their rights and remedies under the Notes and the Purchase Agreement; and

(iii) subject to the automatic stay provisions of Section 362 of the Bankruptcy Code, the forbearance provided in Section 11 hereof shall terminate and all amounts due and owing under the Notes and the Purchase Agreement shall become immediately due and payable, including, without limitation, (x) all principal, (y) any and all accrued and unpaid interest on the Notes, including default interest as provided in the Notes, and (z) fees and expenses provided under the Notes and the Purchase Agreement. Provided that the Noteholders have not theretofore materially breached this Agreement, all such amounts due under the Notes shall be deemed allowed claims by AREC, and AREC shall not object to such claim being allowed in the Chapter 11 Cases. In addition, the Noteholders retain all rights to assert any "make-whole" provisions contained in the Purchase Agreement as part of their allowed claim in the Chapter 11 Cases, and AREC reserves all rights to dispute any such "make-whole" provisions.

10. Good Faith Negotiation of Documents. Each Party hereby further covenants and agrees to negotiate the definitive documents relating to the Conforming Plan Documents, in good faith, and in any event, in all material respects consistent with the Term Sheet.

11. Forbearance. Each Consenting Noteholder, for so long as no Event of Termination has occurred, hereby severally agrees to forbear from exercising any rights or remedies it may have under the Notes, the Purchase Agreement and all related documents, applicable law, or otherwise (including without limitation, the filing of an involuntary petition against AREC) with respect to any default with respect to the Notes or the Purchase Agreement, whether presently existing or hereafter arising. Notwithstanding the foregoing, the forbearance provided herein shall terminate upon the termination of this Agreement pursuant to
Section 9 hereof, and the Consenting Noteholders shall immediately be entitled to exercise their rights and remedies as provided in Section 9(d) hereof, subject to the automatic stay provisions of Section 362 of the Bankruptcy Code.

12. Representations and Warranties. Each Consenting Noteholder represents and warrants that the statements set forth in clauses (a), (b), (e), (f), and
(g) below are true, correct and complete as of the date hereof, and AREC represents and warrants that the statements set forth in clauses (a) through (e) below are true, correct and complete as of the date hereof:

(a) Corporate Power and Authority. It is duly organized, validly existing, and in good standing under the laws of the place of its organization, and has all requisite corporate, partnership, limited liability company or other similar power and authority to enter into this Agreement and to carry out the transaction contemplated by, and perform its respective obligations under, this Agreement.

(b) Authorization. The executive and delivery of this Agreement and the performance of its obligations hereunder have been duly authorized by all necessary corporate, partnership, limited liability company, or other similar action on its part.

(c) No Conflicts. The execution, delivery and performance by it of this Agreement do not and shall not (i) violate any provision of law, rule or regulation applicable to it or any of its subsidiaries or its certificate of incorporation or bylaws or other organizational documents or those of any of its subsidiaries or (ii) conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any material contractual obligation to which it or any of its subsidiaries is a party.

(d) Governmental Consents. The execution, delivery and performance by it of this Agreement do not and shall not require any registration or filing with consent or approval of, or notice to, or other action to, with or by, and federal, state or other governmental authority or regulatory body, other than the approval of the Bankruptcy Court, in the case of AREC.

(e) Binding Obligation. Subject to the provisions of Sections 1125 and 1126 of the Bankruptcy Code, this Agreement is the legally valid and binding obligation of each Party, enforceable against each Party in accordance with the terms of this Agreement.

(f) Owner of Claims. As of the date hereof, each Consenting Noteholders is the beneficial owner of, or holder of investment authority over, its Noteholder Claim against AREC that it has agreed to vote in favor of the Conforming Plan.

(g) Acknowledgement of Risks. Each Consenting Noteholder has received and reviewed this Agreement and all schedules and exhibits hereto and has received all such information as it deems necessary and appropriate to enable it to evaluate the financial risk inherent in the Conforming Plan.

13. Further Acquisition of Claims. This Agreement shall in no way be construed to preclude any of the Consenting Noteholders from acquiring additional Noteholder Claims in the Chapter 11 Cases. However, any such additional Noteholder Claims so acquired shall automatically be deemed to be subject to the terms of this Agreement.

14. Amendments. This Agreement may not be modified, amended or supplemented without the prior written consent of AREC and all of the Consenting Noteholders.

15. Disclosure of Individual Consenting Noteholders. Unless required by applicable law or regulation, AREC shall not disclose any Consenting Noteholder's holding of Existing Noteholder Obligations without the prior written consent of such Consenting Noteholder; and if such announcement or disclosure is so required by law or regulation, AREC shall afford the Consenting Noteholder a reasonable opportunity to review and comment upon any such announcement or disclosure prior to AREC's making such announcement or disclosure. The foregoing shall not prohibit AREC from disclosing the approximate aggregate holdings of Existing Noteholder Obligations by the Noteholders as a group.

16. Consent to DIP Facility. Unless an Event of Termination has occurred and subject to compliance with Section 5(e) hereof, the Consenting Noteholders
(a) consent to the approval of the DIP Facility, including the partial payment to the Revolver Lenders from the proceeds of the DIP Facility as set forth in the attached Term Sheet, and, (b) if requested by AREC, will provide consents in form and substance reasonably acceptable to AREC and the Consenting Noteholders relating to the implementation of the DIP Facility.

17. Governing Law; Jurisdiction. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York, without regard to any conflicts of law provision which would require the application of the law of any other jurisdiction. By its execution and delivery of this Agreement, each of the Parties hereto hereby irrevocably and unconditionally agrees for itself that any legal action, suit or proceeding against it with respect to any matter under or arising out of or in connection with this Agreement or for recognition or enforcement of any judgment rendered in any such action, suit or proceeding, may be brought in the United States District Court for the District of Nevada. By execution and delivery of this Agreement, each of the Parties hereto irrevocably accepts and submits itself to the nonexclusive jurisdiction of such court, generally and unconditionally, with respect to any such action, suit or proceeding. Notwithstanding the foregoing consent to Nevada jurisdiction, upon the commencement of the Chapter 11 Case by AREC, each of the Parties hereto hereby agrees that the Bankruptcy Court shall have exclusive jurisdiction of all matters arising out of or in connection with this Agreement.

18. Specific Performance. It is understood and agreed by each of the Parties hereto that money damages would not be a sufficient remedy for any breach of this Agreement by any Party and each non-breaching Party shall be entitled to specific performance and injunctive or other equitable relief as a remedy of any such breach.

19. Headings. The headings of the sections, paragraphs and subsections of this Agreement are inserted for convenience only and shall not affect the interpretation hereof.

20. Successors and Assigns. This Agreement is intended to bind and inure to the benefit of the Parties and their respective successors, assigns, heirs, executors, administrators and representatives.

21. Prior Negotiations. This Agreement and the Term Sheet supersede all prior negotiations with respect to the subject matter hereof.

22. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement. Delivery of an executed counterpart of this Agreement by facsimile shall be equally as effective as delivery of the original executed counterpart of this Agreement.

23. No Third-Party Beneficiaries. Unless expressly stated herein, this Agreement shall be solely for the benefit of the Parties hereto and no other person or entity shall be a third-party beneficiary hereof, other than successors and assigns of any Party.

24. Consideration. It is hereby acknowledged by the Parties hereto that no additional consideration shall be due or paid to the Noteholders for its agreement to vote to accept the Conforming Plan in accordance with the terms and conditions of this Agreement.

25. Notices.

(a) All notices hereunder to be served to AREC shall be deemed given if in writing and delivered or sent by telecopy, courier or by registered or certified mail (return receipt requested) to the following addresses or telecopier numbers (or at such other addresses or telecopier numbers as shall be specified by like notice):

AMERCO Real Estate Company 2727 North Central Avenue Suite 500
Phoenix, Arizona 85004 Attn: Robert Peterson Fax: 602-277-4879

with copy to:

SQUIRE, SANDERS & DEMPSEY L.L.P.
40 N. Central Avenue, Suite 2700
Phoenix, AZ 85004
Attn: Craig D. Hansen, Esq.

Fax: 602-253-8129

(b) All notices hereunder to be served to a Consenting Noteholder shall be deemed given if in writing and delivered or sent by telecopy, courier or by registered or certified mail (return receipt requested) to the address or telecopier number for such Consenting Noteholder set forth above its signature hereto (or at such other addresses or telecopier numbers as shall be specified by like notice), with copies to:

McDERMOTT, WILL & EMERY
227 W. Monroe Street, Suite 4400
Chicago, IL 60606

Attn: Elizabeth Majers, Esq. Fax: 312-984-7700

26. Effectiveness. This Agreement shall become effective when AREC has received counterparts of this Agreement duly executed and delivered by AREC and all of the Noteholders.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed and delivered by its duly authorized officer as of the date first above written.

AREC:

AMERCO Real Estate Company

```
By: /s/ Robert T. Peterson
    -------------------------
    Name:  Robert T. Peterson
           ------------------
    Title: Controller
           ------------------
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[Additional signature pages follow]

NOTEHOLDERS:

MONUMENTAL LIFE INSURANCE COMPANY

By: /s/ Martin J. Rosacker
Name: Martin J. Rosacker
Title: Vice President

Principal Amount of Notes Owned or Controlled: $21,000,000 Series A

Address: c/o Aegon USA Investment Management, LLC

4333 Edgewood Road NE

Cedar Rapids, IA 52499-5335
Attention: Martin J. Rosacker

TRANSAMERICA LIFE INSURANCE COMPANY

By: /s/ Martin J. Rosacker
Name: Martin J. Rosacker
Title: Vice President

Principal Amount of Notes Owned or Controlled: $10,500,000 Series A

Address: c/o Aegon USA Investment Management, LLC

4333 Edgewood Road NE

Cedar Rapids, IA 52499-5335
Attention: Martin J. Rosacker

AUSA LIFE INSURANCE COMPANY

By: /s/ Martin J. Rosacker
Name: Martin J. Rosacker
Title: Vice President

Principal Amount of Notes Owned or Controlled: $3,500,000 Series A

Address: c/o AEGON USA INVESTMENT MANAGEMENT, LLC 4333 EDGEWOOD ROAD NE CEDAR RAPIDS, IA 52499-5335

Attention: MARTIN J. ROSACKER

THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY

By: /s/ Jeffery J. Lueken
Name: Jeffery J. Lueken
Title: Its Authorized Representative

Principal Amount of Notes Owned or Controlled: $35,000,000 Series A

Address: The Northwestern Mutual Life Insurance Company

720 E. Wisconsin Ave.

Milwaukee, WI 53202
Attention: COLLEEN GUNTHER

NATIONWIDE LIFE INSURANCE COMPANY

By: /s/ Mark W. Poeppelman
Name: MARK W. POEPPELMAN
Title: AUTHORIZED SIGNATORY

Principal Amount of Notes Owned or Controlled: $19,000,000 Series A

Address: One Nationwide Plaza
Columbus, Ohio 43215-2220

Attention:

NATIONWIDE LIFE AND ANNUITY INSURANCE COMPANY

By: [Illegible Signature]

Name: MARK W. POEPPELMAN
Title: AUTHORIZED SIGNATORY

Principal Amount of Notes Owned or Controlled: $3,000,000 Series A

Address: One Nationwide Plaza
Columbus, Ohio 43215-2220

Attention:

NATIONWIDE INDEMNITY COMPANY

By: /s/ Mark W. Poeppelman
Name: Mark W. Poeppelman
Title: Authorized Signatory

Principal Amount of Notes Owned or Controlled: $3,000,000 Series A

Address: One Nationwide Plaza
Columbus, Ohio 43215-2220

Attention:

THE CANADA LIFE ASSURANCE COMPANY

By: /s/ J.G. Lowery

Name: J.G. Lowery

Title: Assistant Vice President,
Investments, U.S. Operations

By: /s/ Tad Anderson

Name: Tad Anderson

Title: Manager, Investments,

U.S. Operations

Principal Amount of Notes Owned or Controlled: $5,000,000 Series B

Address: 8515 East Orchard Road, 3T2 Greenwood Village, CO 80111-5037
Attention: Ray Miller

EXHIBIT A

AREC/AMERCO

TERM SHEET

This Term Sheet describes the principal terms of the proposed restructuring and recapitalization of certain of the outstanding indebtedness AMERCO Real Estate Company, a Nevada corporation ("AREC") and its parent, ("AMERCO"), pursuant to a plan of reorganization (the "Conforming Plan") in accordance with (a) Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code") and (b) the terms and conditions contained herein. This Term Sheet has been produced for discussion and settlement purposes only and is not an offer with respect to any securities or a solicitation of acceptances of the Conforming Plan.

CERTAIN DEFINITIONS

"AREC" means AMERCO Real Estate Company.

"Effective Date" means the date the Conforming Plan becomes effective in accordance with its terms and conditions.

"Term Loan A Notes" means the notes to be issued by the Debtors, as reorganized, jointly and severally, on the Effective Date of the Conforming Plan, in the aggregate face amount not to exceed $350,000,000.

"Term Loan B Notes" means the notes to be issued by the Debtors, as reorganized, jointly and severally, on the Effective Date of the Conforming Plan, in the aggregate face amount not to exceed $200,000,000.

"Debtor or Debtors" means, collectively, AMERCO, AREC, and any other affiliates or subsidiaries of AMERCO or AREC who file voluntary petitions for relief under Chapter 11 of the Bankruptcy Code, other than PAC Fourteen, Inc. and PAC Fifteen, Inc.

"New Notes" means, collectively, the Term Loan A Notes and the Term Loan B Notes.

CAPITALIZED TERMS USED HEREIN AND NOT OTHERWISE DEFINED SHALL HAVE THE RESPECTIVE MEANINGS ASCRIBED TO THEM IN THAT CERTAIN RESTRUCTURING AGREEMENT, BY AND AMONG, AREC AND THE NOTEHOLDERS SIGNATORY THERETO (THE "NOTEHOLDERS RESTRUCTURING AGREEMENT").

TREATMENT OF NOTES

CLASSIFICATION:	The Conforming Plan will place the claims of the Noteholders in a single class, and such class will be impaired and entitled to vote on the Conforming Plan.

CASH DISTRIBUTIONS:	On the Effective Date of the Conforming Plan, the Consenting Noteholders will receive the following cash distributions: -- $65,000,000 in cash; -- Additional cash in an amount equal to the sum of (a) interest accrued and unpaid from October 15, 2002 up to the AREC Petition Date, payable at the default rate; and (b) interest accrued from the AREC Petition Date up to the Effective Date, payable at the non-default rate.
DISTRIBUTION OF NEW NOTES:	$18,600,000 (18.6% of remaining principal amount of the Notes) exchanged for and satisfied with Term Loan A Notes under the Emergence Facility in the par amount (net after any discount) of $18,600,000, subject to the Syndication Terms set forth in this Term Sheet. $16,400,000 (16.4% of the remaining principal amount of the Notes) exchanged for and satisfied with Term Loan B Notes under the Emergence Facility in having an aggregate Market Value (as defined below) of $16,400,000, subject to the Syndication Terms set forth in this Term Sheet.
TERMS OF NEW NOTES:	As the New Notes are issued under the Emergence Facility, the New Notes (under both Term Loan A and Term Loan B) will be identical to the notes issued under the Emergence Facility and will be issued under the same credit agreement, note purchase agreement, or comparable governing document, and will be governed by and entitled to all of the same benefits and terms as the Term Loan A Notes and Term Loan B Notes, including borrowers, guarantors, maturity date, early termination provisions, lien priority on collateral, interest rate, fees, and all other terms of the Foothill Term Sheet, subject to the qualification that the maturity of the New Notes will not exceed 5 years from date of issuance.
FEES:	On the Effective Date, the Noteholders will be entitled to receive 2% of the par amount of Term Loan B Notes actually issued to the Noteholders.
SYNDICATION RIGHTS:	AMERCO will obtain ratings from the Term Loan B Notes from either Fitch, S&P or Moody's prior to the Effective Date. 1. If the Term Loan B Notes are syndicated as described below, then the "Market Value" of the Term Loan B Notes shall be the price (net after any discounts) at which Term Loan B Notes are purchased in such syndication.

2. AMERCO will use its best efforts to arrange for placement of a portion of the Term Loan B Notes to "Market Participants" (as defined below). The proceeds of any commitments from new Market Participants (as described below) above $30,000,000 aggregate face par amount of Term Loan B Notes will be paid initially to the Revolver Lenders until the total cash received by the Revolver Lenders equals 65% of the face amount of the credit facility, and all proceeds thereafter will be paid, on a pro rata basis, to the Revolver Lenders and Noteholders, in lieu of an equal amount of Term Loan B Notes to reduce, on a pro rata basis, the principal amounts required to be purchased by the Revolver Lenders and the Noteholders.

3. In addition to any fees payable to the Noteholders as set forth in this Term Sheet, to the extent the Term Loan B Notes are offered or issued in a syndication with additional fees, discounts, increased spreads, or other additional compensations not already taken into account in the determination of Market Value (whether paid pre- or post-closing of the Term Loan B Notes, and including anticipated flex fees), the Noteholders will fully participate therein, on the same terms offered or issued to each other holder of Term Loan B Notes.

4. If less than $20,000,000 of Term Loan B Notes are sold to Market Participants on the same terms as issued to the Noteholders, then the Noteholders will receive Term Loan A Notes in the amount (net after any discount) of $16,400,000, instead of any Term Loan B Notes, and the Noteholders will not participate in the Term Loan B Notes. For purposes of this Term Sheet, "Market Participants" shall be defined as recognized institutional investors not affiliated with the Debtors or with any "insider" (as that term is defined in the Bankruptcy Code) of the Debtors.

NOTEHOLDER

FEES:	The reasonable fees and expenses of the financial and legal professionals retained by the Noteholders shall be paid on the Effective Date of the Conforming Plan, including, without limitation, fees, including success fees, due to Houlihan, Lokey, Howard, & Zukin ("HLHZ") under that certain Engagement Agreement between AREC and HLHZ.
	TREATMENT OF REVOLVER LENDERS
CLASSIFICATION:	The Conforming Plan will place the claims of the Revolver Lenders under the Credit Agreement in a single class or subclass, and such class or subclass will be impaired and entitled to vote on the Conforming Plan.

TREATMENT: The treatment of the Revolver Lenders under the Conforming Plan will not be different in any material adverse respect from the treatment of the Noteholders described in this Term Sheet, except that:

1. The Revolver Lenders will be paid cash in the amount of $51,250,000 (25% of the existing Credit Facility) from the proceeds of the DIP Facility if the Debtors and the Revolver Lenders execute a restructuring agreement evidencing the terms of this Term Sheet on or before September 15, 2003;

2. The Revolver Lenders will be entitled to be paid, on the Effective Date of the Conforming Plan, additional cash in the amount of $71,750,000 (35% of the existing Credit Facility) if the Debtors and the Revolver Lenders execute a restructuring agreement evidencing the terms of this Term Sheet on or before September 15, 2003;

3. $48,400,000 (23.6% of the remaining principal amount of the Credit Facility) satisfied with Term Loan A Notes under the Emergence Facility in the par amount (net after any discount) of $48,400,000, subject to the Syndication Terms set forth in this Term Sheet; and

4. $33,600,000 (16.4% of the remaining principal amount of the Credit Facility) satisfied with Term Loan B Notes under the Emergence Facility having an aggregate Market Value of $33,600,000, subject to the Syndication Terms set forth in this Term Sheet.

OTHER TERMS

RELEASE AND EXCULPATION PROVISIONS: The Conforming Plan will contain release and exculpation provisions in substantially the following form:

1. As of the Effective Date, the Debtors and reorganized Debtors will be deemed to forever release, waive and discharge all claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action and liabilities whatsoever in connection with or related to the Debtors, the Chapter 11 Cases or the Conforming Plan (other than the rights of the Debtors or reorganized Debtors to enforce the Conforming Plan and the contracts, instruments, releases, indentures, and other agreements or documents delivered thereunder) whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen on unforeseen, then existing or thereafter arising, in law, equity or otherwise that are based in whole or part on any act, omission, transaction, event or other occurrence taking place on or prior to the Effective Date in any way relating to the Debtors, the

reorganized Debtors, the Chapter 11 Cases or the Conforming Plan, and that may be asserted by or on behalf of the Debtors or their estates or the reorganized Debtors against:
(a) the directors, officers, employees, agents and professionals as of the Debtors as of the AREC Petition Date and thereafter, (b) the holders of prepetition lender claims, (c) the DIP Facility agent and the holders of DIP Facility claims, (d) each Consenting Noteholder and each Revolver Lender, and (e) the directors, officers, employees, agents, and professionals (as of the AREC Petition Date and thereafter) of the entities released in subclauses (b)-(d).

2. As of the Effective Date, each prepetition lender, each Consenting Noteholder and each Revolver Lender and each holder of an impaired claim that affirmatively elects on the ballot for voting on the Conforming Plan to do so, shall in consideration for the obligations of the Debtors and the reorganized Debtors under the Conforming Plan and the securities, contracts, instruments, releases and other agreements or documents to be delivered in connection with the Conforming Plan, forever release, waive and discharge all claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action and liabilities (other than the rights to enforce the Debtors' or the reorganized Debtors' obligations under the Conforming Plan and the securities, contracts, instruments, releases and other agreements and documents delivered thereunder), whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforseen, then existing or thereafter arising, in law, equity or otherwise that are based in whole or in part on any act, omission, transaction, event or other occurrence taking place on or prior to the Effective Date in any way relating to the Debtors, the reorganized Debtors, the Chapter 11 Cases, or the Conforming Plan against: (a) the Debtors and the reorganized Debtors, (b) the directors, officers, employees, agents and professionals of the Debtors as of the AREC Petition Date and thereafter, (c) the holders of prepetition lender claims and the agents thereto, (d) the DIP Facility agent and the holders of DIP Facility claims, (e) each Consenting Noteholder and each Revolver Lender, and (f) the directors, officers, employees, agents, and professionals (as of the AREC Petition Date and thereafter) of the entities released in subclauses (a)-(e) acting in such capacity.

3. None of the Debtors, the reorganized Debtors, the Consenting Noteholders, the Revolver Lenders, the holders of DIP Facility claims, the DIP Facility agent, the holders of prepetition lender claims, the agents thereto, nor any of their respective present or former members, officers, directors, employees, advisors, or attorneys shall have or incur any liability to any holder of a claim or an interest, or any other party in interest, or any of their respective agents, employees,

representatives, financial advisors, attorneys, or affiliates, or any of their successors or assigns, for any act or omission in connection with, relating to, or arising out of, the Chapter 11 Cases, formulating negotiating or implementing the Conforming Plan, the solicitation of acceptances of the Conforming Plan, the pursuit of confirmation of the Conforming Plan, the confirmation of the Conforming Plan, the consummation of the Conforming Plan, or the administration of the Conforming Plan or the property to be distributed under the Conforming Plan, except for their gross negligence or willful misconduct, and in all respects shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities under the Conforming Plan.

EMERGENCE FACILITY: On the Effective Date, the Debtors shall close the Emergence Facility with substantially the terms and conditions set forth in the Foothill Term Sheet.

All funded obligations outstanding under the DIP Facility on the Effective Date shall be repaid from borrowings under the Emergence Facility.

AGREEMENT OF REVOLVER LENDERS IN SUPPORT OF THIS TERM SHEET: On or before September 15, 2003, the Revolver Lenders shall execute a restructuring agreement (a) containing terms and conditions substantially the same, in all material respects, with the terms of this Term Sheet, including the financial restructuring of the Credit Facility as outlined herein, and (b) including an agreement by the Revolver Lenders to support the terms and conditions contained herein and in the Noteholders Restructuring Agreement, including the financial restructuring of the Notes as outlined herein and in the Noteholders Restructuring Agreement.

EXHIBIT B

AREC/AMERCO

FOOTHILL TERM SHEET

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	2.00%
YEAR 2	1.50%
YEAR 3	1.00%
YEAR 4	0.00%
YEAR 5	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 he: (a) entitled to super-priority administrative expense claim status pursuant to Section 364(c)(1) 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 1I 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: 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 $6,50,000.000 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 in 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 pan 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 31.1

SECTION 302 CERTIFICATION

I, Edward J. Shoen, certify that:

I have reviewed this quarterly report on Form 10-Q of AMERCO and U-Haul International, Inc.;

Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

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

Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ EDWARD J. SHOEN

_____

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

Date: September 9, 2003

EXHIBIT 31.2

SECTION 302 CERTIFICATION

I, Gary B. Horton, certify that:

I have reviewed this quarterly report on Form 10-Q of AMERCO and U-Haul International, Inc.;

Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

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

Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal controls over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ GARY B. HORTON

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

Date: September 9, 2003

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of AMERCO and U-Haul International, Inc. (together, the "Registrant") on Form 10-Q for the period ending June 30, 2003, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Edward J. Shoen, President and Chairman of the Board of AMERCO and U-Haul International, Inc. 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

/s/ EDWARD J. SHOEN

Edward J. Shoen
President and Chairman of the Board

Date: September 9, 2003

U-HAUL INTERNATIONAL, INC.,
a Nevada corporation

/s/ EDWARD J. SHOEN

Edward J. Shoen
President and Chairman of the Board

Date: September 9, 2003

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of AMERCO and U-Haul International, Inc. (together, the "Registrant") on Form 10-Q for the period ending June 30, 2003, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Gary B. Horton, Treasurer of AMERCO and Assistant Treasurer of U-Haul International, Inc. 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

/s/ GARY B. HORTON

Gary B. Horton
Treasurer

Date: September 9, 2003

U-HAUL INTERNATIONAL, INC.,
a Nevada corporation

/s/ GARY B. HORTON

Gary B. Horton
Assistant Treasurer

Date: September 9, 2003

End of Filing

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