

# U-HAUL HOLDING CO /NV/

## **FORM 10-Q** (Quarterly Report)

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UNITED STATES 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 September 30, 2007

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.

**AMERCO**

1-11255

**AMERCO**  
(A Nevada Corporation)  
1325 Airmotive Way, Ste. 100  
Reno, Nevada 89502-3239  
Telephone (775) 688-6300

88-0106815

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 a large accelerated filer, accelerated filer, or a non-accelerated filer. See definition of an "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐

Accelerated filer ☒

Non-accelerated filer ☐

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

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13, or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes ☐ No ☒

20,059,314 shares of AMERCO Common Stock, \$0.25 par value, were outstanding at November 1, 2007.

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**PART I FINANCIAL INFORMATION**

**ITEM 1. Financial Statements**

**AMERCO AND CONSOLIDATED ENTITIES  
CONDENSED CONSOLIDATED BALANCE SHEETS**

	<b>September 30, 2007</b>	<b>March 31, 2007</b>
	(Unaudited)	
	(In thousands)	
<b>ASSETS</b>		
Cash and cash equivalents	\$ 203,344	\$ 75,272
Reinsurance recoverables and trade receivables, net	189,869	184,617
Notes and mortgage receivables, net	1,862	1,669
Inventories, net	62,983	67,023
Prepaid expenses	47,487	52,080
Investments, fixed maturities and marketable equities	656,912	681,801
Investments, other	166,650	178,699
Deferred policy acquisition costs, net	43,887	44,514
Other assets	231,506	95,123
Related party assets	205,849	245,179
	<u>1,810,349</u>	<u>1,625,977</u>
Property, plant and equipment, at cost:		
Land	206,780	202,917
Buildings and improvements	834,331	802,289
Furniture and equipment	313,303	301,751
Rental trailers and other rental equipment	206,599	200,208
Rental trucks	1,736,826	1,604,123
SAC Holding II - property, plant and equipment	81,385	80,349
	<u>3,379,224</u>	<u>3,191,637</u>
Less: Accumulated depreciation	<u>(1,310,726)</u>	<u>(1,294,566)</u>
Total property, plant and equipment	<u>2,068,498</u>	<u>1,897,071</u>
Total assets	<u>\$ 3,878,847</u>	<u>\$ 3,523,048</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 264,876	\$ 251,197
AMERCO's notes and loans payable	1,452,042	1,181,165
SAC Holding II notes and loans payable, non-recourse to AMERCO	74,197	74,887
Policy benefits and losses, claims and loss expenses payable	773,250	768,751
Liabilities from investment contracts	361,380	386,640
Other policyholders' funds and liabilities	10,774	10,563
Deferred income	14,935	16,478
Deferred income taxes	137,676	113,170
Related party liabilities	2,008	2,099
Total liabilities	<u>3,091,138</u>	<u>2,804,950</u>
Commitments and contingencies (Notes 3, 6 and 7)		
Stockholders' equity:		
Series preferred stock, with or without par value, 50,000,000 shares authorized:		
Series A preferred stock, with no par value, 6,100,000 shares authorized;		
6,100,000 shares issued and outstanding as of September 30 and March 31, 2007	-	-
Series B preferred stock, with no par value, 100,000 shares authorized; none		
issued and outstanding as of September 30 and March 31, 2007	-	-
Series common stock, with or without par value, 150,000,000 shares authorized:		
Series A common stock of \$0.25 par value, 10,000,000 shares authorized;		
none issued and outstanding as of September 30 and March 31, 2007	-	-
Common stock of \$0.25 par value, 150,000,000 shares authorized; 41,985,700		
issued as of September 30 and March 31, 2007	10,497	10,497
Additional paid-in capital	376,661	375,412
Accumulated other comprehensive loss	(32,628)	(41,779)
Retained earnings	941,870	849,300
Cost of common shares in treasury, net (21,926,386 shares as of		
September 30, 2007 and 21,440,387 as of March 31, 2007)	(501,165)	(467,198)
Unearned employee stock ownership plan shares	<u>(7,526)</u>	<u>(8,134)</u>
Total stockholders' equity	<u>787,709</u>	<u>718,098</u>
Total liabilities and stockholders' equity	<u>\$ 3,878,847</u>	<u>\$ 3,523,048</u>

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

**AMERCO AND CONSOLIDATED ENTITIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

	<b>Quarter Ended September 30,</b>	
	<b>2007</b>	<b>2006</b>
	<b>(Unaudited)</b>	
	<b>(In thousands, except share and per share amounts)</b>	
<b>Revenues:</b>		
Self-moving equipment rentals	\$ 439,801	\$ 445,720
Self-storage revenues	33,088	32,416
Self-moving and self-storage products and service sales	62,495	61,916
Property management fees	3,993	3,986
Life insurance premiums	27,937	31,120
Property and casualty insurance premiums	7,332	6,470
Net investment and interest income	16,419	15,626
Other revenue	9,492	8,999
Total revenues	<u>600,557</u>	<u>606,253</u>
<b>Costs and expenses:</b>		
Operating expenses	284,990	280,808
Commission expenses	53,437	53,605
Cost of sales	33,943	31,448
Benefits and losses	25,592	28,842
Amortization of deferred policy acquisition costs	3,266	4,825
Lease expense	34,457	37,385
Depreciation, net of (gains) losses on disposals	55,746	43,087
Total costs and expenses	<u>491,431</u>	<u>480,000</u>
Earnings from operations	109,126	126,253
Interest expense	(27,495)	(21,063)
Amortization of fees on early extinguishment of debt	-	(6,969)
Pretax earnings	<u>81,631</u>	<u>98,221</u>
Income tax expense	<u>(31,157)</u>	<u>(37,730)</u>
Net earnings	50,474	60,491
Less: Preferred stock dividends	(3,241)	(3,241)
Earnings available to common shareholders	<u>\$ 47,233</u>	<u>\$ 57,250</u>
Basic and diluted earnings per common share	<u>\$ 2.39</u>	<u>\$ 2.74</u>
Weighted average common shares outstanding: Basic and diluted	<u>19,733,755</u>	<u>20,910,204</u>

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

**AMERCO AND CONSOLIDATED ENTITIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

	<b>Six Months Ended September 30,</b>	
	<b>2007</b>	<b>2006</b>
	(Unaudited)	
	(In thousands, except share and per share amounts)	
<b>Revenues:</b>		
Self-moving equipment rentals	\$ 835,878	\$ 852,954
Self-storage revenues	65,124	62,847
Self-moving and self-storage products and service sales	131,209	129,367
Property management fees	7,940	7,833
Life insurance premiums	57,124	62,039
Property and casualty insurance premiums	13,248	11,852
Net investment and interest income	30,788	29,101
Other revenue	17,404	16,932
Total revenues	<u>1,158,715</u>	<u>1,172,925</u>
<b>Costs and expenses:</b>		
Operating expenses	558,321	542,187
Commission expenses	101,360	103,141
Cost of sales	68,591	63,764
Benefits and losses	54,869	59,448
Amortization of deferred policy acquisition costs	7,183	10,451
Lease expense	67,195	74,757
Depreciation, net of (gains) losses on disposals	100,011	82,758
Total costs and expenses	<u>957,530</u>	<u>936,506</u>
Earnings from operations	201,185	236,419
Interest expense	(51,266)	(39,525)
Amortization of fees on early extinguishment of debt	-	(6,969)
Pretax earnings	<u>149,919</u>	<u>189,925</u>
Income tax expense	(57,693)	(74,013)
Net earnings	<u>92,226</u>	<u>115,912</u>
Less: Preferred stock dividends	(6,482)	(6,482)
Earnings available to common shareholders	<u>\$ 85,744</u>	<u>\$ 109,430</u>
Basic and diluted earnings per common share	<u>\$ 4.32</u>	<u>\$ 5.23</u>
Weighted average common shares outstanding: Basic and diluted	<u>19,850,874</u>	<u>20,903,946</u>

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

**AMERCO AND CONSOLIDATED ENTITIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>Six Months Ended September 30,</b>	
	<b>2007</b>	<b>2006</b>
	(Unaudited)	
	(In thousands)	
Cash flow from operating activities:		
Net earnings	\$ 92,226	\$ 115,912
Adjustments to reconcile net earnings to cash provided by operations:		
Depreciation	113,194	86,545
Amortization of deferred policy acquisition costs	7,183	10,451
Change in provision for (gain) loss on trade receivables	87	(11)
Change in provision for gain on mortgage notes	(19)	(20)
Change in provision for inventory reserves	1,281	-
Net gain on sale of real and personal property	(13,183)	(3,787)
Net loss on sale of investments	149	891
Write-off of unamortized debt issuance costs	-	6,969
Deferred income taxes	33,966	27,677
Net change in other operating assets and liabilities:		
Reinsurance recoverables and trade receivables	(5,154)	18,383
Inventories	3,181	(8,357)
Prepaid expenses	4,120	(2,962)
Capitalization of deferred policy acquisition costs	(2,539)	(3,166)
Other assets	(10,373)	(95)
Related party assets	41,881	12,899
Accounts payable and accrued expenses	13,497	7,380
Policy benefits and losses, claims and loss expenses payable	5,066	(8,420)
Other policyholders' funds and liabilities	211	1,577
Deferred income	(1,673)	530
Related party liabilities	(3,411)	(10,016)
Net cash provided by operating activities	<u>279,690</u>	<u>252,380</u>
Cash flows from investing activities:		
Purchases of:		
Property, plant and equipment	(360,511)	(378,605)
Short term investments	(128,627)	(103,999)
Fixed maturities investments	(45,622)	(59,033)
Real estate	(3,441)	-
Mortgage loans	(4,895)	(8,855)
Proceeds from sale of:		
Property, plant and equipment	100,660	57,204
Short term investments	144,814	145,044
Fixed maturities investments	61,206	52,056
Cash received in excess of purchase for company acquired	-	1,235
Equity securities	46	-
Preferred stock	2,625	125
Real estate	153	10,113
Mortgage loans	4,043	4,182
Payments from notes and mortgage receivables	367	293
Net cash used by investing activities	<u>(229,182)</u>	<u>(280,240)</u>
Cash flows from financing activities:		
Borrowings from credit facilities	447,620	276,744
Principal repayments on credit facilities	(179,043)	(39,614)
Debt issuance costs	(9,850)	(539)
Leveraged Employee Stock Ownership Plan - repayments from loan	608	608
Treasury stock repurchases	(33,966)	-
Securitization deposits	(116,176)	-
Preferred stock dividends paid	(6,482)	(6,482)
Investment contract deposits	8,772	8,444
Investment contract withdrawals	(34,032)	(40,275)
Net cash provided by financing activities	<u>77,451</u>	<u>198,886</u>
Effects of exchange rate on cash	<u>113</u>	<u>131</u>
Increase in cash equivalents	128,072	171,157
Cash and cash equivalents at the beginning of period	<u>75,272</u>	<u>155,459</u>
Cash and cash equivalents at the end of period	<u>\$ 203,344</u>	<u>\$ 326,616</u>

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

## AMERCO AND CONSOLIDATED ENTITIES

### NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

#### 1. Basis of Presentation

The second fiscal quarter for AMERCO ends on the 30<sup>th</sup> of September for each year that is referenced. Our insurance company subsidiaries have a second quarter that ends on the 30<sup>th</sup> of June for each year that is referenced. They have been consolidated on that basis. Our insurance companies' financial reporting processes conform to calendar year reporting as required by state insurance departments. Management believes that consolidating their calendar year into our fiscal year financial statements does not materially affect the disclosure of our financial position or results of operations. The Company discloses any material events occurring during the intervening period. Consequently, all references to our insurance subsidiaries' years 2007 and 2006 correspond to the Company's fiscal years 2008 and 2007, respectively.

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

The consolidated financial statements for the second quarter and the first six months of fiscal 2008 and fiscal 2007, and the balance sheet as of March 31, 2007 include the accounts of AMERCO and its wholly-owned subsidiaries and SAC Holding II Corporation and its subsidiaries ("SAC Holding II").

The condensed consolidated balance sheet as of September 30, 2007 and the related condensed consolidated statements of operations for the second quarter and the first six months and the cash flows for the first six months ended fiscal 2008 and 2007 are unaudited.

In our opinion, all adjustments necessary for the 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 information in this 10-Q should be read in conjunction with Management's Discussion and Analysis and financial statements and notes thereto included in the AMERCO 2007 Form 10-K.

Intercompany accounts and transactions have been eliminated.

#### *Description of Legal Entities*

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 its wholly-owned subsidiary,

Oxford Life Insurance Company ("Oxford") and its wholly-owned subsidiaries,

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



## AMERCO AND CONSOLIDATED ENTITIES

### NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

#### *Description of Operating Segments*

AMERCO has four reportable segments. They are Moving and Storage, Property and Casualty Insurance, Life Insurance and SAC Holding II.

Moving and Storage operations include AMERCO, U-Haul and Real Estate and the wholly-owned subsidiaries of U-Haul and Real Estate and consist of the rental of trucks and trailers, sales of moving supplies, sales of towing accessories, sales of propane, the rental of self-storage spaces to the “do-it-yourself” mover and management of self-storage properties owned by others. Operations are conducted under the registered trade name U-Haul<sup>®</sup> throughout the United States and Canada.

Property and Casualty Insurance includes RepWest and its wholly-owned subsidiary. RepWest provides loss adjusting and claims handling for U-Haul through regional offices across North America. RepWest also underwrites components of the Safemove, Safetow and Safestor protection packages to U-Haul customers.

Life Insurance includes Oxford and its wholly-owned subsidiaries. Oxford originates and reinsures annuities, ordinary life and Medicare supplement insurance. Oxford also administers the self-insured employee health and dental plans for Arizona employees of the Company.

SAC Holding Corporation and its subsidiaries, and SAC Holding II Corporation and its subsidiaries, collectively referred to as “SAC Holdings,” own self-storage properties that are managed by U-Haul under property management agreements and act as independent U-Haul rental equipment dealers. AMERCO, through its subsidiaries, has contractual interests in certain SAC Holdings’ properties entitling AMERCO to potential future income based on the financial performance of these properties. With respect to SAC Holding II, AMERCO is considered the primary beneficiary of these contractual interests. Consequently, we include the results of SAC Holding II in the consolidated financial statements of AMERCO, as required by FIN 46(R).

#### **2. Earnings per Share**

Net earnings for purposes of computing earnings per common share are net earnings less preferred stock dividends. Preferred stock dividends include accrued dividends of AMERCO.

The weighted average common shares outstanding exclude post-1992 shares of the employee stock ownership plan that have not been committed to be released. The unreleased shares net of shares committed to be released were 319,316 and 368,142 as of September 30, 2007 and September 30, 2006, respectively.

6,100,000 shares of preferred stock have been excluded from the weighted average shares outstanding calculation because they are not common stock and they are not convertible into common stock.

**AMERCO AND CONSOLIDATED ENTITIES**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)**

**3. Borrowings**

***Long-Term Debt***

Long-term debt was as follows:

			<b>September 30,</b>	<b>March 31,</b>
	<b>2008 Rate (a)</b>	<b>Maturities</b>	<b>2007</b>	<b>2007</b>
			(Unaudited)	
			(In thousands)	
Real estate loan (amortizing term)	6.93%	2018	\$ 290,000	\$ 295,000
Real estate loan (revolving credit)	-	2018	-	-
Senior mortgages	5.19%-5.75%	2015	519,990	521,332
Construction loan (revolving credit)	7.32%	2009	21,700	-
Working capital loan (revolving credit)	-	2008	-	-
Fleet loans (amortizing term)	6.11%-7.42%	2012-2014	322,143	364,833
Fleet loans (securitization)	5.40%-5.56%	2010-2014	298,209	-
Fleet loan (revolving credit)	-	2011	-	-
Total AMERCO notes and loans payable			<u>\$ 1,452,042</u>	<u>\$ 1,181,165</u>

(a) Interest rate as of September 30, 2007, including the effect of applicable hedging instruments

***Real Estate Backed Loans***

***Real Estate Loan***

Amerco Real Estate Company and certain of its subsidiaries and U-Haul Company of Florida are borrowers under a Real Estate Loan. The lender is Merrill Lynch Commercial Finance Corp. and has a final maturity date of August 2018. The loan is comprised of a term loan facility with initial availability of \$300.0 million and a revolving credit facility with an availability of \$200.0 million. As of September 30, 2007 the outstanding balance on the Real Estate Loan was \$290.0 million, with no portion of the revolver drawn down. U-Haul International, Inc. is a guarantor of this loan.

The amortizing term portion of the Real Estate Loan requires monthly principal and interest payments, with the unpaid loan balance and accrued and unpaid interest due at maturity. The revolving credit portion of the Real Estate Loan requires monthly interest payments when drawn, with the unpaid loan balance and any accrued and unpaid interest due at maturity. The Real Estate Loan is secured by various properties owned by the borrowers.

The interest rate, per the provisions of the amended Loan Agreement, is the applicable London Inter-Bank Offer Rate ("LIBOR") plus the applicable margin. At September 30, 2007 the applicable LIBOR was 5.82% and the applicable margin was 1.50%, the sum of which was 7.32%. The applicable margin ranges from 1.50% to 2.00%. The rate on the term facility portion of the loan is hedged with an interest rate swap fixing the rate at 6.93% based on the current margin.

The default provisions of the Real Estate Loan include non-payment of principal or interest and other standard reporting and change-in-control covenants. There are limited restrictions regarding our use of the funds.

***Senior Mortgages***

Various subsidiaries of Amerco Real Estate Company and U-Haul International, Inc. are borrowers under certain senior mortgages. The lenders for these senior mortgages are Merrill Lynch Mortgage Lending, Inc. and Morgan Stanley Mortgage Capital, Inc. These senior mortgages loan balances as of September 30, 2007 were in the aggregate amount of \$460.6 million and are due July 2015. These senior mortgages require average monthly principal and interest payments of \$3.0 million with the unpaid loan balance and accrued and unpaid interest due at maturity. These senior mortgages are secured by certain properties owned by the borrowers. The interest rates, per the provisions of these senior mortgages, are 5.68% per annum for the Merrill Lynch Mortgage Lending Agreement and 5.52% per annum for the Morgan Stanley Mortgage Capital Agreement. The default provisions of these senior mortgages include non-payment of principal or interest and other standard reporting and change-in-control covenants. There are limited restrictions regarding our use of the funds.

## AMERCO AND CONSOLIDATED ENTITIES

### NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Various subsidiaries of the Company are borrowers under mortgage backed loans that we also classify as senior mortgages. These loans are secured by certain properties owned by the Company. The loan balance of these notes totals \$59.4 as of September 30, 2007. Maturity dates begin in 2009 with the majority maturing in 2015. Rates for these loans range from 5.19% to 5.75%. The loans require monthly principal and interest payments with the balances due upon maturity. The default provisions of the loans include non-payment of principal or interest and other standard reporting and change-in-control covenants. There are limited restrictions regarding our use of the funds.

#### *Construction / Working Capital Loans*

Amerco Real Estate Company and a subsidiary of U-Haul International, Inc. entered into a revolving credit Construction Loan with MidFirst Bank effective June 29, 2006. The maximum amount that can be drawn at any one time is \$40.0 million. The final maturity is June 2009. As of September 30, 2007 the outstanding balance was \$21.7 million.

The Construction Loan requires monthly interest only payments with the principal and any accrued and unpaid interest due at maturity. The loan can be used to develop new or existing storage properties. The loan is secured by the properties being constructed. The interest rate, per the provision of the Loan Agreement, is the applicable LIBOR plus a margin of 1.50%. At September 30, 2007 the applicable LIBOR was 5.82% and the margin was 1.50%, the sum of which was 7.32%. The default provisions of the loan include non-payment of principal or interest and other standard reporting and change-in-control covenants.

Amerco Real Estate Company is a borrower under an asset backed facility. The lender is JP Morgan Chase Bank and the facility was originally in the amount of \$20.0 million. The loan is secured by certain properties owned by the borrower. On September 5, 2007, the loan was amended to increase the availability to \$35.0 million. The interest rate, per the provision of the Loan Agreement, is the applicable LIBOR plus a margin of 1.50%. The loan agreement provides for revolving loans, subject to the terms of the loan agreement with final maturity in November 2008, subject to a one year extension. The loan requires monthly interest payments with the unpaid loan balance and accrued and unpaid interest due at maturity. U-Haul International, Inc. and AMERCO are the guarantors of this loan. The default provisions of the loan include non-payment of principal or interest and other standard reporting and change-in-control covenants. At September 30, 2007 the facility was fully available.

#### *Fleet Loans*

##### *Rental Truck Amortizing Loans*

U-Haul International, Inc. and several of its subsidiaries are borrowers under an amortizing term loan. The lender is Merrill Lynch Commercial Finance Corp. The Company's outstanding balance at September 30, 2007 was \$106.6 million and the final maturity is April 2012.

The Merrill Lynch Rental Truck Amortizing Loan requires monthly principal and interest payments, with the unpaid loan balance and accrued and unpaid interest due at maturity. The Merrill Lynch Rental Truck Amortizing Loan was used to purchase new trucks. The interest rate, per the provision of the Loan Agreement, is the applicable LIBOR plus a margin between 1.50% and 1.75%. At September 30, 2007, the applicable LIBOR was 5.82% and the applicable margin was 1.75%, the sum of which was 7.57%. The interest rate is hedged with an interest rate swap fixing the rate at 6.81% based on the current margin. The default provisions of the loan include non-payment of principal or interest and other standard reporting and change-in-control covenants.

U-Haul International, Inc. and several of its subsidiaries are borrowers under an amortizing term loan. The lender is BTMU Capital Corporation ("BTMU"). The Company's outstanding balance at September 30, 2007 was \$119.3 million, and the final maturity is October 2012.

The BTMU Rental Truck Amortizing Loan requires monthly principal and interest payments, with the unpaid loan balance and accrued and unpaid interest due at maturity. The BTMU Rental Truck Amortizing Loan was used to purchase new trucks. The interest rate, per the provision of the Loan Agreement, is the applicable LIBOR plus a margin between 1.25% and 1.75%. At September 30, 2007 the applicable LIBOR was 5.82% and the applicable margin was 1.75%, the sum of which was 7.57%. The interest rate is hedged with an interest rate swap fixing the rate at 7.32% based on the current margin. AMERCO and U-Haul International, Inc. are guarantors of the loan. The default provisions of the loan include non-payment of principal or interest and other standard reporting and change-in-control covenants.

## AMERCO AND CONSOLIDATED ENTITIES

### NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

U-Haul International, Inc. and several of its subsidiaries are borrowers under an amortizing term loan. The lender is Bayerische Hypo-und Vereinsbank AG (“HVB”). The Company’s outstanding balance at September 30, 2007 was \$33.7 million and its final maturity is July 2013.

The HVB Rental Truck Amortizing Loan requires monthly principal and interest payments, with the unpaid loan balance and accrued and unpaid interest due at maturity. The HVB Rental Truck Amortizing Loan was used to purchase new trucks. The interest rate, per the provision of the Loan Agreement, is the applicable LIBOR plus a margin between 1.25% and 1.75%. At September 30, 2007 the applicable LIBOR was 5.82% and the applicable margin was 1.75%, the sum of which was 7.57%. The interest rate is hedged with an interest rate swap fixing the rate at 7.42% based on the current margin. U-Haul International, Inc. is a guarantor of this loan. The default provisions of the loan include non-payment of principal or interest and other standard reporting and change-in-control covenants.

U-Haul International, Inc. and several of its subsidiaries are borrowers under an amortizing term loan. The lender is U.S. Bancorp Equipment Finance, Inc. (“U.S. Bank”). The Company’s outstanding balance at September 30, 2007 was \$26.5 million and its final maturity is February 2014.

The U.S. Bank Rental Truck Amortizing Loan requires monthly principal and interest payments, with the unpaid loan balance and accrued and unpaid interest due at maturity. The U.S. Bank Rental Truck Amortizing Loan was used to purchase new trucks. The interest rate, per the provision of the Loan Agreement, is the applicable LIBOR plus a margin between 0.900% and 1.125%. At September 30, 2007 the applicable LIBOR was 5.82% and the applicable margin was 1.125%, the sum of which was 6.95%. The interest rate is hedged with an interest rate swap fixing the rate at 6.37% based on the current margin. AMERCO and U-Haul International, Inc. are guarantors of this loan. The default provisions of the loan include non-payment of principal or interest and other standard reporting and change-in-control covenants.

U-Haul International, Inc. and several of its subsidiaries are borrowers under an amortizing term loan. The lenders are HSBC Bank US, NA and KBC Bank, NV (“HSBC/KBC”). The Company’s outstanding balance at September 30, 2007 was \$36.0 million and its final maturity is March 2014.

The HSBC/KBC Rental Truck Amortizing Loan requires monthly principal and interest payments, with the unpaid loan balance and accrued and unpaid interest due at maturity. The HSBC/KBC Rental Truck Amortizing Loan was used to purchase new trucks. The interest rate, per the provision of the Loan Agreement, is the applicable LIBOR plus a margin between 0.900% and 1.125%. At September 30, 2007 the applicable LIBOR was 5.82% and the applicable margin was 1.125%, the sum of which was 6.95%. The interest rate is hedged with an interest rate swap fixing the rate at 6.11% based on the current margin. AMERCO is the guarantor of this loan. The default provisions of the loan include non-payment of principal or interest and other standard reporting and change-in-control covenants.

#### *Rental Truck Securitizations*

U-Haul S Fleet and its subsidiaries (collectively, “USF”) issued a \$217.0 million asset-backed note (“Boxed-Truck Note”) and a \$86.6 million asset-backed note (“Cargo Van/Pickup Note”) on June 1, 2007. USF is a bankruptcy-remote special purpose entity wholly-owned by U-Haul International, Inc. The net proceeds from these securitized transactions will be used to finance new box truck, cargo van and pickup truck purchases throughout fiscal 2008. U.S. Bank, NA acts as the trustee for this securitization.

The Boxed Truck Note has a fixed interest rate of 5.56% with an estimated final maturity of February 2014. At September 30, 2007 the outstanding balance was \$211.6 million. \$91.7 million remains in an escrow account, available to acquire new box trucks through the end of fiscal 2008. The note is secured by the box trucks being purchased and operating cash flows associated with their operation. The unused portion of this facility has been recorded as “Other assets” on our balance sheet.

The Cargo Van/Pickup Note has a fixed interest rate of 5.40% with an estimated final maturity of May 2010. At September 30, 2007 the outstanding balance was \$86.6 million. \$2.4 million remains in an escrow account, available to acquire new cargo vans and pick up trucks. The note is secured by the cargo vans and pickup trucks being purchased and the operating cash flows associated with their operation. The unused portion of this facility has been recorded as “Other assets” on our balance sheet.

The Box Truck Note and Cargo Van/Pickup Note have the benefit of financial guaranty insurance policies through Ambac Assurance Corporation. These policies guarantee the timely payment of interest on and the ultimate payment of the principal of the notes.

# AMERCO AND CONSOLIDATED ENTITIES

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

The Box Truck Note and the Cargo Van/Pickup Note are subject to certain covenants with respect to liens, additional indebtedness of the special purpose entities, the disposition of assets and other customary covenants of bankruptcy-remote special purpose entities. The default provisions of the notes include non-payment of principal or interest and other standard reporting and change in control covenants.

### *Revolving Credit Agreement*

U-Haul International, Inc. and several of its subsidiaries are borrowers under a revolving credit facility. The lender is Merrill Lynch Commercial Finance Corp. The maximum amount that can be drawn is \$100.0 million with a final maturity of 2011. As of September 30, 2007, the facility was fully available.

The revolving credit agreement requires monthly interest payments, with the unpaid loan balance and accrued and unpaid interest due at maturity. The revolving credit agreement is secured by various older rental trucks. The interest rate, per the provision of the Loan Agreement, is the applicable LIBOR plus a margin. U-Haul International, Inc. is the guarantor of this loan. The default provisions of the loan include non-payment of principal or interest and other standard reporting and change-in-control covenants.

### *Annual Maturities of AMERCO Consolidated Notes and Loans Payable*

The annual maturities of AMERCO consolidated long-term debt as of September 30, 2007 for the next five years and thereafter is as follows:

	Year Ending September 30,					
	2008	2009	2010	2011	2012	Thereafter
	(Unaudited)					
	(In thousands)					
Notes payable, secured	\$ 110,829	\$ 125,323	\$ 159,029	\$ 63,355	\$ 141,671	\$ 851,835

### *SAC Holding II Notes and Loans Payable to Third Parties*

SAC Holding II notes and loans payable to third parties, other than AMERCO, were as follows:

	September 30, 2007	March 31, 2007
	(Unaudited)	
	(In thousands)	
Notes payable, secured, 7.87% interest rate, due 2027	\$ 74,197	\$ 74,887

Secured notes payable are secured by deeds of trusts on the collateralized land and buildings. Principal and interest payments on notes payable to third party lenders are due monthly in the amount of \$0.6 million. Certain notes payable contain provisions whereby the loans may not be prepaid at any time prior to the maturity date without payment to the lender of a yield maintenance premium, as defined in the loan agreements.

On March 15, 2004, the SAC entities issued \$200.0 million aggregate principal amount of 8.5% senior notes due 2014 (the “new SAC notes”). SAC Holding Corporation and SAC Holding II Corporation were jointly and severally liable for these obligations. The proceeds from this issuance flowed exclusively to SAC Holding Corporation and as such SAC Holding II had recorded no liability for this. On August 30, 2004, SAC Holdings paid down \$43.2 million on this note. On June 22, 2007, SAC Holdings repaid the balance of the new SAC notes and terminated the related indenture. No funds from SAC Holding II were used as part of this transaction.

**AMERCO AND CONSOLIDATED ENTITIES**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)**

**Annual Maturities of SAC Holding II Notes and Loans Payable to Third Parties**

The annual maturities of SAC Holding II long-term debt as of September 30, 2007 for the next five years and thereafter is as follows:

	<b>Year Ending September 30,</b>					
	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>Thereafter</b>
	(Unaudited) (In thousands)					
Notes payable, secured	\$ 1,499	\$ 1,640	\$ 1,776	\$ 1,923	\$ 2,067	\$ 65,292

**4. Interest on Borrowings**

**Interest Expense**

Expenses associated with loans outstanding were as follows:

	<b>Quarter Ended September 30,</b>	
	<b>2007</b>	<b>2006</b>
	(Unaudited) (In thousands)	
Interest expense	\$ 25,373	\$ 19,331
Capitalized interest	(322)	(129)
Amortization of transaction costs	1,514	1,076
Interest income resulting from derivatives	(568)	(738)
Amortization of transaction costs related to early extinguishment of debt	-	6,969
Total AMERCO interest expense	25,997	26,509
SAC Holding II interest expense	3,236	3,206
Less: Intercompany transactions	1,738	1,683
Total SAC Holding II interest expense	1,498	1,523
Total	\$ 27,495	\$ 28,032

	<b>Six Months Ended September 30,</b>	
	<b>2007</b>	<b>2006</b>
	(Unaudited) (In thousands)	
Interest expense	\$ 47,496	\$ 35,888
Capitalized interest	(605)	(171)
Amortization of transaction costs	2,395	2,374
Interest income resulting from derivatives	(1,021)	(1,601)
Amortization of transaction costs related to early extinguishment of debt	-	6,969
Total AMERCO interest expense	48,265	43,459
SAC Holding II interest expense	6,467	6,600
Less: Intercompany transactions	3,466	3,565
Total SAC Holding II interest expense	3,001	3,035
Total	\$ 51,266	\$ 46,494

AMERCO AND CONSOLIDATED ENTITIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Interest paid in cash by AMERCO amounted to \$25.9 million and \$17.1 million for the second quarter of fiscal 2008 and fiscal 2007, respectively.

Interest paid in cash by AMERCO (excluding any fees from the early extinguishment of debt) amounted to \$46.0 million and \$33.2 million for the first six months of fiscal 2008 and fiscal 2007, respectively.

The exposure to market risk for changes in interest rates relates primarily to our variable rate debt obligations. We have used interest rate swap and interest rate cap agreements to provide for matching the gain or loss recognition on the hedging instrument with the recognition of the changes in the cash flows associated with the hedged asset or liability attributable to the hedged risk or the earnings effect of the hedged forecasted transaction. As of September 30, 2007, the Company had approximately \$633.8 million of variable rate debt obligations. On June 8, 2005, the Company entered into separate interest rate swap contracts for \$100.0 million of our variable rate debt over a three year term and for \$100.0 million of our variable rate debt over a five year term, which were designated as cash flow hedges effective July 1, 2005. These swap contracts were cancelled on August 16, 2006 in conjunction with our amendment of the Real Estate Loan and we entered into a new interest rate swap contract for \$300.0 million of our variable rate debt over a twelve year term effective on August 18, 2006. On May 13, 2004, the Company entered into separate interest rate cap contracts for \$200.0 million of our variable rate debt over a two year term and for \$50.0 million of our variable rate debt over a three year term; however, effective July 11, 2005 when the Real Estate Loan was paid down by \$222.4 million the cash flow hedge designations for these contracts were removed. The \$200.0 million interest rate cap contract expired on May 17, 2006 and the \$50.0 million interest rate cap contract expired on May 17, 2007. On November 15, 2005, the Company entered into a forward starting interest rate swap contract for \$142.3 million of a variable rate debt over a six year term that started on May 10, 2006. On June 21, 2006, the Company entered into a forward starting interest rate swap contract for \$50.0 million of our variable rate debt over a seven year term that started on July 10, 2006. On June 9, 2006, the Company entered into a forward starting interest rate swap contract for \$144.9 million of a variable rate debt over a six year term that started on October 10, 2006. On February 9, 2007, the Company entered into an interest rate swap contract for \$30.0 million of our variable rate debt over a seven year term that started on February 12, 2007. On March 8, 2007, the Company entered into two separate interest rate swap contracts each for \$20.0 million of our variable rate debt over a seven year term that started on March 10, 2007. These interest rate swap agreements were designated cash flow hedges on their effective dates.

The interest rate cap agreement is no longer designated as a hedge as it was replaced with an interest rate swap agreement when the associated debt was replaced in fiscal 2007. Therefore all changes in the interest rate caps fair value (including changes in the option's time value), are recorded to earnings. Previously the change in each caplets' respective allocated fair value amount was reclassified out of accumulated other comprehensive income into earnings when each of the hedged forecasted transactions (the quarterly interest payments) impact earnings and when interest payments are either made or received.

The hedging relationship of the interest rate swap agreements is not considered to be perfectly effective. Therefore, for each reporting period an effectiveness test is performed. For the portion of the change in the interest rate swaps fair value deemed effective, this is charged to accumulated other comprehensive income. The remaining ineffective portion is charged to interest expense for the period. For the six months ended September 30, 2007 and September 30, 2006, the Company recorded interest income related to these swap agreements of \$1.2 million and \$1.6 million, respectively, all of which represented the ineffective component of the swaps that impacted earnings during the period.

AMERCO AND CONSOLIDATED ENTITIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

**Interest Rates**

Interest rates and Company borrowings were as follows:

	<b>Revolving Credit Activity</b>	
	<b>Quarter Ended September 30,</b>	
	<b>2007</b>	<b>2006</b>
	(Unaudited)	
	(In thousands, except interest rates)	
Weighted average interest rate during the quarter	6.87%	6.85%
Interest rate at the end of the quarter	7.32%	6.82%
Maximum amount outstanding during the quarter	\$ 121,700	\$ 90,000
Average amount outstanding during the quarter	\$ 98,874	\$ 90,000
Facility fees	\$ 65	\$ 57

	<b>Revolving Credit Activity</b>	
	<b>Six Months Ended September 30,</b>	
	<b>2007</b>	<b>2006</b>
	(Unaudited)	
	(In thousands, except interest rates)	
Weighted average interest rate during the first six months	6.80%	7.35%
Interest rate at the end of the first six months	7.32%	6.82%
Maximum amount outstanding during the first six months	\$ 138,700	\$ 90,000
Average amount outstanding during the first six months	\$ 100,065	\$ 90,000
Facility fees	\$ 134	\$ 114

**5. Comprehensive Income (Loss)**

A summary of accumulated other comprehensive income (loss) components, net of tax, were as follows:

	<b>Foreign Currency Translation</b>	<b>Unrealized Gain (Loss) on Investments</b>	<b>Fair Market Value of Cash Flow Hedge</b>	<b>FASB Statement No. 158 Adjustment</b>	<b>Accumulated Other Comprehensive Income (Loss)</b>
			(Unaudited) (In thousands)		
Balance at March 31, 2007	\$ (36,166)	\$ (355)	\$ (5,105)	\$ (153)	\$ (41,779)
Foreign currency translation	11,879	-	-	-	11,879
Unrealized loss on investments	-	(1,287)	-	-	(1,287)
Change in fair market value of cash flow hedge	-	-	(1,441)	-	(1,441)
Balance at September 30, 2007	\$ (24,287)	\$ (1,642)	\$ (6,546)	\$ (153)	\$ (32,628)

Total comprehensive income for the six months ended September 30, 2007 and 2006 were \$101.4 million and \$103.6 million, respectively.



**AMERCO AND CONSOLIDATED ENTITIES**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)**

**6. Contingent Liabilities and Commitments**

The Company leases a portion of its rental equipment and certain of its facilities under operating leases with terms that expire at various dates substantially through 2012, with the exception of one land lease expiring in 2034. At September 30, 2007, AMERCO has guaranteed \$170.1 million of residual values for these rental equipment assets at the end of the respective lease terms. Certain leases contain renewal and fair market value purchase options as well as mileage and other restrictions. At the expiration of the lease, the Company has the option to renew the lease, purchase the asset for fair market value, or sell the asset to a third party on behalf of the lessor. AMERCO has been leasing equipment since 1987 and has experienced no material losses relating to these types of residual value guarantees.

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

	<b>Property, Plant and Equipment</b>	<b>Rental Equipment</b>	<b>Total</b>
		(Unaudited)	
		(In thousands)	
Year-ended September 30:			
2008	\$ 12,458	\$ 116,904	\$ 129,362
2009	12,134	102,248	114,382
2010	11,723	84,057	95,780
2011	11,601	67,796	79,397
2012	10,928	53,883	64,811
Thereafter	22,593	52,125	74,718
Total	<u>\$ 81,437</u>	<u>\$ 477,013</u>	<u>\$ 558,450</u>

## AMERCO AND CONSOLIDATED ENTITIES

### NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

#### 7. Contingencies

##### *Shoen*

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 prior to the filing of the complaint. 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. These lawsuits alleged that the AMERCO Board lacked independence. In reaching its decision to dismiss these claims, the court determined that the AMERCO Board of Directors had the requisite level of independence required in order to have these claims resolved by the Board. The court consolidated all five complaints before dismissing them on May 28, 2003. Plaintiffs appealed and, on July 13, 2006, the Nevada Supreme Court reviewed and remanded the claim to the trial court for proceedings consistent with its ruling, allowing the plaintiffs to file an amended complaint and plead in addition to substantive claims, demand futility. On November 8, 2006, the nominal plaintiffs filed an Amended Complaint. On December 22, 2006, the defendants filed Motions to Dismiss. Briefing was concluded on February 21, 2007. On March 29, 2007, the Court denied AMERCO's motion to dismiss regarding the issue of demand futility. On March 30, 2007, the Court heard oral argument on the remainder of the Defendants' Motions to Dismiss and requested supplemental briefing. The supplemental briefs were filed on May 14, 2007. In September and October of 2007, the defendants filed Motions For Judgment on the Pleadings or, In the Alternative, Summary Judgment. We are currently awaiting the Court's rulings on these motions.

##### *Environmental*

In the normal course of business, AMERCO is a defendant in a number of suits and claims. AMERCO is also a party to several administrative proceedings arising from state and local provisions that regulate the removal and/or cleanup of underground fuel storage tanks. It is the opinion of management, that none of these 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.

Based upon the information currently available to Real Estate, compliance with the environmental laws and its share of the costs of investigation and cleanup of known hazardous waste sites are not expected to have a material adverse effect on AMERCO's financial position or operating results. Real Estate expects to spend approximately \$7.6 million in total through 2011 to remediate these properties.

## AMERCO AND CONSOLIDATED ENTITIES

### NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

#### *Other*

The Company is named as a defendant in various other litigation and claims arising out of the normal course of business. In management's opinion none of these other matters will have a material effect on the Company's financial condition and ongoing results of operations.

#### **8. Related Party Transactions**

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

SAC Holdings was established in order to acquire self-storage properties. These properties are being managed by the Company pursuant to management agreements. The sale of self-storage properties by the Company to SAC Holdings has in the past provided significant cash flows to the Company.

Management believes that its sales of self-storage properties to SAC Holdings has provided a unique structure for the Company to earn moving equipment rental revenues and property management fee revenues from the SAC Holdings self-storage properties that the Company manages.

During the first six months of fiscal 2008, subsidiaries of the Company held various junior unsecured notes of SAC Holdings. Substantially all of the equity interest of SAC Holdings is controlled by Blackwater Investments, Inc. ("Blackwater"), wholly-owned by Mark V. Shoen, a significant shareholder and executive officer of AMERCO. The Company does not have an equity ownership interest in SAC Holdings. The Company recorded interest income of \$9.4 million and \$9.8 million, and received cash interest payments of \$10.2 million and \$37.2 million, from SAC Holdings during the first six months of fiscal 2008 and 2007, respectively. The cash interest payments for the first six months of fiscal 2007 included a payment to significantly reduce the outstanding interest receivable from SAC Holdings. The largest aggregate amount of notes receivable outstanding during the first six months of fiscal 2008 was \$203.7 million and the aggregate notes receivable balance at September 30, 2007 was \$198.4 million, of which \$75.1 million is with SAC Holding II and has been eliminated in the consolidating financial statements. In accordance with the terms of these notes, SAC Holdings may repay the notes without penalty or premium.

Interest accrues on the outstanding principal balance of junior notes of SAC Holdings that the Company holds at a 9.0% rate per annum. A fixed portion of that basic interest is paid on a monthly basis. Additional interest can be earned on notes totaling \$122.2 million of principal depending upon the amount of remaining basic interest and the cash flow generated by the underlying property. This amount is referred to as the "cash flow-based calculation."

To the extent that this cash flow-based calculation exceeds the amount of remaining basic interest, contingent interest is paid on the same monthly date as the fixed portion of basic interest. To the extent that the cash flow-based calculation is less than the amount of remaining basic interest, the additional interest payable on the applicable monthly date is limited to the amount of that cash flow-based calculation. In such a case, the excess of the remaining basic interest over the cash flow-based calculation is deferred. In addition, subject to certain contingencies, the junior notes provide that the holder of the note is entitled to receive a portion of the appreciation realized upon, among other things, the sale of such property by SAC Holdings. To date, no excess cash flows related to these arrangements have been earned or paid.

During the first six months of fiscal 2008, AMERCO and U-Haul held various junior notes with Private Mini Storage Realty, L.P. ("Private Mini"). The equity interests of Private Mini are ultimately controlled by Blackwater. The Company recorded interest income of \$2.5 million during the first six months of both fiscal 2008 and 2007, and received cash interest payments of \$2.5 million from Private Mini during the first six months of both fiscal 2008 and 2007, respectively. The balance of notes receivable from Private Mini at September 30, 2007 was \$69.6 million. The largest aggregate amount outstanding during fiscal 2008 was \$70.1 million.

## AMERCO AND CONSOLIDATED ENTITIES

### NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

The Company currently manages the self-storage properties owned or leased by SAC Holdings, Mercury Partners, L.P. (“Mercury”), Four SAC Self-Storage Corporation (“4 SAC”), Five SAC Self-Storage Corporation (“5 SAC”), Galaxy Investments, L.P. (“Galaxy”) and Private Mini pursuant to a standard form of management agreement, under which the Company receives a management fee of between 4% and 10% of the gross receipts plus reimbursement for certain expenses. The Company received management fees, exclusive of reimbursed expenses, of \$15.0 million and \$9.2 million from the above mentioned entities during the first six months of fiscal 2008 and 2007, respectively. This management fee is consistent with the fee received for other properties the Company previously managed for third parties. SAC Holdings, 4 SAC, 5 SAC, Galaxy and Private Mini are substantially controlled by Blackwater. Mercury is substantially controlled by Mark V. Shoen. James P. Shoen, a significant shareholder and director of AMERCO, has an interest in Mercury.

The Company leases space for marketing company offices, vehicle repair shops and hitch installation centers from subsidiaries of SAC Holdings, 5 SAC and Galaxy. Total lease payments pursuant to such leases were \$1.3 million for each of the first six months of fiscal 2008 and 2007. The terms of the leases are similar to the terms of leases for other properties owned by unrelated parties that are leased to the Company.

At September 30, 2007, subsidiaries of SAC Holdings, 4 SAC, 5 SAC, Galaxy and Private Mini acted as U-Haul independent dealers. The financial and other terms of the dealership contracts with the aforementioned companies and their subsidiaries are substantially identical to the terms of those with the Company’s other independent dealers whereby commissions are paid by the Company based upon equipment rental revenues. For the first six months of fiscal 2008 and 2007, the Company paid the above mentioned entities \$20.8 million and \$21.2 million, respectively in commissions pursuant to such dealership contracts.

These agreements and notes with subsidiaries of SAC Holdings, 4 SAC, 5 SAC, Galaxy and Private Mini, excluding Dealer Agreements, provided revenues of \$20.4 million, expenses of \$1.3 million and cash flows of \$49.4 million during the first six months of fiscal 2008. Revenues and commission expenses related to the Dealer Agreements were \$97.3 million and \$20.8 million, respectively.

In prior years, U-Haul sold various properties to SAC Holding Corporation at prices in excess of U-Haul’s carrying values resulting in gains which U-Haul deferred and treated as additional paid-in capital. The transferred properties have historically been stated at the original cost basis as the gains were eliminated in consolidation. In March 2004, these deferred gains were recognized and treated as contributions from a related party in the amount of \$111.0 million as a result of the deconsolidation of SAC Holdings Corporation.

On September 1, 2007, SAC Holding Corporation issued a promissory note to U-Haul. As part of the note, the Company reclassified \$20.0 million of deferred interest due from SAC Holding Corporation to a note receivable. The note accrues interest at 9.0% per annum with interest payments due quarterly and a final maturity in 2019.

During the second quarter of fiscal 2008 the Company received \$20.1 million from SAC Holding Corporation as full repayment for one of its junior notes.

**AMERCO AND CONSOLIDATED ENTITIES**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)**

**Related Party Assets**

	<b>September 30, 2007</b>	<b>March 31, 2007</b>
	<u>(Unaudited)</u>	
	(In thousands)	
Private Mini notes, receivables and interest	\$ 71,566	\$ 71,785
Oxford note receivable from SAC Holding Corporation	-	5,040
U-Haul notes receivable from SAC Holding Corporation	123,340	123,578
U-Haul interest receivable from SAC Holding Corporation	3,441	23,361
U-Haul receivable from SAC Holding Corporation	9,233	16,596
U-Haul receivable from Mercury	2,405	4,278
Other (a)	<u>(4,136)</u>	<u>541</u>
	<u>\$ 205,849</u>	<u>\$ 245,179</u>

(a) The current period credit balance resulted from a timing difference between Oxford and AMERCO for a partial repayment of an intercompany note. This will reverse in our December 31, 2007 financial statements.

**Related Party Liabilities**

	<b>September 30, 2007</b>	<b>March 31, 2007</b>
	<u>(Unaudited)</u>	
	(In thousands)	
SAC Holding II payable to affiliate	<u>\$ 2,008</u>	<u>\$ 2,099</u>

**9. Consolidating Financial Information by Industry Segment**

AMERCO has four reportable segments. They are Moving and Storage, Property and Casualty Insurance, Life Insurance and SAC Holding II. Management tracks revenues separately, but does not report any separate measure of the profitability for rental vehicles, rentals of self-storage spaces and sales of products that are required to be classified as a separate operating segment and accordingly does not present these as separate reportable segments. Deferred income taxes are shown as liabilities on the condensed consolidating statements.

This section includes condensed consolidating financial information which presents the condensed consolidating balance sheets as of September 30, 2007 and March 31, 2007 and the related condensed consolidating statements of operations for the second quarter and first six months of fiscal 2008 and 2007 and the condensed consolidating cash flow statements for the first six months of fiscal 2008 and 2007 for:

- (a) Moving and Storage, comprised of AMERCO, U-Haul, and Real Estate and the subsidiaries of U-Haul and Real Estate
- (b) Property and Casualty Insurance, comprised of RepWest and its wholly-owned subsidiary
- (c) Life Insurance, comprised of Oxford and its wholly-owned subsidiaries
- (d) SAC Holding II and its subsidiaries

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

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

**AMERCO AND CONSOLIDATED ENTITIES**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)**

**9. Financial Information by Consolidating Industry Segment:**

Consolidating balance sheets by industry segment as of September 30, 2007 are as follows:

	Moving & Storage					AMERCO Legal Group					AMERCO as Consolidated			
	AMERCO	U-Haul	Real Estate	Eliminations		Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Eliminations		AMERCO Consolidated	SAC Holding II	Eliminations	Total Consolidated
	(Unaudited) (In thousands)													
Assets:														
Cash and cash equivalents	\$ 31	\$ 182,197	\$ 2,995	\$ -	\$ -	\$ 185,223	\$ 4,459	\$ 13,662	\$ -	\$ 203,344	\$ -	\$ -	\$ -	\$ 203,344
Reinsurance recoverables and trade receivables, net	-	25,255	25	-	-	25,280	154,004	10,585	-	189,869	-	-	-	189,869
Notes and mortgage receivables, net	-	1,307	555	-	-	1,862	-	-	-	1,862	-	-	-	1,862
Inventories, net	-	61,644	-	-	-	61,644	-	-	-	61,644	1,339	-	-	62,983
Prepaid expenses	-	47,169	44	-	-	47,213	-	-	-	47,213	274	-	-	47,487
Investments, fixed maturities and marketable equities	-	-	-	-	-	-	151,662	505,250	-	656,912	-	-	-	656,912
Investments, other	-	966	13,917	-	-	14,883	71,784	79,983	-	166,650	-	-	-	166,650
Deferred policy acquisition costs, net	-	-	-	-	-	-	76	43,811	-	43,887	-	-	-	43,887
Other assets	6	181,375	41,738	-	-	223,119	2,193	911	-	226,223	5,283	-	-	231,506
Related party assets	1,208,523	233,811	89	(1,146,512)	(d)	295,911	8,663	-	(17,962)	(d)	286,612	-	(80,763)	(d) 205,849
	1,208,560	733,724	59,363	(1,146,512)		855,135	392,841	654,202	(17,962)		1,884,216	6,896	(80,763)	1,810,349
Investment in subsidiaries	(160,547)	-	-	444,861	(c)	284,314	-	-	(284,314)	(c)	-	-	-	-
Investment in SAC Holding II	(8,901)	-	-	-		(8,901)	-	-	-		(8,901)	-	8,901	(c) -
Total investment in subsidiaries and SAC Holding II	(169,448)	-	-	444,861		275,413	-	-	(284,314)		(8,901)	-	8,901	-
Property, plant and equipment, at cost:														
Land	-	43,731	163,049	-	-	206,780	-	-	-	206,780	-	-	-	206,780
Buildings and improvements	-	112,781	721,550	-	-	834,331	-	-	-	834,331	-	-	-	834,331
Furniture and equipment	4,645	290,586	18,072	-	-	313,303	-	-	-	313,303	-	-	-	313,303
Rental trailers and other rental equipment	-	206,599	-	-	-	206,599	-	-	-	206,599	-	-	-	206,599
Rental trucks	-	1,736,826	-	-	-	1,736,826	-	-	-	1,736,826	-	-	-	1,736,826
SAC Holding II - property, plant and equipment (b)	-	-	-	-	-	-	-	-	-	-	155,597	(74,212)	(e)	81,385
	4,645	2,390,523	902,671	-	-	3,297,839	-	-	-	3,297,839	155,597	(74,212)	-	3,379,224
Less: Accumulated depreciation	(950)	(1,004,243)	(302,187)	-	-	(1,307,380)	-	-	-	(1,307,380)	(13,851)	10,505	(e)	(1,310,726)
Total property, plant and equipment	3,695	1,386,280	600,484	-	-	1,990,459	-	-	-	1,990,459	141,746	(63,707)	-	2,068,498
Total assets	\$ 1,042,807	\$ 2,120,004	\$ 659,847	\$ (701,651)		\$ 3,121,007	\$ 392,841	\$ 654,202	\$ (302,276)		\$ 3,865,774	\$ 148,642	\$ (135,569)	\$ 3,878,847

(a) Balances as of June 30, 2007

(b) Included in this caption is land of \$57,169, buildings and improvements of \$97,680, and furniture and equipment of \$748

(c) Eliminate investment in subsidiaries and SAC Holding II

(d) Eliminate intercompany receivables and payables

(e) Eliminate gain on sale of property from U-Haul to SAC Holding II

**AMERCO AND CONSOLIDATED ENTITIES**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)**

Consolidating balance sheets by industry segment as of September 30, 2007 are as follows:

	Moving & Storage					AMERCO Legal Group				AMERCO as Consolidated				
	AMERCO	U-Haul	Real Estate	Eliminations		Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Eliminations	AMERCO Consolidated	SAC Holding II	Eliminations		
	(Unaudited) (In thousands)													
Liabilities:														
Accounts payable and accrued expenses	\$ 119	\$ 250,746	\$ 5,436	\$ -	\$ 256,301	\$ -	\$ 6,802	\$ -	\$ 263,103	\$ 1,773	\$ -	\$ -	\$ 264,876	
AMERCO's notes and loans payable	-	669,166	782,876	-	1,452,042	-	-	-	1,452,042	-	-	-	1,452,042	
SAC Holding II notes and loans payable, non-recourse to AMERCO	-	-	-	-	-	-	-	-	-	74,197	-	-	74,197	
Policy benefits and losses, claims and loss expenses payable	-	356,494	-	-	356,494	275,693	141,063	-	773,250	-	-	-	773,250	
Liabilities from investment contracts	-	-	-	-	-	-	361,380	-	361,380	-	-	-	361,380	
Other policyholders' funds and liabilities	-	-	-	-	-	7,913	2,861	-	10,774	-	-	-	10,774	
Deferred income	-	14,104	-	-	14,104	-	-	-	14,104	831	-	-	14,935	
Deferred income taxes	210,411	-	-	-	210,411	(39,009)	(5,032)	-	166,370	(2,029)	(26,665)	(d)	137,676	
Related party liabilities	-	1,100,005	53,411	(1,146,512)	6,904	2,244	8,814	(17,962)	-	82,771	(80,763)	(c)	2,008	
Total liabilities	210,530	2,390,515	841,723	(1,146,512)	2,296,256	246,841	515,888	(17,962)	3,041,023	157,543	(107,428)		3,091,138	
Stockholders' equity:														
Series preferred stock:														
Series A preferred stock	-	-	-	-	-	-	-	-	-	-	-	-	-	
Series B preferred stock	-	-	-	-	-	-	-	-	-	-	-	-	-	
Series A common stock	-	-	-	-	-	-	-	-	-	-	-	-	-	
Common stock	10,497	540	1	(541)	10,497	3,300	2,500	(5,800)	10,497	-	-	-	10,497	
Additional paid-in capital	422,732	121,230	147,481	(268,711)	422,732	86,121	26,271	(112,392)	422,732	-	(46,071)	(d)	376,661	
Additional paid-in capital - SAC Holding II	-	-	-	-	-	-	-	-	-	4,492	(4,492)	(b)	-	
Accumulated other comprehensive income (loss)	(32,628)	(30,987)	-	30,987	(32,628)	(530)	(1,113)	1,643	(32,628)	-	-	-	(32,628)	
Retained earnings (deficit)	932,841	(353,768)	(329,358)	683,126	932,841	57,109	110,656	(167,765)	932,841	(13,393)	22,422	(b,d)	941,870	
Cost of common shares in treasury, net	(501,165)	-	-	-	(501,165)	-	-	-	(501,165)	-	-	-	(501,165)	
Unearned employee stock ownership plan shares	-	(7,526)	-	-	(7,526)	-	-	-	(7,526)	-	-	-	(7,526)	
Total stockholders' equity (deficit)	832,277	(270,511)	(181,876)	444,861	824,751	146,000	138,314	(284,314)	824,751	(8,901)	(28,141)		787,709	
Total liabilities and stockholders' equity	\$ 1,042,807	\$ 2,120,004	\$ 659,847	\$ (701,651)	\$ 3,121,007	\$ 392,841	\$ 654,202	\$ (302,276)	\$ 3,865,774	\$ 148,642	\$ (135,569)		\$ 3,878,847	

(a) Balances as of June 30, 2007

(b) Eliminate investment in subsidiaries and SAC Holding II

(c) Eliminate intercompany receivables and payables

(d) Eliminate gain on sale of property from U-Haul to SAC Holding II

**AMERCO AND CONSOLIDATED ENTITIES**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)**

Consolidating balance sheets by industry segment as of March 31, 2007 are as follows:

	Moving & Storage				Moving & Storage Consolidated	AMERCO Legal Group			AMERCO as Consolidated			
	AMERCO	U-Haul	Real Estate	Eliminations		Property & Casualty Insurance (a)	Life Insurance (a)	Eliminations	AMERCO Consolidated	SAC Holding II	Eliminations	Total Consolidated
(In thousands)												
Assets:												
Cash and cash equivalents	\$ 9	\$ 63,490	\$ 807	\$ -	\$ 64,306	\$ 4,228	\$ 6,738	\$ -	\$ 75,272	\$ -	\$ -	\$ 75,272
Reinsurance recoverables and trade receivables, net	-	18,343	27	-	18,370	155,172	11,075	-	184,617	-	-	184,617
Notes and mortgage receivables, net	-	1,236	433	-	1,669	-	-	-	1,669	-	-	1,669
Inventories, net	-	65,646	-	-	65,646	-	-	-	65,646	1,377	-	67,023
Prepaid expenses	11,173	40,586	30	-	51,789	-	-	-	51,789	291	-	52,080
Investments, fixed maturities and marketable equities	-	-	-	-	-	156,540	525,261	-	681,801	-	-	681,801
Investments, other	-	1,119	10,714	-	11,833	74,716	92,150	-	178,699	-	-	178,699
Deferred policy acquisition costs, net	-	-	-	-	-	196	44,318	-	44,514	-	-	44,514
Other assets	12	56,264	31,794	-	88,070	1,744	833	-	90,647	4,476	-	95,123
Related party assets	1,180,929	251,288	12,663	(1,113,379) (d)	331,501	9,909	5,040	(20,840) (d)	325,610	5	(80,436) (d)	245,179
	1,192,123	497,972	56,468	(1,113,379)	633,184	402,505	685,415	(20,840)	1,700,264	6,149	(80,436)	1,625,977
Investment in subsidiaries	(235,860)	-	-	514,745 (c)	278,885	-	-	(278,885) (c)	-	-	-	-
Investment in SAC Holding II	(9,256)	-	-	-	(9,256)	-	-	-	(9,256)	-	9,256 (c)	-
Total investment in subsidiaries and SAC Holding II	(245,116)	-	-	514,745	269,629	-	-	(278,885)	(9,256)	-	9,256	-
Property, plant and equipment, at cost:												
Land	-	39,868	163,049	-	202,917	-	-	-	202,917	-	-	202,917
Buildings and improvements	-	103,542	698,747	-	802,289	-	-	-	802,289	-	-	802,289
Furniture and equipment	4,588	279,219	17,944	-	301,751	-	-	-	301,751	-	-	301,751
Rental trailers and other rental equipment	-	200,208	-	-	200,208	-	-	-	200,208	-	-	200,208
Rental trucks	-	1,604,123	-	-	1,604,123	-	-	-	1,604,123	-	-	1,604,123
SAC Holding II - property, plant and equipment (b)	-	-	-	-	-	-	-	-	-	154,561	(74,212) (e)	80,349
	4,588	2,226,960	879,740	-	3,111,288	-	-	-	3,111,288	154,561	(74,212)	3,191,637
Less: Accumulated depreciation	(627)	(995,028)	(296,563)	-	(1,292,218)	-	-	-	(1,292,218)	(12,573)	10,225 (e)	(1,294,566)
Total property, plant and equipment	3,961	1,231,932	583,177	-	1,819,070	-	-	-	1,819,070	141,988	(63,987)	1,897,071
Total assets	\$ 950,968	\$ 1,729,904	\$ 639,645	\$ (598,634)	\$ 2,721,883	\$ 402,505	\$ 685,415	\$ (299,725)	\$ 3,510,078	\$ 148,137	\$ (135,167)	\$ 3,523,048

(a) Balances as of December 31, 2006

(b) Included in this caption is land of \$57,169, buildings and improvements of \$96,879, and furniture and equipment of \$513

(c) Eliminate investment in subsidiaries and SAC Holding II

(d) Eliminate intercompany receivables and payables

(e) Eliminate gain on sale of property from U-Haul to SAC Holding II



**AMERCO AND CONSOLIDATED ENTITIES**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)**

Consolidating balance sheets by industry segment as of March 31, 2007 are as follows:

	Moving & Storage				Moving & Storage Consolidated	AMERCO Legal Group			AMERCO as Consolidated				Total Consolidated	
	AMERCO	U-Haul	Real Estate	Eliminations		Property & Casualty Insurance (a)	Life Insurance (a)	Eliminations	AMERCO Consolidated	SAC Holding II	Eliminations			
(In thousands)														
Liabilities:														
Accounts payable and accrued expenses	\$ 926	\$ 236,830	\$ 4,973	\$ -	\$ 242,729	\$ -	\$ 7,083	\$ -	\$ 249,812	\$ 1,385	\$ -	\$ -	\$ 251,197	
AMERCO's notes and loans payable	-	406,458	774,707	-	1,181,165	-	-	-	1,181,165	-	-	-	1,181,165	
SAC Holding II notes and loans payable, non-recourse to AMERCO	-	-	-	-	-	-	-	-	-	74,887	-	-	74,887	
Policy benefits and losses, claims and loss expenses payable	-	330,602	-	-	330,602	291,241	146,908	-	768,751	-	-	-	768,751	
Liabilities from investment contracts	-	-	-	-	-	-	386,640	-	386,640	-	-	-	386,640	
Other policyholders' funds and liabilities	-	-	-	-	-	7,633	2,930	-	10,563	-	-	-	10,563	
Deferred income	-	15,629	-	-	15,629	-	-	-	15,629	849	-	-	16,478	
Deferred income taxes	186,594	-	-	-	186,594	(41,223)	(3,167)	-	142,204	(2,263)	(26,771)	(d)	113,170	
Related party liabilities	-	1,077,090	46,139	(1,113,379)	(c)	9,850	2,411	8,579	(20,840)	(c)	82,535	(80,436)	(c)	2,099
Total liabilities	187,520	2,066,609	825,819	(1,113,379)	1,966,569	260,062	548,973	(20,840)	2,754,764	157,393	(107,207)	-	2,804,950	
Stockholders' equity:														
Series preferred stock:														
Series A preferred stock	-	-	-	-	-	-	-	-	-	-	-	-	-	
Series B preferred stock	-	-	-	-	-	-	-	-	-	-	-	-	-	
Series A common stock	-	-	-	-	-	-	-	-	-	-	-	-	-	
Common stock	10,497	540	1	(541)	(b)	10,497	3,300	2,500	(5,800)	(b)	10,497	-	10,497	
Additional paid-in capital	421,483	121,230	147,481	(268,711)	(b)	421,483	86,121	26,271	(112,392)	(b)	421,483	-	375,412	
Additional paid-in capital - SAC Holding II	-	-	-	-	-	-	-	-	-	4,492	(4,492)	(b)	-	
Accumulated other comprehensive income (loss)	(41,779)	(41,454)	-	41,454	(b)	(41,779)	(163)	(192)	355	(b)	(41,779)	-	(41,779)	
Retained earnings (deficit)	840,445	(408,887)	(333,656)	742,543	(b)	840,445	53,185	107,863	(161,048)	(b)	840,445	(13,748)	849,300	
Cost of common shares in treasury, net	(467,198)	-	-	-	(467,198)	-	-	-	(467,198)	-	-	(b,d)	(467,198)	
Unearned employee stock ownership plan shares	-	(8,134)	-	-	(8,134)	-	-	-	(8,134)	-	-	-	(8,134)	
Total stockholders' equity (deficit)	763,448	(336,705)	(186,174)	514,745	755,314	142,443	136,442	(278,885)	755,314	(9,256)	(27,960)	-	718,098	
Total liabilities and stockholders' equity	\$ 950,968	\$ 1,729,904	\$ 639,645	\$ (598,634)	\$ 2,721,883	\$ 402,505	\$ 685,415	\$ (299,725)	\$ 3,510,078	\$ 148,137	\$ (135,167)	-	\$ 3,523,048	

(a) Balances as of December 31, 2006

(b) Eliminate investment in subsidiaries and SAC Holding II

(c) Eliminate intercompany receivables and payables

(d) Eliminate gain on sale of property from U-Haul to SAC Holding II

**AMERCO AND CONSOLIDATED ENTITIES**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)**

Consolidating statement of operations by industry segment for the quarter ended September 30, 2007 are as follows:

	Moving & Storage				AMERCO Legal Group				AMERCO as Consolidated				
	AMERCO	U-Haul	Real Estate	Eliminations	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Eliminations	AMERCO Consolidated	SAC Holding II	Eliminations	Total Consolidated	
						(Unaudited) (In thousands)							
Revenues:													
Self-moving equipment rentals	\$ -	\$ 439,801	\$ -	\$ -	\$ 439,801	\$ -	\$ -	\$ -	\$ 439,801	\$ 2,734	\$ (2,734)(b)	\$ 439,801	
Self-storage revenues	-	27,865	418	-	28,283	-	-	-	28,283	4,805	-	33,088	
Self-moving & self-storage products & service sales	-	58,185	-	-	58,185	-	-	-	58,185	4,310	-	62,495	
Property management fees	-	4,742	-	-	4,742	-	-	-	4,742	-	(749)(g)	3,993	
Life insurance premiums	-	-	-	-	-	-	27,937	-	27,937	-	-	27,937	
Property and casualty insurance premiums	-	-	-	-	-	7,332	-	-	7,332	-	-	7,332	
Net investment and interest income	1,091	9,163	-	-	10,254	3,061	5,294	(452)	(b,d)	18,157	-	(1,738)(d)	16,419
Other revenue	-	9,274	17,661	(18,676)	8,259	-	1,229	(131)	(b)	9,357	313	(178)(b)	9,492
Total revenues	1,091	549,030	18,079	(18,676)	549,524	10,393	34,460	(583)		593,794	12,162	(5,399)	600,557
Costs and expenses:													
Operating expenses	2,219	285,829	2,314	(18,676)	271,686	3,746	6,467	(1,868)	(b,c,d)	280,031	5,708	(749)(g)	284,990
Commission expenses	-	56,171	-	-	56,171	-	-	-	-	56,171	-	(2,734)(b)	53,437
Cost of sales	-	31,485	-	-	31,485	-	-	-	-	31,485	2,458	-	33,943
Benefits and losses	-	-	-	-	-	2,887	21,200	1,505	(c)	25,592	-	-	25,592
Amortization of deferred policy acquisition costs	-	-	-	-	-	38	3,228	-	-	3,266	-	-	3,266
Lease expense	22	34,814	19	-	34,855	-	-	(220)	(b)	34,635	-	(178)(b)	34,457
Depreciation, net of (gains) losses on disposals	148	52,101	2,961	-	55,210	-	-	-	-	55,210	676	(140)(e)	55,746
Total costs and expenses	2,389	460,400	5,294	(18,676)	449,407	6,671	30,895	(583)		486,390	8,842	(3,801)	491,431
Equity in earnings of subsidiaries	37,248	-	-	(32,429)	4,819	-	-	(4,819)	(f)	-	-	-	-
Equity in earnings of SAC Holding II	43	-	-	-	43	-	-	-	-	43	-	(43)(f)	-
Total - equity in earnings of subsidiaries and SAC Holding II	37,291	-	-	(32,429)	4,862	-	-	(4,819)	-	43	-	(43)	-
Earnings from operations	35,993	88,630	12,785	(32,429)	104,979	3,722	3,565	(4,819)	-	107,447	3,320	(1,641)	109,126
Interest income (expense)	22,276	(34,906)	(13,367)	-	(25,997)	-	-	-	-	(25,997)	(3,236)	1,738 (d)	(27,495)
Pretax earnings (loss)	58,269	53,724	(582)	(32,429)	78,982	3,722	3,565	(4,819)	-	81,450	84	97	81,631
Income tax expense	(7,882)	(20,139)	(574)	-	(28,595)	(1,303)	(1,165)	-	-	(31,063)	43	(53)(e)	(31,157)
Net earnings (loss)	50,387	33,585	(1,156)	(32,429)	50,387	2,419	2,400	(4,819)	-	50,387	43	44	50,474
Less: Preferred stock dividends	(3,241)	-	-	-	(3,241)	-	-	-	-	(3,241)	-	-	(3,241)
Earnings (loss) available to common shareholders	\$ 47,146	\$ 33,585	\$ (1,156)	\$ (32,429)	\$ 47,146	\$ 2,419	\$ 2,400	\$ (4,819)		\$ 47,146	\$ 43	\$ 44	\$ 47,233

(a) Balances for the quarter ended June 30, 2007

(b) Eliminate intercompany lease income and commission income

(c) Eliminate intercompany premiums

(d) Eliminate intercompany interest on debt

(e) Eliminate gain on sale of surplus property from U-Haul to SAC Holding II

(f) Eliminate equity in earnings of subsidiaries and equity in earnings of SAC Holding II

(g) Eliminate management fees charged to SAC Holding II and other intercompany operating expenses

**AMERCO AND CONSOLIDATED ENTITIES**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)**

Consolidating statements of operations by industry for the quarter ended September 30, 2006 are as follows:

	Moving & Storage				Moving & Storage Consolidated	AMERCO Legal Group				AMERCO as Consolidated			Total Consolidated
	AMERCO	U-Haul	Real Estate	Eliminations		Property & Casualty Insurance (a)	Life Insurance (a)	Eliminations		AMERCO Consolidated	SAC Holding II	Eliminations	
						(Unaudited)							
						(In thousands)							
Revenues:													
Self-moving equipment rentals	\$ -	\$ 445,720	\$ -	\$ -	\$ 445,720	\$ -	\$ -	\$ -		\$ 445,720	\$ 2,754	\$ (2,754)(b)	\$ 445,720
Self-storage revenues	-	26,970	398	-	27,368	-	-	-		27,368	5,048	-	32,416
Self-moving & self-storage products & service sales	-	57,531	-	-	57,531	-	-	-		57,531	4,385	-	61,916
Property management fees	-	4,738	-	-	4,738	-	-	-		4,738	-	(752)(g)	3,986
Life insurance premiums	-	-	-	-	-	-	31,519	(399)	(c)	31,120	-	-	31,120
Property and casualty insurance premiums	-	-	-	-	-	6,470	-	-		6,470	-	-	6,470
Net investment and interest income	1,242	7,818	-	-	9,060	2,790	5,771	(312)	(b,d)	17,309	-	(1,683)(d)	15,626
Other revenue	174	8,625	16,940	(18,335) (b)	7,404	-	1,441	(16)	(b)	8,829	348	(178)(b)	8,999
Total revenues	1,416	551,402	17,338	(18,335)	551,821	9,260	38,731	(727)		599,085	12,535	(5,367)	606,253
Costs and expenses:													
Operating expenses	2,768	282,779	2,705	(18,335) (b)	269,917	2,004	7,221	(3,419)	(b,c,d)	275,723	5,837	(752)(g)	280,808
Commission expenses	-	56,359	-	-	56,359	-	-	-		56,359	-	(2,754)(b)	53,605
Cost of sales	-	29,559	-	-	29,559	-	-	-		29,559	1,889	-	31,448
Benefits and losses	-	-	-	-	-	4,949	21,925	1,968	(c)	28,842	-	-	28,842
Amortization of deferred policy acquisition costs	-	-	-	-	-	643	4,182	-		4,825	-	-	4,825
Lease expense	22	37,858	801	-	38,681	-	-	(1,118)	(b)	37,563	-	(178)(b)	37,385
Depreciation, net of (gains) losses on disposals	60	43,366	(869)	-	42,557	-	-	-		42,557	670	(140)(e)	43,087
Total costs and expenses	2,850	449,921	2,637	(18,335)	437,073	7,596	33,328	(2,569)		475,428	8,396	(3,824)	480,000
Equity in earnings of subsidiaries	46,841	-	-	(40,359) (f)	6,482	-	-	(6,482)	(f)	-	-	-	-
Equity in earnings of SAC Holding II	560	-	-	-	560	-	-	-		560	-	(560) (f)	-
Total - equity in earnings of subsidiaries and SAC Holding II	47,401	-	-	(40,359)	7,042	-	-	(6,482)		560	-	(560)	-
Earnings from operations	45,967	101,481	14,701	(40,359)	121,790	1,664	5,403	(4,640)		124,217	4,139	(2,103)	126,253
Interest income (expense)	21,981	(27,685)	(13,836)	-	(19,540)	-	-	-		(19,540)	(3,206)	1,683 (d)	(21,063)
Amortization of fees on early extinguishment of debt	-	(302)	(6,667)	-	(6,969)	-	-	-		(6,969)	-	-	(6,969)
Pretax earnings (loss)	67,948	73,494	(5,802)	(40,359)	95,281	1,664	5,403	(4,640)		97,708	933	(420)	98,221
Income tax benefit (expense)	(7,544)	(29,328)	1,995	-	(34,877)	(560)	(1,867)	-		(37,304)	(373)	(53)(e)	(37,730)
Net earnings (loss)	60,404	44,166	(3,807)	(40,359)	60,404	1,104	3,536	(4,640)		60,404	560	(473)	60,491
Less: Preferred stock dividends	(3,241)	-	-	-	(3,241)	-	-	-		(3,241)	-	-	(3,241)
Earnings (loss) available to common shareholders	\$ 57,163	\$ 44,166	\$ (3,807)	\$ (40,359)	\$ 57,163	\$ 1,104	\$ 3,536	\$ (4,640)		\$ 57,163	\$ 560	\$ (473)	\$ 57,250

(a) Balances for the quarter ended June 30, 2006

(b) Eliminate intercompany lease income and commission income

(c) Eliminate intercompany premiums

(d) Eliminate intercompany interest on debt

(e) Eliminate gain on sale of surplus property from U-Haul to SAC Holding II

(f) Eliminate equity in earnings of subsidiaries and equity in earnings of SAC Holding II

(g) Eliminate management fees charged to SAC Holding II and other intercompany operating expenses

**AMERCO AND CONSOLIDATED ENTITIES**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)**

Consolidating statements of operations by industry for the six months ended September 30, 2007 are as follows:

	Moving & Storage				AMERCO Legal Group				AMERCO as Consolidated				
	AMERCO	U-Haul	Real Estate	Eliminations	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Eliminations	AMERCO Consolidated	SAC Holding II	Eliminations	Total Consolidated	
							(Unaudited) (In thousands)						
Revenues:													
Self-moving equipment rentals	\$ -	\$ 835,878	\$ -	\$ -	\$ 835,878	\$ -	\$ -	\$ -	\$ 835,878	\$ 5,157	\$ (5,157) (b)	\$ 835,878	
Self-storage revenues	-	54,489	838	-	55,327	-	-	-	55,327	9,797	-	65,124	
Self-moving & self-storage products & service sales	-	122,247	-	-	122,247	-	-	-	122,247	8,962	-	131,209	
Property management fees	-	9,428	-	-	9,428	-	-	-	9,428	-	(1,488) (g)	7,940	
Life insurance premiums	-	-	-	-	-	-	57,124	-	57,124	-	-	57,124	
Property and casualty insurance premiums	-	-	-	-	-	13,248	-	-	13,248	-	-	13,248	
Net investment and interest income	2,277	15,571	-	-	17,848	6,161	11,148	(903)	(b,d)	34,254	-	(3,466) (d)	30,788
Other revenue	-	17,454	34,727	(37,169) (b)	15,012	-	2,371	(259)	(b)	17,124	635	(355) (b)	17,404
Total revenues	2,277	1,055,067	35,565	(37,169)	1,055,740	19,409	70,643	(1,162)		1,144,630	24,551	(10,466)	1,158,715
Costs and expenses:													
Operating expenses	5,869	559,050	5,148	(37,169) (b)	532,898	6,508	12,839	(3,989)	(b,c,d)	548,256	11,553	(1,488) (g)	558,321
Commission expenses	-	106,517	-	-	106,517	-	-	-	106,517	-	(5,157) (b)	101,360	
Cost of sales	-	63,911	-	-	63,911	-	-	-	63,911	4,680	-	68,591	
Benefits and losses	-	-	-	-	-	6,684	44,918	3,267	(c)	54,869	-	54,869	
Amortization of deferred policy acquisition costs	-	-	-	-	-	179	7,004	-	7,183	-	-	7,183	
Lease expense	48	67,898	44	-	67,990	-	-	(440)	(b)	67,550	-	(355) (b)	67,195
Depreciation, net of (gains) losses on disposals	322	103,104	(4,378)	-	99,048	-	-	-	99,048	1,243	(280) (e)	100,011	
Total costs and expenses	6,239	900,480	814	(37,169)	870,364	13,371	64,761	(1,162)		947,334	17,476	(7,280)	957,530
Equity in earnings of subsidiaries	67,157	-	-	(59,417) (f)	7,740	-	-	(7,740)	(f)	-	-	-	-
Equity in earnings of SAC Holding II	-	355	-	-	355	-	-	-	355	-	(355) (f)	-	-
Total - equity in earnings of subsidiaries and SAC Holding II	67,512	-	-	(59,417)	8,095	-	-	(7,740)		355	-	(355)	-
Earnings from operations	63,550	154,587	34,751	(59,417)	193,471	6,038	5,882	(7,740)		197,651	7,075	(3,541)	201,185
Interest income (expense)	43,541	(65,542)	(26,264)	-	(48,265)	-	-	-		(48,265)	(6,467)	3,466 (d)	(51,266)
Pretax earnings	107,091	89,045	8,487	(59,417)	145,206	6,038	5,882	(7,740)		149,386	608	(75)	149,919
Income tax expense	(15,039)	(33,926)	(4,189)	-	(53,154)	(2,114)	(2,066)	-		(57,334)	(253)	(106) (e)	(57,693)
Net earnings	92,052	55,119	4,298	(59,417)	92,052	3,924	3,816	(7,740)		92,052	355	(181)	92,226
Less: Preferred stock dividends	(6,482)	-	-	-	(6,482)	-	-	-		(6,482)	-	-	(6,482)
Earnings available to common shareholders	\$ 85,570	\$ 55,119	\$ 4,298	\$ (59,417)	\$ 85,570	\$ 3,924	\$ 3,816	\$ (7,740)		\$ 85,570	\$ 355	\$ (181)	\$ 85,744

(a) Balances for the six months ended June 30, 2007

(b) Eliminate intercompany lease income and commission income

(c) Eliminate intercompany premiums

(d) Eliminate intercompany interest on debt

(e) Eliminate gain on sale of surplus property from U-Haul to SAC Holding II

(f) Eliminate equity in earnings of subsidiaries and equity in earnings of SAC Holding II

(g) Eliminate management fees charged to SAC Holding II and other intercompany operating expenses

**AMERCO AND CONSOLIDATED ENTITIES**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)**

Consolidating statements of operations by industry for the six months ended September 30, 2006 are as follows:

	Moving & Storage				AMERCO Legal Group				AMERCO as Consolidated					
	AMERCO	U-Haul	Real Estate	Eliminations	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Eliminations	AMERCO Consolidated	SAC Holding II	Eliminations	Total Consolidated		
	(Unaudited) (In thousands)													
Revenues:														
Self-moving equipment rentals	\$ -	\$ 852,954	\$ -	\$ -	\$ 852,954	\$ -	\$ -	\$ -	\$ 852,954	\$ 5,310	\$ (5,310)(b)	\$ 852,954		
Self-storage revenues	-	52,149	808	-	52,957	-	-	-	52,957	9,890	-	62,847		
Self-moving & self-storage products & service sales	-	120,230	-	-	120,230	-	-	-	120,230	9,137	-	129,367		
Property management fees	-	9,334	-	-	9,334	-	-	-	9,334	-	(1,501)(g)	7,833		
Life insurance premiums	-	-	-	-	-	-	62,836	(797)	(c)	62,039	-	62,039		
Property and casualty insurance premiums	-	-	-	-	-	11,852	-	-	11,852	-	-	11,852		
Net investment and interest income	2,462	14,386	-	-	16,848	5,476	11,277	(935)	(b,d)	32,666	-	29,101		
Other revenue	204	16,752	33,763	(36,583)	(b)	14,136	-	2,755	(281)	(b)	677	(355)(b)	16,932	
Total revenues	2,666	1,065,805	34,571	(36,583)	1,066,459	17,328	76,868	(2,013)	1,158,642	25,014	(10,731)	1,172,925		
Costs and expenses:														
Operating expenses	7,333	545,586	4,718	(36,583)	(b)	521,054	3,567	13,970	(6,341)	(b,c,d)	532,250	11,438	(1,501)(g)	542,187
Commission expenses	-	108,451	-	-	108,451	-	-	-	-	108,451	-	(5,310)(b)	103,141	
Cost of sales	-	59,788	-	-	59,788	-	-	-	-	59,788	3,976	-	63,764	
Benefits and losses	-	-	-	-	-	9,131	46,358	3,959	(c)	59,448	-	-	59,448	
Amortization of deferred policy acquisition costs	-	-	-	-	-	1,265	9,186	-	-	10,451	-	-	10,451	
Lease expense	41	75,726	818	-	76,585	-	-	(1,473)	(b)	75,112	-	(355)(b)	74,757	
Depreciation, net of (gains) losses on disposals	122	80,639	939	-	81,700	-	-	-	-	81,700	1,338	(280)(e)	82,758	
Total costs and expenses	7,496	870,190	6,475	(36,583)	847,578	13,963	69,514	(3,855)	927,200	16,752	(7,446)	936,506		
Equity in earnings of subsidiaries	89,889	-	-	(81,056)	(f)	8,833	-	-	(8,833)	(f)	-	-	-	
Equity in earnings of SAC Holding II	997	-	-	-	997	-	-	-	-	997	-	(997)(f)	-	
Total - equity in earnings of subsidiaries and SAC Holding II	90,886	-	-	(81,056)	9,830	-	-	(8,833)	997	-	-	(997)	-	
Earnings from operations	86,056	195,615	28,096	(81,056)	228,711	3,365	7,354	(6,991)	232,439	8,262	(4,282)	236,419		
Interest income (expense)	44,102	(54,526)	(26,066)	-	(36,490)	-	-	-	(36,490)	(6,600)	3,565 (d)	(39,525)		
Amortization of fees on early extinguishment of debt	-	(302)	(6,667)	-	(6,969)	-	-	-	(6,969)	-	-	(6,969)		
Pretax earnings (loss)	130,158	140,787	(4,637)	(81,056)	185,252	3,365	7,354	(6,991)	188,980	1,662	(717)	189,925		
Income tax benefit (expense)	(14,420)	(56,425)	1,331	-	(69,514)	(1,178)	(2,550)	-	(73,242)	(665)	(106)(e)	(74,013)		
Net earnings (loss)	115,738	84,362	(3,306)	(81,056)	115,738	2,187	4,804	(6,991)	115,738	997	(823)	115,912		
Less: Preferred stock dividends	(6,482)	-	-	-	(6,482)	-	-	-	(6,482)	-	-	(6,482)		
Earnings (loss) available to common shareholders	\$ 109,256	\$ 84,362	\$ (3,306)	\$ (81,056)	\$ 109,256	\$ 2,187	\$ 4,804	\$ (6,991)	\$ 109,256	\$ 997	\$ (823)	\$ 109,430		

(a) Balances for the six months ended June 30, 2006

(b) Eliminate intercompany lease income and commission income

(c) Eliminate intercompany premiums

(d) Eliminate intercompany interest on debt

(e) Eliminate gain on sale of surplus property from U-Haul to SAC Holding II

(f) Eliminate equity in earnings of subsidiaries and equity in earnings of SAC Holding II

(g) Eliminate management fees charged to SAC Holding II and other intercompany operating expenses

**AMERCO AND CONSOLIDATED ENTITIES**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)**

Consolidating cash flow statements by industry segment for the six months ended September 30, 2007 are as follows:

	Moving & Storage				Moving & Storage Consolidated	AMERCO Legal Group			AMERCO Consolidated	AMERCO as Consolidated		Total Consolidated
	AMERCO	U-Haul	Real Estate	Elimination		Property & Casualty Insurance (a)	Life Insurance (a)	Elimination		SAC Holding II	Elimination	
						(Unaudited) (In thousands)						
Cash flows from operating activities:												
Net earnings	\$ 92,052	\$ 55,119	\$ 4,298	\$ (59,417)	\$ 92,052	\$ 3,924	\$ 3,816	\$ (7,740)	\$ 92,052	\$ 355	\$ (181)	\$ 92,226
Earnings from consolidated entities	(67,512)	-	-	59,417	(8,095)	-	-	7,740	(355)	-	355	-
Adjustments to reconcile net earnings to cash provided by operations:												
Depreciation	322	106,115	5,634	-	112,071	-	-	-	112,071	1,403	(280)	113,194
Amortization of deferred policy acquisition costs	-	-	-	-	-	179	7,004	-	7,183	-	-	7,183
Change in provision for loss on trade receivables	-	31	-	-	31	-	56	-	87	-	-	87
Change in provision for gain on mortgage notes	-	(19)	-	-	(19)	-	-	-	(19)	-	-	(19)
Change in provision for inventory reserve	-	1,281	-	-	1,281	-	-	-	1,281	-	-	1,281
Net gain on sale of real and personal property	-	(3,011)	(10,012)	-	(13,023)	-	-	-	(13,023)	(160)	-	(13,183)
Net (gain) loss on sale of investments	-	-	-	-	-	167	(18)	-	149	-	-	149
Deferred income taxes	31,666	121	-	-	31,787	2,411	(572)	-	33,626	234	106	33,966
Net change in other operating assets and liabilities:												
Reinsurance recoverables and trade receivables	-	(6,754)	(2)	-	(6,756)	1,168	434	-	(5,154)	-	-	(5,154)
Inventories	-	3,143	-	-	3,143	-	-	-	3,143	38	-	3,181
Prepaid expenses	11,173	(7,056)	(14)	-	4,103	-	-	-	4,103	17	-	4,120
Capitalization of deferred policy acquisition costs	-	-	-	-	-	(59)	(2,480)	-	(2,539)	-	-	(2,539)
Other assets	6	797	(9,774)	-	(8,971)	(447)	(79)	-	(9,497)	(876)	-	(10,373)
Related party assets	5,812	17,204	12,574	-	35,590	1,246	5,040	-	41,876	5	-	41,881
Accounts payable and accrued expenses	415	18,485	(4,187)	-	14,713	-	(1,613)	-	13,100	397	-	13,497
Policy benefits and losses, claims and loss expenses payable	-	26,459	-	-	26,459	(15,548)	(5,845)	-	5,066	-	-	5,066
Other policyholders' funds and liabilities	-	-	-	-	-	280	(69)	-	211	-	-	211
Deferred income	-	(1,655)	-	-	(1,655)	-	-	-	(1,655)	(18)	-	(1,673)
Related party liabilities	-	(3,715)	-	-	(3,715)	(167)	235	-	(3,647)	236	-	(3,411)
Net cash provided (used) by operating activities	73,934	206,545	(1,483)	-	278,996	(6,846)	5,909	-	278,059	1,631	-	279,690
Cash flows from investing activities:												
Purchases of:												
Property, plant and equipment	(58)	(338,531)	(20,590)	-	(359,179)	-	-	-	(359,179)	(1,332)	-	(360,511)
Short term investments	-	-	-	-	-	(34,607)	(94,020)	-	(128,627)	-	-	(128,627)
Fixed maturities investments	-	-	-	-	-	(12,885)	(32,737)	-	(45,622)	-	-	(45,622)
Real estate	-	-	(3,203)	-	(3,203)	(238)	-	-	(3,441)	-	-	(3,441)
Mortgage loans	-	-	-	-	-	-	(4,895)	-	(4,895)	-	-	(4,895)
Proceeds from sales of:												
Property, plant and equipment	-	88,385	11,884	-	100,269	-	-	-	100,269	391	-	100,660
Short term investments	-	-	-	-	-	37,778	107,036	-	144,814	-	-	144,814
Fixed maturities investments	-	-	-	-	-	15,029	46,177	-	61,206	-	-	61,206
Equity securities	-	-	-	-	-	-	46	-	46	-	-	46
Preferred stock	-	-	-	-	-	2,000	625	-	2,625	-	-	2,625
Real estate	-	153	-	-	153	-	-	-	153	-	-	153
Mortgage loans	-	-	-	-	-	-	4,043	-	4,043	-	-	4,043
Payments from notes and mortgage receivables	-	56	311	-	367	-	-	-	367	-	-	367
Net cash provided (used) by investing activities	(58)	(249,937)	(11,598)	-	(261,593)	7,077	26,275	-	(228,241)	(941)	-	(229,182)

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(a) Balance for the period ended June 30, 2007

**AMERCO AND CONSOLIDATED ENTITIES**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)**

Continuation of consolidating cash flow statements by industry segment for the six months ended September 30, 2007 are as follows:

	Moving & Storage				AMERCO Legal Group				AMERCO as Consolidated			Total Consolidated
	AMERCO	U-Haul	Real Estate	Elimination	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Elimination	AMERCO Consolidated	SAC Holding II	Elimination	
						(Unaudited)						
						(In thousands)						
Cash flows from financing activities:												
Borrowings from credit facilities	-	409,794	37,826	-	447,620	-	-	-	447,620	-	-	447,620
Principal repayments on credit facilities	-	(148,696)	(29,657)	-	(178,353)	-	-	-	(178,353)	(690)	-	(179,043)
Debt issuance costs	-	(9,680)	(170)	-	(9,850)	-	-	-	(9,850)	-	-	(9,850)
Leveraged Employee Stock Ownership Plan - repayments from loan	-	608	-	-	608	-	-	-	608	-	-	608
Treasury stock repurchases	(33,966)	-	-	-	(33,966)	-	-	-	(33,966)	-	-	(33,966)
Securitization deposits	-	(116,176)	-	-	(116,176)	-	-	-	(116,176)	-	-	(116,176)
Proceeds from (repayment of) intercompany loans	(33,406)	26,136	7,270	-	-	-	-	-	-	-	-	-
Preferred stock dividends paid	(6,482)	-	-	-	(6,482)	-	-	-	(6,482)	-	-	(6,482)
Investment contract deposits	-	-	-	-	-	-	8,772	-	8,772	-	-	8,772
Investment contract withdrawals	-	-	-	-	-	-	(34,032)	-	(34,032)	-	-	(34,032)
Net cash provided (used) by financing activities	(73,854)	161,986	15,269	-	103,401	-	(25,260)	-	78,141	(690)	-	77,451
Effects of exchange rate on cash	-	113	-	-	113	-	-	-	113	-	-	113
Increase (decrease) in cash and cash equivalents	22	118,707	2,188	-	120,917	231	6,924	-	128,072	-	-	128,072
Cash and cash equivalents at beginning of period	9	63,490	807	-	64,306	4,228	6,738	-	75,272	-	-	75,272
Cash and cash equivalents at end of period	\$ 31	\$ 182,197	\$ 2,995	\$ -	\$ 185,223	\$ 4,459	\$ 13,662	\$ -	\$ 203,344	\$ -	\$ -	\$ 203,344

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(a) Balance for the period ended June 30, 2007

**AMERCO AND CONSOLIDATED ENTITIES**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)**

Consolidating cash flow statements by industry segment for the six months ended September 30, 2006 are as follows:

	Moving & Storage				Moving & Storage Consolidated	AMERCO Legal Group				AMERCO as Consolidated				Total Consolidated
	AMERCO	U-Haul	Real Estate	Elimination		Property & Casualty Insurance (a)	Life Insurance (a)	Elimination	AMERCO Consolidated	SAC Holding II	Elimination			
(Unaudited)														
(In thousands)														
Cash flows from operating activities:														
Net earnings (loss)	\$ 115,738	\$ 84,362	\$ (3,306)	\$ (81,056)	\$ 115,738	\$ 2,187	\$ 4,804	\$ (6,991)	\$ 115,738	\$ 997	\$ (823)	\$ 115,912		
Earnings from consolidated entities	(90,886)	-	-	81,056	(9,830)	-	-	8,833	(997)	-	997	-		
Adjustments to reconcile net earnings (loss) to cash provided by operations:														
Depreciation	122	80,042	5,323	-	85,487	-	-	-	85,487	1,338	(280)	86,545		
Amortization of deferred policy acquisition costs	-	-	-	-	-	1,265	9,186	-	10,451	-	-	10,451		
Change in provision for (gain) loss on trade receivables	-	(57)	-	-	(57)	-	46	-	(11)	-	-	(11)		
Change in provision for gain on mortgage notes	-	(20)	-	-	(20)	-	-	-	(20)	-	-	(20)		
Net (gain) loss on sale of real and personal property	-	597	(4,384)	-	(3,787)	-	-	-	(3,787)	-	-	(3,787)		
Net loss on sale of investments	-	-	-	-	-	505	386	-	891	-	-	891		
Write-off of unamortized debt issuance costs	-	302	6,667	-	6,969	-	-	-	6,969	-	-	6,969		
Deferred income taxes	25,888	(16)	-	-	25,872	24	1,030	-	26,926	644	107	27,677		
Net change in other operating assets and liabilities:														
Reinsurance recoverables and trade receivables	-	(2,797)	1	-	(2,796)	20,125	1,054	-	18,383	-	-	18,383		
Inventories	-	(8,249)	-	-	(8,249)	-	-	-	(8,249)	(108)	-	(8,357)		
Prepaid expenses	1,096	(3,938)	-	-	(2,842)	-	-	-	(2,842)	(120)	-	(2,962)		
Capitalization of deferred policy acquisition costs	-	-	-	-	-	(699)	(2,467)	-	(3,166)	-	-	(3,166)		
Other assets	(3)	(936)	1,266	-	327	138	11	-	476	(571)	-	(95)		
Related party assets	(17,621)	11,360	2,793	18,668	15,200	6,232	(60)	(5,568)	15,804	2,900	(5,805)	12,899		
Accounts payable and accrued expenses	(19,824)	31,704	(6,774)	-	5,106	-	1,697	-	6,803	577	-	7,380		
Other benefits and losses, claims and loss expenses payable	-	31,763	-	-	31,763	(30,506)	(9,677)	-	(8,420)	-	-	(8,420)		
Other policyholders' funds and liabilities	-	-	-	-	-	1,863	(286)	-	1,577	-	-	1,577		
Deferred income	-	486	-	-	486	-	-	-	486	44	-	530		
Related party liabilities	(201)	4,801	-	(18,668)	(14,068)	(1,977)	186	5,184	(10,675)	(5,145)	5,804	(10,016)		
Net cash provided (used) by operating activities	14,309	229,404	1,586	-	245,299	(843)	5,910	1,458	251,824	556	-	252,380		
Cash flows from investing activities:														
Purchases of:														
Property, plant and equipment	(931)	(340,932)	(36,566)	-	(378,429)	-	-	-	(378,429)	(176)	-	(378,605)		
Short term investments	-	-	-	-	-	(28,201)	(75,798)	-	(103,999)	-	-	(103,999)		
Fixed maturities investments	-	-	-	-	-	(33,855)	(25,178)	-	(59,033)	-	-	(59,033)		
Mortgage loans	-	-	-	-	-	-	(8,855)	-	(8,855)	-	-	(8,855)		
Proceeds from sales of:														
Property, plant and equipment	-	52,817	4,387	-	57,204	-	-	-	57,204	-	-	57,204		
Short term investments	-	-	-	-	-	51,069	93,975	-	145,044	-	-	145,044		
Fixed maturities investments	-	-	-	-	-	10,968	41,088	-	52,056	-	-	52,056		
Cash received in excess of purchase of company acquired	-	-	-	-	-	-	1,235	-	1,235	-	-	1,235		
Preferred stock	-	-	-	-	-	-	125	-	125	-	-	125		
Real estate	-	-	907	-	907	-	-	9,206	10,113	-	-	10,113		
Mortgage loans	-	-	-	-	-	-	4,182	-	4,182	-	-	4,182		
Payments from notes and mortgage receivables	-	(45)	338	-	293	-	-	-	293	-	-	293		
Net cash provided (used) by investing activities	(931)	(288,160)	(30,934)	-	(320,025)	(19)	30,774	9,206	(280,064)	(176)	-	(280,240)		

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(a) Balance for the six months ended June 30, 2006



**AMERCO AND CONSOLIDATED ENTITIES**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)**

Continuation of consolidating cash flow statements by industry segment for the six months ended September 30, 2006 are as follows:

	Moving & Storage				AMERCO Legal Group				AMERCO as Consolidated			Total Consolidated
	AMERCO	U-Haul	Real Estate	Elimination	Moving & Storage Consolidated	Property & Casualty Insurance (a)	Life Insurance (a)	Elimination	AMERCO Consolidated	SAC Holding II	Elimination	
						(Unaudited)						
						(In thousands)						
Cash flows from financing activities:												
Borrowings from credit facilities	-	221,815	54,929	-	276,744	-	-	-	276,744	-	-	276,744
Principal repayments on credit facilities	-	(17,684)	(21,295)	-	(38,979)	-	-	-	(38,979)	(635)	-	(39,614)
Debt issuance costs	-	(110)	(429)	-	(539)	-	-	-	(539)	-	-	(539)
Leveraged Employee Stock Ownership Plan - repayments from loan	-	608	-	-	608	-	-	-	608	-	-	608
Proceeds from (repayment of) intercompany loans	(6,894)	10,831	(3,937)	-	-	-	-	-	-	-	-	-
Preferred stock dividends paid	(6,482)	-	-	-	(6,482)	-	-	-	(6,482)	-	-	(6,482)
Investment contract deposits	-	-	-	-	-	-	8,444	-	8,444	-	-	8,444
Investment contract withdrawals	-	-	-	-	-	-	(40,275)	-	(40,275)	-	-	(40,275)
Net cash provided (used) by financing activities	(13,376)	215,460	29,268	-	231,352	-	(31,831)	-	199,521	(635)	-	198,886
Effects of exchange rate on cash	-	131	-	-	131	-	-	-	131	-	-	131
Increase (decrease) in cash and cash equivalents	2	156,835	(80)	-	156,757	(862)	4,853	10,664	171,412	(255)	-	171,157
Cash and cash equivalents at beginning of period	7	140,499	856	-	141,362	9,815	4,027	-	155,204	255	-	155,459
Cash and cash equivalents at end of period	\$ 9	\$ 297,334	\$ 776	\$ -	\$ 298,119	\$ 8,953	\$ 8,880	\$ 10,664	\$ 326,616	\$ -	\$ -	\$ 326,616

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(a) Balance for the six months ended June 30, 2006

**AMERCO AND CONSOLIDATED ENTITIES**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)**

**10. Industry Segment and Geographic Area Data**

	<b>United States</b>	<b>Canada</b>	<b>Consolidated</b>
	(Unaudited)		
	(All amounts are in thousands of U.S. \$'s)		
<b>Quarter ended September 30, 2007</b>			
Total revenues	\$ 565,860	\$ 34,697	\$ 600,557
Depreciation and amortization, net of (gains) losses on disposals	56,802	2,210	59,012
Interest expense	27,342	153	27,495
Pretax earnings	79,511	2,120	81,631
Income tax expense	30,436	721	31,157
Identifiable assets	3,758,139	120,708	3,878,847
<b>Quarter ended September 30, 2006</b>			
Total revenues	\$ 575,446	\$ 30,807	\$ 606,253
Depreciation and amortization, net of (gains) losses on disposals	46,060	1,852	47,912
Interest expense	20,959	104	21,063
Pretax earnings	94,987	3,234	98,221
Income tax expense	36,630	1,100	37,730
Identifiable assets	3,615,432	88,680	3,704,112

	<b>United States</b>	<b>Canada</b>	<b>Consolidated</b>
	(Unaudited)		
	(All amounts are in thousands of U.S. \$'s)		
<b>Six months ended September 30, 2007</b>			
Total revenues	\$ 1,095,078	\$ 63,637	\$ 1,158,715
Depreciation and amortization, net of (gains) losses on disposals *	102,605	4,589	107,194
Interest expense	50,912	354	51,266
Pretax earnings	146,186	3,733	149,919
Income tax expense	56,423	1,270	57,693
Identifiable assets	3,758,139	120,708	3,878,847
<b>Six months ended September 30, 2006</b>			
Total revenues	\$ 1,117,005	\$ 55,920	\$ 1,172,925
Depreciation and amortization, net of (gains) losses on disposals	89,635	3,574	93,209
Interest expense	39,260	265	39,525
Pretax earnings	184,620	5,305	189,925
Income tax expense	72,209	1,804	74,013
Identifiable assets	3,615,432	88,680	3,704,112

\* This includes a \$10.0 million gain on disposal of real property in the United States

AMERCO AND CONSOLIDATED ENTITIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

**11. Tax**

Effective April 1, 2007, the Company adopted Financial Accounting Standards Board (“FASB”) Interpretation No.48 (“FIN 48”), *Accounting for Uncertainty in Income Taxes, an interpretation of FAS 109*. FIN 48 prescribes a minimum recognition threshold and measurement methodology that a tax position is required to meet before being recognized in the financial statements. As a result of the adoption of FIN 48, the Company recognized a \$6.8 million decrease to reserves for uncertain tax positions. This decrease is presented as an increase in the beginning balance of retained earnings.

The total amount of unrecognized tax benefits at April 1, 2007 was \$6.3 million. This entire amount of unrecognized tax benefits, if resolved in our favor, would favorably impact our effective tax rate.

The Company recognizes interest related to unrecognized tax benefits as interest expense, and penalties as operating expenses. At April 1, 2007, the amount of interest accrued on unrecognized tax benefits was \$2.3 million, net of tax.

The Company files income tax returns in the U.S. federal jurisdiction, and various states and foreign jurisdictions. With some exceptions, the Company is no longer subject to audit for years prior to the fiscal year ended March 31, 2004.

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

### **General**

We begin Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") with the overall strategy of AMERCO, followed by a description of our operating segments and the strategy of our operating segments to give the reader an overview of the goals of our business and the direction in which our businesses and products are moving. This is followed by a discussion of the "Critical Accounting Policies and Estimates" that we believe are important to understanding the assumptions and judgments incorporated in our reported financial results. In the next section, we discuss our Results of Operations for the second quarter and first six months of fiscal 2008, compared with the second quarter and first six months of fiscal 2007 beginning with an overview. We then provide an analysis of changes in our balance sheets and cash flows, and discuss our financial commitments in the sections entitled "Liquidity and Capital Resources" and "Disclosures about Contractual Obligations and Commercial Commitments." We conclude this MD&A by discussing our outlook for the remainder of fiscal 2008.

This MD&A should be read in conjunction with the other sections of this Quarterly Report on Form 10-Q. The various sections of this MD&A contain a number of forward-looking statements, as discussed under the caption "Cautionary Statements Regarding Forward-Looking Statements" all of which are based on our current expectations and could be affected by the uncertainties and risk factors described throughout this filing. Our actual results may differ materially from these forward-looking statements.

The second fiscal quarter for AMERCO ends on the 30<sup>th</sup> of September for each year that is referenced. Our insurance company subsidiaries have a second quarter that ends on the 30<sup>th</sup> of June for each year that is referenced. They have been consolidated on that basis. Our insurance companies' financial reporting processes conform to calendar year reporting as required by state insurance departments. Management believes that consolidating their calendar year into our fiscal year financial statements does not materially affect the disclosure of our financial position or results of operations. The Company discloses any material events occurring during the intervening period. Consequently, all references to our insurance subsidiaries' years 2007 and 2006 correspond to the Company's fiscal years 2008 and 2007, respectively.

### **Overall Strategy**

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

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

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

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

### **Description of Operating Segments**

AMERCO has four reportable segments. They are Moving and Storage, Property and Casualty Insurance, Life Insurance and SAC Holding II.

#### **Moving and Storage Operating Segment**

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

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

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

AMERCO has a sustainability initiative and believes implementing it is good business and part of being a good corporate citizen. In the near term this means to Reduce, Reuse and Recycle. In addition to existing programs, the Company has launched some new programs to advance its sustainability initiative including U-Car Share, “take a box, leave a box”, and an Internet-based Box Exchange program.

eMove is an online marketplace that connects consumers to over 3,600 independent Moving Help™ service providers and over 3,000 independent Self-Storage Affiliates. Our network of customer-rated affiliates provides pack and load help, cleaning help, self-storage and similar services, all over North America.

An individual or a company can connect to the eMove network by becoming an eMove Moving Help® Affiliate or an eMove Storage Affiliate™. Moving Helpers assist customers with packing, loading, cleaning and unloading their truck or storage unit. The Storage Affiliate program enables independent self-storage facilities to expand their reach by connecting into a centralized 1-800 and internet reservation system and for a fee, receive an array of services including web-based management software, Secured Online Affiliated Rentals (S.O.A.R®), co-branded rental trucks, savings on insurance, credit card processing and more.

The marketplace includes unedited reviews of independent Affiliates, and has facilitated thousands of Moving Help® and Self-Storage transactions all over North America. We believe that acting as an intermediary, with little added investment, serves the customer in a cost effective manner. Our goal is to further utilize our web-based technology platform to increase service to consumers and businesses in the moving and storage market.

#### **Property and Casualty Insurance Operating Segment**

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

#### **Life Insurance Operating Segment**

Oxford provides life and health insurance products primarily to the senior market through the direct writing or reinsuring of life insurance, and Medicare supplement and annuity policies. Additionally, Oxford administers the self-insured employee health and dental plans for Arizona employees of the Company.

#### **SAC Holding II Operating Segment**

SAC Holding Corporation and its subsidiaries, and SAC Holding II Corporation and its subsidiaries, collectively referred to as “SAC Holdings,” own self-storage properties that are managed by U-Haul under property management agreements and act as independent U-Haul rental equipment dealers. AMERCO, through its subsidiaries, has contractual interests in certain SAC Holdings’ properties entitling AMERCO to potential future income based on the financial performance of these properties. With respect to SAC Holding II, AMERCO is considered the primary beneficiary of these contractual interests. Consequently, we include the results of SAC Holding II in the consolidated financial statements of AMERCO, as required by FIN 46(R).

#### **Critical Accounting Policies and Estimates**

The Company’s financial statements have been prepared in accordance with the accounting principles generally accepted in the United States. The methods, estimates and judgments we use in applying our accounting policies can have a significant impact on the results we report in our financial statements. Certain accounting policies require us to make difficult and subjective judgments and assumptions, often as a result of estimating matters that are inherently uncertain.

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

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

#### ***Principles of Consolidation***

The Company applies FIN 46(R), "Consolidation of Variable Interest Entities" and ARB 51 in its principles of consolidation. FIN 46(R) addresses arrangements where a company does not hold a majority of the voting or similar interests of a variable interest entity ("VIE"). A company is required to consolidate a VIE if it is determined it is the primary beneficiary. ARB 51 addresses the policy when a company owns a majority of the voting or similar rights and exercises effective control.

As promulgated by FIN 46(R), a VIE is not self-supportive due to having one or both of the following conditions: a) it has an insufficient amount of equity for it to finance its activities without receiving additional subordinated financial support or b) its owners do not hold the typical risks and rights of equity owners. This determination is made upon the creation of a variable interest and can be re-assessed should certain changes in the operations of a VIE, or its relationship with the primary beneficiary trigger a reconsideration under the provisions of FIN 46(R). After a triggering event occurs the most recent facts and circumstances are utilized in determining whether or not a company is a variable interest entity, which other company(s) have a variable interest in the entity, and whether or not the company's interest is such that it is the primary beneficiary.

The consolidated financial statements for the second quarter and the first six months of fiscal 2008 and fiscal 2007 and the balance sheet as of March 31, 2007, include the accounts of AMERCO and its wholly-owned subsidiaries and SAC Holding II and its subsidiaries.

In fiscal 2003 and fiscal 2002, SAC Holdings were considered special purpose entities and were consolidated based on the provisions of Emerging Issues Task Force (EITF) Issue No. 90-15. In fiscal 2004, the Company applied FIN 46(R) to its interests in SAC Holdings. Initially, the Company concluded that SAC Holdings were VIE's and that the Company was the primary beneficiary. Accordingly, the Company continued to include SAC Holdings in its consolidated financial statements.

In February 2004, SAC Holding Corporation restructured the indebtedness of three subsidiaries and then distributed its interest in those subsidiaries to its sole shareholder. This triggered a requirement to reassess AMERCO's involvement with those subsidiaries, which led to the conclusion that based on current contractual and ownership interests between AMERCO and this entity, AMERCO ceased to have a variable interest in those three subsidiaries at that date.

Separately, in March 2004, SAC Holding Corporation restructured its indebtedness, triggering a similar reassessment of SAC Holding Corporation that led to the conclusion that SAC Holding Corporation was not a VIE and that AMERCO ceased to be the primary beneficiary of SAC Holding Corporation and its remaining subsidiaries. This conclusion was based on SAC Holding Corporation's ability to fund its own operations and execute its business plan without any future subordinated financial support.

Accordingly, at the dates AMERCO ceased to have a variable interest and ceased to be the primary beneficiary of SAC Holding Corporation and its current or former subsidiaries, it deconsolidated those entities. The deconsolidation was accounted for as a distribution of SAC Holding Corporations interests to the sole shareholder of the SAC entities. Because of AMERCO's continuing involvement with SAC Holding Corporation and its current and former subsidiaries, the distributions do not qualify as discontinued operations as defined by SFAS No. 144.

It is possible that SAC Holding Corporation could take actions that would require us to re-determine whether SAC Holding Corporation has become a VIE or whether we have become the primary beneficiary of SAC Holding Corporation. Should this occur, we could be required to consolidate some or all of SAC Holding Corporation with our financial statements.

Similarly, SAC Holding II could take actions that would require us to re-determine whether it is a VIE or whether we continue to be the primary beneficiary of our variable interest in SAC Holding II. Should we cease to be the primary beneficiary, we would be required to deconsolidate some or all of our variable interest in SAC Holding II from our financial statements.

### ***Recoverability of Property, Plant and Equipment***

Property, plant and equipment are stated at cost. Interest expense incurred during the initial construction of buildings and rental equipment is considered part of cost. Depreciation is computed for financial reporting purposes using the straight-line or an accelerated method based on a declining balance formula over the following estimated useful lives: rental equipment 2-20 years and buildings and non-rental equipment 3-55 years. The Company follows the deferral method of accounting based in the AICPA's Airline Guide for major overhauls in which engine overhauls are capitalized and amortized over five years and transmission overhauls are capitalized and amortized over three years. Routine maintenance costs are charged to operating expense as they are incurred. Gains and losses on dispositions of property, plant and equipment are netted against depreciation expense when realized. Equipment 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, holding periods and trends in the market for vehicles are reviewed.

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

Since fiscal 2006 the Company has been acquiring a significant number of moving trucks via purchase rather than lease. Management performed an analysis of the expected economic value of new rental trucks and determined that additions to the fleet resulting from purchase should be depreciated on an accelerated method based upon a declining formula. The salvage value and useful life assumptions of the rental truck fleet remain unchanged. Under the declining balances method (2.4 times declining balance) the book value of a rental truck is reduced 16%, 13%, 11%, 9%, 8%, 7%, and 6% during years one through seven, respectively and then reduced on a straight line basis an additional 10% by the end of year fifteen. In contrast, a standard straight line approach would reduce the book value by approximately 5.3% per year over the life of the truck. For the affected equipment, the accelerated depreciation was \$14.0 million and \$8.3 million greater than what it would have been if calculated under a straight line approach for the second quarter of fiscal 2008 and 2007, respectively and \$26.7 million and \$13.7 million for the first six months of fiscal 2008 and 2007, respectively.

We typically sell our used vehicles at one of our sales centers throughout North America, on our web site at [trucksales.uhaul.com](http://trucksales.uhaul.com) or by phone at 1-866-404-0355. Although we intend to sell our used vehicles for prices approximating book value, the extent to which we realize a gain or loss on the sale of used vehicles is dependent upon various factors including the general state of the used vehicle market, the age and condition of the vehicle at the time of its disposal and depreciation rates with respect to the vehicle .

### ***Insurance Reserves***

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

Insurance reserves for RepWest and U-Haul take into account losses incurred based upon actuarial estimates. 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.

A consequence of the long tail nature of the assumed reinsurance and the excess workers compensation lines of insurance that were written by RepWest is that it takes a number of years for claims to be fully reported and finally settled.

#### ***Impairment of Investments***

For investments accounted for under SFAS No. 115, in determining if and when a decline in market value below amortized cost is other-than-temporary, management makes certain assumptions or judgments in its assessment including but not limited to: ability and intent to hold the security, quoted market prices, dealer quotes or discounted cash flows, industry factors, financial factors, and issuer specific information such as credit strength. Other-than-temporary impairment in value is recognized in the current period operating results. The Company's insurance subsidiaries recognized \$0.2 million and \$0.1 million in other-than-temporary impairments for the second quarter of fiscal 2008 and 2007, respectively and \$0.3 million and \$1.1 million for the first six months of fiscal 2008 and 2007.

#### ***Income Taxes***

The Company's tax returns are periodically reviewed by various taxing authorities. Despite our belief that all of our tax treatments are supportable, the final outcome of these audits may cause changes that could materially impact our financial results. Our current effective tax rate is approximately 38.5%.

AMERCO files a consolidated tax return with all of its legal subsidiaries, except for DGLIC which will file on a stand alone basis. SAC Holding Corporation and its legal subsidiaries and SAC Holding II Corporation and its legal subsidiaries file consolidated tax returns, which are in no way associated with AMERCO's consolidated returns.

#### ***Adoption of New Accounting Pronouncements***

Effective April 1, 2007, the Company adopted Financial Accounting Standards Board ("FASB") Interpretation No.48 ("FIN 48"), *Accounting for Uncertainty in Income Taxes, an interpretation of FAS 109*. FIN 48 prescribes a minimum recognition threshold and measurement methodology that a tax position is required to meet before being recognized in the financial statements. As a result of the adoption of FIN 48, the Company recognized a \$6.8 million decrease to reserves for uncertain tax positions. This decrease is presented as an increase in the beginning balance of retained earnings.

The total amount of unrecognized tax benefits at April 1, 2007 was \$6.3 million. This entire amount of unrecognized tax benefits, if resolved in our favor, would favorably impact our effective tax rate.

The Company recognizes interest related to unrecognized tax benefits as interest expense, and penalties as operating expenses. At April 1, 2007, the amount of interest accrued on unrecognized tax benefits was \$2.3 million, net of tax.

The Company files income tax returns in the U.S. federal jurisdiction, and various states and foreign jurisdictions. With some exceptions, the Company is no longer subject to audit for years prior to the fiscal year ended March 31, 2004.

#### ***Recent Accounting Pronouncements***

In September 2006, the FASB issued SFAS 157, *Fair Value Measurements* which establishes how companies should measure fair value when they are required to use a fair value measure for recognition or disclosure purposes under generally accepted accounting principles ("GAAP"). This statement is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those years. The provisions of SFAS 157 are effective for us in April 2008. The Company is currently evaluating the impact of this statement on our Consolidated Financial Statements.



In February 2007, the FASB issued SFAS 159, *The Fair Value Option for Financial Assets and Liabilities*, including an amendment of SFAS 115. This statement allows for a company to irrevocably elect fair value as the measurement attribute for certain financial assets and financial liabilities. Changes in the fair value of such assets are recognized in earnings. SFAS 159 is effective for fiscal years beginning after November 15, 2007. The provision of SFAS 159 is effective for us in April 2008. The Company is currently evaluating the impact of this statement on our Consolidated Financial Statements.

## Results of Operations

### AMERCO and Consolidated Entities

#### *Quarter Ended September 30, 2007 compared with the Quarter Ended September 30, 2006*

Listed below on a consolidated basis are revenues for our major product lines for the second quarter of fiscal 2008 and the second quarter of fiscal 2007:

	Quarter Ended September 30,	
	2007	2006
	(Unaudited)	
	(In thousands)	
Self-moving equipment rentals	\$ 439,801	\$ 445,720
Self-storage revenues	33,088	32,416
Self-moving and self-storage products and service sales	62,495	61,916
Property management fees	3,993	3,986
Life insurance premiums	27,937	31,120
Property and casualty insurance premiums	7,332	6,470
Net investment and interest income	16,419	15,626
Other revenue	9,492	8,999
Consolidated revenue	<u>\$ 600,557</u>	<u>\$ 606,253</u>

During the second quarter of fiscal 2008, self-moving equipment rentals decreased \$5.9 million, compared with the second quarter of fiscal 2007. The decline was largely due to fewer one-way rentals and lower average one-way revenue per transaction resulting in lower than expected utilization. However, in-town transactions have increased compared with the same period last year resulting in an increase in total rental transactions.

Self-storage revenues increased \$0.7 million in the second quarter of fiscal 2008, compared with the second quarter of fiscal 2007 due to improved pricing. During the second quarter of fiscal 2008, the Company has increased rooms and square footage available primarily through build-outs at existing facilities.

Sales of self-moving and self-storage products and service sales increased \$0.6 million for the second quarter of fiscal 2008, compared with the second quarter of fiscal 2007, with the largest increases occurring in propane sales and moving supplies.

Premiums at RepWest increased \$0.9 million due to increases in U-Haul related business.

Oxford's premium revenues decreased approximately \$3.2 million primarily as a result of decreases in credit and Medicare supplement premiums.

As a result of the items mentioned above, revenues for AMERCO and its consolidated entities were \$600.6 million in the second quarter of fiscal 2008, compared with \$606.3 million in the second quarter of fiscal 2007.

Listed below are revenues and earnings from operations at each of our four operating segments for the second quarter of fiscal 2008 and the second quarter of fiscal 2007; for the insurance companies the second quarter ended June 30, 2007 and 2006.

	Quarter Ended September 30,	
	2007	2006
	(Unaudited) (In thousands)	
Moving and storage		
Revenues	\$ 549,524	\$ 551,821
Earnings from operations	104,979	121,790
Property and casualty insurance		
Revenues	10,393	9,260
Earnings from operations	3,722	1,664
Life insurance		
Revenues	34,460	38,731
Earnings from operations	3,565	5,403
SAC Holding II		
Revenues	12,162	12,535
Earnings from operations	3,320	4,139
Eliminations		
Revenues	(5,982)	(6,094)
Earnings from operations	(6,460)	(6,743)
Consolidated results		
Revenues	600,557	606,253
Earnings from operations	109,126	126,253

Total costs and expenses increased \$11.4 million in the second quarter of fiscal 2008, compared with the second quarter of fiscal 2007. This is due primarily to increases in depreciation expense associated with the fleet rotation partially offset by reductions in maintenance and repair costs.

As a result of the aforementioned changes in revenues and expenses, earnings from operations decreased to \$109.1 million in the second quarter of fiscal 2008, compared with \$126.3 million in the second quarter of fiscal 2007.

Interest expense in the second quarter of fiscal 2008 was \$27.5 million, compared with \$28.0 million in the second quarter of fiscal 2007. The second quarter of fiscal 2007 included a one-time, non-recurring charge of \$7.0 million, before taxes, of deferred debt issuance costs related to the Real Estate Loan that was amended in the quarter. The refinancing costs had the effect of decreasing on a non-recurring basis, earnings in the second quarter of fiscal 2007 by \$0.33 per share before taxes, in which the tax effect was approximately \$0.13 per share. Absent this charge, the increase in interest expense in fiscal 2008 is related to increased debt associated with the fleet rotation.

Income tax expense was \$31.2 million in the second quarter of fiscal 2008, compared with \$37.7 million in the second quarter of fiscal 2007 and reflects lower pretax earnings for the second quarter of fiscal 2008.

Dividends accrued on our Series A preferred stock were \$3.2 million in second quarter of fiscal 2008, unchanged from the second quarter of fiscal 2007.

As a result of the above mentioned items, earnings available to common shareholders were \$47.2 million in the second quarter of fiscal 2008, compared with \$57.3 million in the second quarter of fiscal 2008.

The weighted average common shares outstanding basic and diluted were 19,733,755 in second quarter of fiscal 2008, compared with 20,910,204 in the second quarter of fiscal 2007. The decrease is the result of the stock repurchase program.

Basic and diluted earnings per common share in the second quarter of fiscal 2008 were \$2.39, compared with \$2.74 in the second quarter of fiscal 2007.

## Moving and Storage

### Quarter Ended September 30, 2007 compared with the Quarter Ended September 30, 2006

Listed below are revenues for the major product lines at our Moving and Storage operating segment for the second quarter of fiscal 2008 and the second quarter of fiscal 2007:

	Quarter Ended September 30,	
	2007	2006
	(Unaudited)	
	(In thousands)	
Self-moving equipment rentals	\$ 439,801	\$ 445,720
Self-storage revenues	28,283	27,368
Self-moving and self-storage products and service sales	58,185	57,531
Property management fees	4,742	4,738
Net investment and interest income	10,254	9,060
Other revenue	8,259	7,404
Moving and Storage revenue	<u>\$ 549,524</u>	<u>\$ 551,821</u>

During the second quarter of fiscal 2008, self-moving equipment rentals decreased \$5.9 million, compared with the second quarter of fiscal 2007. The decline was largely due to fewer one-way rentals and lower average one-way revenue per transaction resulting in lower than expected utilization. However, in-town transactions have increased compared with the same period last year resulting in an increase in total rental transactions.

Self-storage revenues increased \$0.9 million in the second quarter of fiscal 2008, compared with the second quarter of fiscal 2007 due to improved pricing. During the second quarter of fiscal 2008, the Company has increased rooms and square footage available primarily through build-outs at existing facilities.

Sales of self-moving and self-storage products and service sales increased \$0.7 million for the second quarter of fiscal 2008, compared with the second quarter of fiscal 2007, with the largest increases occurring in propane sales and moving supplies.

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

	Quarter Ended September 30,	
	2007	2006
	(Unaudited)	
	(In thousands, except occupancy rate)	
Room count as of September 30	130	125
Square footage as of September 30	10,379	9,853
Average number of rooms occupied	112	111
Average occupancy rate based on room count	86.5%	89.2%
Average square footage occupied	8,995	8,877

Total costs and expenses increased \$12.3 million in the second quarter of fiscal 2008, compared with the second quarter of fiscal 2007. This is due primarily to increases in depreciation expense associated with the fleet rotation partially offset by reductions in maintenance and repair costs.

As a result of the above mentioned changes in revenues and expenses, earnings from operations decreased to \$105.0 million in the second quarter of fiscal 2008, compared with \$121.8 million in the second quarter of fiscal 2007.

**Republic Western Insurance Company*****Quarter Ended June 30, 2007 compared with the Quarter Ended June 30, 2006***

Premium revenues were \$7.3 million and \$6.5 million for the second quarters ended June 30, 2007 and 2006, respectively. U-Haul related premiums were \$7.0 million and \$5.8 million for the second quarters ended June 30, 2007 and 2006, respectively. Other lines of business were \$0.3 million and \$0.7 million for the quarters ended June 30, 2007 and 2006, respectively.

Net investment income was \$3.1 million and \$2.8 million for the second quarters ended June 30, 2007 and 2006, respectively.

Net operating expenses, which are offset by claims handling fees, were \$3.7 million and \$2.0 million for the second quarters ended June 30, 2007 and 2006, respectively. The increase is primarily due to \$0.9 million in commissions associated with the additional liability program.

Benefits and losses incurred were \$2.9 million and \$5.0 million for the second quarters ended June 30, 2007 and 2006, respectively. The decrease is a result of reserve strengthening that was done in 2006 for discontinued lines.

Pretax earnings from operations were \$3.7 million and \$1.7 million for the second quarters ended June 30, 2007 and 2006, respectively.

**Oxford Life Insurance Company*****Quarter Ended June 30, 2007 compared with the Quarter Ended June 30, 2006***

Premium revenues were \$27.9 million and \$31.5 million for the second quarters ended June 30, 2007 and 2006, respectively. Medicare supplement premiums decreased by \$1.6 million due to lapses in excess of new sales. Life insurance premiums decreased by \$0.1 million primarily due to reductions in group life premiums and annuitizations, partially offset by increased sales of small face amount whole life premiums. Credit life and disability premiums decreased by \$1.6 million as a result of no new sales following Oxford's discontinuance of this business.

Net investment income was \$5.3 million and \$5.8 million for the second quarters ended June 30, 2007 and 2006, respectively. The decrease was primarily due to a smaller invested asset base for the current period.

Net operating expenses were \$6.5 million and \$7.2 million for the second quarters ended June 30, 2007 and 2006, respectively. The decrease was mostly attributable to the reduction of expenses on credit life and disability due to business discontinuance.

Benefits incurred were \$21.2 million and \$21.9 million for the second quarters ended June 30, 2007 and 2006, respectively. The decrease is primarily the result of decreased credit life and disability business of \$0.5 million and annuities of \$0.6 million offset by benefit increases for health business of \$0.5 million due to increases in claim costs.

Amortization of deferred acquisition costs ("DAC") and the value of business acquired ("VOBA") was \$3.2 million and \$4.2 million for the second quarters ended June 30, 2007 and 2006, respectively. Amortization expense for the credit life and disability business decreased \$1.1 million from 2006 primarily due to the attrition of business.

Earnings from operations were \$3.6 million and \$5.4 million for the second quarters ended June 30, 2007 and 2006, respectively.

## SAC Holding II

### *Quarter Ended September 30, 2007 compared with the Quarter Ended September 30, 2006*

Listed below are revenues for the major product lines at SAC Holding II for the second quarter of fiscal 2008 and the second quarter of fiscal 2007:

	<b>Quarter Ended September 30,</b>	
	<b>2007</b>	<b>2006</b>
	(Unaudited)	
	(In thousands)	
Self-moving equipment rentals	\$ 2,734	\$ 2,754
Self-storage revenues	4,805	5,048
Self-moving and self-storage products and service sales	4,310	4,385
Other revenue	313	348
Segment revenue	<u>\$ 12,162</u>	<u>\$ 12,535</u>

During the second quarter of fiscal 2008 revenues decreased \$0.4 million, compared with the second quarter of fiscal 2007.

Total costs and expenses were \$8.8 million in the second quarter of fiscal 2008, compared with \$8.4 million in the second quarter of fiscal 2007.

Earnings from operations were \$3.3 million in the second quarter of fiscal 2008, compared with \$4.1 million in the second quarter of fiscal 2007.

## AMERCO and Consolidated Entities

### *Six Months Ended September 30, 2007 compared with the Six Months Ended September 30, 2006*

Listed below on a consolidated basis are revenues for our major product lines for the first six months of fiscal 2008 and the first six months of fiscal 2007:

	<b>Six Months Ended September 30,</b>	
	<b>2007</b>	<b>2006</b>
	(Unaudited)	
	(In thousands)	
Self-moving equipment rentals	\$ 835,878	\$ 852,954
Self-storage revenues	65,124	62,847
Self-moving and self-storage products and service sales	131,209	129,367
Property management fees	7,940	7,833
Life insurance premiums	57,124	62,039
Property and casualty insurance premiums	13,248	11,852
Net investment and interest income	30,788	29,101
Other revenue	17,404	16,932
Consolidated revenue	<u>\$ 1,158,715</u>	<u>\$ 1,172,925</u>

During the first six months of fiscal 2008, self-moving equipment rentals decreased \$17.1 million, compared with the first six months of fiscal 2007. Contributing to this decrease are continued negative year-over-year trends in average one-way revenue per transaction related to pricing and lower than expected utilization. Conversely, the average size of the fleet is greater and the overall number of transactions has increased compared with the same period last year.

Self-storage revenues increased \$2.3 million in the first six months of fiscal 2008, compared with the first six months of fiscal 2007 due to an increase in pricing. During the first six months of fiscal 2008, the Company has increased rooms and square footage available primarily through build-outs at existing facilities.

Sales of self-moving and self-storage products and service sales increased \$1.8 million for the first six months of fiscal 2008, compared with the first six months of fiscal 2007, with the largest increases occurring in propane and moving supply sales.

Premiums at RepWest increased \$1.4 million due to increases in U-Haul related business.

Oxford's premium revenues decreased approximately \$4.9 million primarily as a result of decreases in credit and Medicare supplement premiums.

As a result of the items mentioned above, revenues for AMERCO and its consolidated entities were \$1,158.7 million in the first six months of fiscal 2008, compared with \$1,172.9 million in the first six months of fiscal 2007.

Listed below are revenues and earnings from operations at each of our four operating segments for the first six months of fiscal 2008 and the first six months of fiscal 2007; for the insurance companies the first six months ended June 30, 2007 and 2006.

	<b>Six Months Ended September 30,</b>	
	<b>2007</b>	<b>2006</b>
	(Unaudited) (In thousands)	
Moving and storage		
Revenues	\$ 1,055,740	\$ 1,066,459
Earnings from operations	193,471	228,711
Property and casualty insurance		
Revenues	19,409	17,328
Earnings from operations	6,038	3,365
Life insurance		
Revenues	70,643	76,868
Earnings from operations	5,882	7,354
SAC Holding II		
Revenues	24,551	25,014
Earnings from operations	7,075	8,262
Eliminations		
Revenues	(11,628)	(12,744)
Earnings from operations	(11,281)	(11,273)
Consolidated results		
Revenues	1,158,715	1,172,925
Earnings from operations	201,185	236,419

Total costs and expenses increased \$21.0 million in the first six months of fiscal 2008, compared with the first six months of fiscal 2007. This is due primarily to an increase in depreciation expense associated with the rotation of our fleet partially offset by reductions in rental fleet maintenance and repair costs.

As a result of the above mentioned changes in revenues and expenses, earnings from operations decreased to \$201.2 million in the first six months of fiscal 2008, compared with \$236.4 million in the first six months of fiscal 2007.

Interest expense in the first six months of fiscal 2008 was \$51.3 million, compared with \$46.5 million in the first six months of fiscal 2007. The second quarter of fiscal 2007 included a one-time, non-recurring charge of \$7.0 million, before taxes, of deferred debt issuance costs related to the Real Estate Loan that was amended in the quarter. The refinancing costs had the effect of decreasing on a non-recurring basis, earnings in the first six months ended September 30, 2006 by \$0.33 per share before taxes, in which the tax effect was approximately \$0.13 per share. Absent this charge, the increase in interest expense in fiscal 2008 is related to increased debt associated with the fleet rotation.

Income tax expense was \$57.7 million in the first six months of fiscal 2008, compared with \$74.0 million in first six months of fiscal 2007 and reflects lower pretax earnings for the first six months of fiscal 2008.

Dividends accrued on our Series A preferred stock were \$6.5 million in first six months of fiscal 2008, unchanged from the first six months of fiscal 2007.

As a result of the above mentioned items, earnings available to common shareholders were \$85.7 million in the first six months of fiscal 2008, compared with \$109.4 million in the first six months of fiscal 2007.

The weighted average common shares outstanding basic and diluted were 19,850,874 in first six months of fiscal 2008, compared with 20,903,946 in the first six months of fiscal 2007. The decrease is the result of the stock repurchase program.

Basic and diluted earnings per common share in the first six months of fiscal 2008 were \$4.32, compared with \$5.23 in the first six months of fiscal 2007.

## Moving and Storage

### *Six Months Ended September 30, 2007 compared with the Six Months Ended September 30, 2006*

Listed below are revenues for the major product lines at our Moving and Storage operating segment for the first six months of fiscal 2008 and the first six months of fiscal 2007:

	<b>Six Months Ended September 30,</b>	
	<b>2007</b>	<b>2006</b>
	(Unaudited)	
	(In thousands)	
Self-moving equipment rentals	\$ 835,878	\$ 852,954
Self-storage revenues	55,327	52,957
Self-moving and self-storage products and service sales	122,247	120,230
Property management fees	9,428	9,334
Net investment and interest income	17,848	16,848
Other revenue	15,012	14,136
Moving and Storage revenue	<u>\$ 1,055,740</u>	<u>\$ 1,066,459</u>

During the first six months of fiscal 2008, self-moving equipment rentals decreased \$17.1 million, compared with the first six months of fiscal 2007. Contributing to this decrease are continued negative year-over-year trends in average one-way revenue per transaction related to pricing and lower than expected utilization. Conversely, the average size of the fleet is greater and the overall number of transactions has improved compared with the same period last year.

Self-storage revenues increased \$2.4 million in the first six months of fiscal 2008, compared with the first six months of fiscal 2007, due to an increase in pricing. During the first six months of fiscal 2008, the Company has increased rooms and square footage available primarily through build-outs at existing facilities.

Sales of self-moving and self-storage products and service sales increased \$2.0 million in the first six months of fiscal 2008, compared with the first six months of fiscal 2007, with the largest increases occurring in propane and moving supply sales.

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

	<b>Six Months Ended September 30,</b>	
	<b>2007</b>	<b>2006</b>
	(Unaudited)	
	(In thousands, except occupancy rate)	
Room count as of September 30	130	125
Square footage as of September 30	10,379	9,853
Average number of rooms occupied	111	110
Average occupancy rate based on room count	86.0%	88.7%
Average square footage occupied	8,883	8,760

Total costs and expenses increased \$22.8 million in the first six months of fiscal 2008, compared with the first six months of fiscal 2007. Increases in fleet rotation-related expenses including depreciation, licensing and freight costs were partially offset by reductions in maintenance and repair.

As a result of the above mentioned changes in revenues and expenses, earnings from operations decreased to \$193.5 million in the first six months of fiscal 2008, compared with \$228.7 million in the first six months of fiscal 2007.

#### **Republic Western Insurance Company**

##### *Six Months Ended June 30, 2007 compared with the Six Months Ended June 30, 2006*

Premium revenues were \$13.2 million and \$11.9 million for the six months ended June 30, 2007 and 2006, respectively. The overall increase is due to an increase in the U-Haul related lines of business. U-Haul related premiums were \$12.7 million and \$10.3 million for the six months ended June 30, 2007 and 2006, respectively. The \$2.4 million increase is due to RepWest adding an additional liability program which enables third party renters the ability to purchase higher limits. Other lines of business were \$0.5 million and \$1.6 million for the six months ended June 30, 2007 and 2006, respectively.

Net investment income was \$6.2 million and \$5.5 million for the six months ended June 30, 2007 and 2006, respectively.

Net operating expenses, which are offset by claims handling fees, were \$6.5 million and \$3.6 million for the six months ended June 30, 2007 and 2006, respectively. The increase is primarily due to \$1.6 million in commissions associated with the additional liability program.

Benefits and losses incurred were \$6.7 million and \$9.1 million for the six months ended June 30, 2007 and 2006, respectively. The decrease is a result of reserve strengthening that was done in 2006 for discontinued lines.

Amortization of deferred acquisition costs were \$0.2 million and \$1.3 million for the six months ended June 30, 2007 and 2006, respectively. The decrease is due to decreased premium writings in the non U-Haul related lines of business.

Pretax earnings from operations were \$6.0 million and \$3.4 million for the six months ended June 30, 2007 and 2006, respectively.



## Oxford Life Insurance Company

### *Six Months Ended June 30, 2007 compared with the Six Months Ended June 30, 2006*

Premium revenues were \$57.1 million and \$62.8 million for the six months ended June 30, 2007 and 2006, respectively. Medicare supplement premiums decreased by \$1.3 million due to lapses in excess of new sales. Life insurance premiums decreased by \$0.3 million primarily due to reductions in group life premiums and annuitizations, partially offset by increased sales of small face amount whole life premiums. Credit life and disability premiums decreased by \$3.8 million as a result of no new sales following Oxford's discontinuance of this business.

Net investment income was \$11.1 million and \$11.3 million for the six months ended June 30, 2007 and 2006, respectively. The decrease was primarily due to a smaller invested asset base for the current period.

Net operating expenses were \$12.8 million and \$14.0 million for the six months ended June 30, 2007 and 2006, respectively. The decrease was mostly attributable to the reduction of expenses on Credit life and disability due to business discontinuance.

Benefits incurred were \$44.9 million and \$46.4 million for the six months ended June 30, 2007 and 2006, respectively. The decrease is primarily the result of decreased credit life and disability business of \$1.1 million and annuities of \$1.8 million is due to fewer annuitizations offset by increases for Medicare supplement of \$1.1 million.

Amortization of DAC and VOBA was \$7.0 million and \$9.2 million for the six months ended June 30, 2007 and 2006, respectively. Amortization expense for the credit life and disability business decreased \$2.3 million from 2006 primarily due to the attrition of business.

Earnings from operations were \$5.9 million and \$7.4 million for the six months ended June 30, 2007 and 2006, respectively.

## SAC Holding II

### *Six Months Ended September 30, 2007 compared with the Six Months Ended September 30, 2006*

Listed below are revenues for the major product lines at SAC Holding II for the first six months of fiscal 2008 and the first six months of fiscal 2007:

	<b>Six Months Ended September 30,</b>	
	<b>2007</b>	<b>2006</b>
	(Unaudited)	
	(In thousands)	
Self-moving equipment rentals	\$ 5,157	\$ 5,310
Self-storage revenues	9,797	9,890
Self-moving and self-storage products and service sales	8,962	9,137
Other revenue	635	677
Segment revenue	<u>\$ 24,551</u>	<u>\$ 25,014</u>

Revenues in the first six months of fiscal 2008 decreased \$0.5 million, compared with the first six months of fiscal 2007.

Total costs and expenses were \$17.5 million in the first six months of fiscal 2008, compared with \$16.8 million in the first six months of fiscal 2007.

Earnings from operations were \$7.1 million in the first six months of fiscal 2008, compared with \$8.3 million in the first six months of fiscal 2007.

## Liquidity and Capital Resources

We believe our current capital structure is one positive factor that will enable us to pursue our operational plans and goals, and provide us with sufficient liquidity for the next three to five years. The majority of the obligations currently in place mature at the end of fiscal years 2014 or 2018. As a result, we believe that our liquidity is sufficient for our current and foreseeable needs. However, there is no assurance that future cash flows will be sufficient to meet our outstanding obligations or our future capital needs.

At September 30, 2007, cash and cash equivalents totaled \$203.3 million, compared with \$75.3 million on March 31, 2007. The assets of our insurance subsidiaries are generally unavailable to fulfill the obligations of non-insurance operations (AMERCO, U-Haul and Real Estate). The assets of SAC Holding II are completely unavailable to satisfy any of the Company's obligations. As of September 30, 2007 (or as otherwise indicated), cash and cash equivalents, other financial assets (receivables, short-term investments, other investments, fixed maturities, and related party assets) and obligations of each operating segment were:

	Moving & Storage	RepWest (a)	Oxford (a)	SAC Holding II
		(Unaudited)		
		(In thousands)		
Cash and cash equivalents	\$ 185,223	\$ 4,459	\$ 13,662	\$ -
Other financial assets	337,936	386,113	595,818	-
Debt obligations (b)	1,452,042	-	-	74,197

(a) As of June 30, 2007

(b) Payable to third parties

At September 30, 2007, our Moving and Storage operations (AMERCO, U-Haul and Real Estate) had cash available under existing credit facilities of \$353.3 million comprised of:

	September 30, 2007
	(Unaudited)
	(In millions)
Real estate loan (revolving credit)	\$ 200.0
Construction loan (revolving credit)	18.3
Working capital loan (revolving credit)	35.0
Fleet loan (revolving credit)	100.0
	<u>\$ 353.3</u>

Additionally, the Company had \$94.1 million available in purchase accounts related to the fleet securitization transaction. These amounts are held by the trustee and are available to the Company to purchase new box trucks, cargo vans and pick-ups through March 2008.

Cash provided by operating activities improved \$27.3 million in the first six months of fiscal 2008, compared with fiscal 2007, primarily due to the timing of federal income tax payments.

Net cash used in investing activities decreased \$51.1 million in the first six months of fiscal 2008, compared with fiscal 2007. Capital expenditures for rental truck acquisitions have decreased compared with the first six months of fiscal 2007 while sales of retired trucks have increased. Fiscal 2008 real estate sales were greater than fiscal 2007.

Cash provided by financing activities decreased \$121.4 million in the first six months of fiscal 2008, compared with fiscal 2007. Cash used for the repurchase of common stock was \$34.0 million which was partially offset from cash provided by the fleet securitization of \$94.1 million.

## **Liquidity and Capital Resources and Requirements of Our Operating Segments**

### ***Moving and Storage***

To meet the needs of our customers, U-Haul maintains a large fleet of rental equipment. Capital expenditures have primarily reflected new rental equipment acquisitions and the buyouts of existing fleet from TRAC leases. The capital to fund these expenditures has historically been obtained internally from operations and the sale of used equipment, and externally from debt and lease financing. In the future we anticipate that our internally generated funds will be used to service the existing debt and support operations. U-Haul estimates that during each of the next three fiscal years the Company may reinvest in its truck and trailer rental fleet up to approximately \$400.0 million, net of equipment sales, depending upon several factors including availability of capital and market conditions. This investment will be funded through external lease financing, debt financing and internally from operations. Management considers several factors including cost and tax consequences when selecting a method to fund capital expenditures. Because the Company has utilized all of its federal net operating loss carry forwards, there will be more of a focus on financing the fleet through asset-backed debt.

Real Estate has traditionally financed the acquisition of self-storage properties to support U-Haul's growth through debt financing and funds from operations and sales. The Company is developing several existing locations for use as storage centers. The Company is funding these development projects through construction loans and internally generated funds and expects to invest approximately \$80.0 million in new storage development over the next twelve to eighteen months. U-Haul's growth plan in self-storage also includes eMove, which does not require significant capital.

Net capital expenditures (purchases of property, plant and equipment less proceeds from the sale of property, plant and equipment) were \$258.9 million and \$321.2 million in the first six months of fiscal 2008 and 2007, respectively. During the first six months of fiscal 2008, the Company entered into \$129.1 million in new equipment operating leases.

Moving and Storage continues to hold significant cash and has access to additional liquidity. Management may invest these funds in our existing operations or pursue external opportunities in the self-moving and storage market place.

### ***Property and Casualty Insurance***

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

Stockholder's equity was \$146.0 million and \$142.4 million at June 30, 2007 and December 31, 2006, respectively. RepWest does not use debt or equity issues to increase capital and therefore has no exposure to capital market conditions other than through its investment portfolio.

### ***Life Insurance***

Oxford manages its financial assets to meet policyholder and other obligations including investment contract withdrawals. Oxford's net withdrawals for the six months ended June 30, 2007 was \$25.3 million. State insurance regulations restrict the amount of dividends that can be paid to stockholders of insurance companies. As a result, Oxford's funds are generally not available to satisfy the claims of AMERCO or its legal subsidiaries.

Oxford's stockholder's equity was \$138.3 million and \$136.4 million at June 30, 2007 and December 31, 2006, respectively. Oxford does not use debt or equity issues to increase capital and therefore has no exposure to capital market conditions other than through its investment portfolio.

### ***SAC Holding II***

SAC Holding II operations are funded by various mortgage loans, and secured and unsecured notes. SAC Holding II does not utilize revolving lines of credit to finance its operations or acquisitions. Certain of SAC Holding II loan agreements contain covenants and restrictions on incurring additional subsidiary indebtedness.

## **Cash Provided (Used) from Operating Activities by Operating Segments**

### ***Moving and Storage***

Cash provided from operating activities were \$279.0 million and \$245.3 million in the first six months of fiscal 2008 and 2007, respectively. The increase was primarily due to the timing of federal income tax payments.

### ***Property and Casualty Insurance***

Cash flows used by operating activities were \$6.8 million and \$0.8 million for the first six months ended June 30, 2007 and 2006, respectively. The cash used by operating activities is the result of RepWest exiting its non U-Haul lines of business and the associated reduction of reserves in the lines exited.

RepWest's cash and cash equivalents and short-term investment portfolio were \$69.0 million and \$71.9 million at June 30, 2007 and December 31, 2006, respectively. This balance reflects funds in transition from maturity proceeds to long term investments. This level of liquid assets, combined with budgeted cash flow, is adequate to meet periodic needs. Capital and operating budgets allow RepWest to schedule cash needs in accordance with investment and underwriting proceeds.

### ***Life Insurance***

Cash flows provided by operating activities was \$5.9 million for each of the first six months ended June 30, 2007 and 2006, respectively.

In addition to cash flows from operating activities and financing activities, a substantial amount of liquid funds is available through Oxford's short-term portfolio. At June 30, 2007 and December 31, 2006, cash and cash equivalents and short-term investments amounted to \$35.3 million and \$41.4 million, respectively. Management believes that the overall sources of liquidity will continue to meet foreseeable cash needs.

### ***SAC Holding II***

Cash provided by operating activities were \$1.6 million and \$0.6 million in the first six months of fiscal 2008 and 2007, respectively.

## **Liquidity and Capital Resources-Summary**

We believe we have the financial resources needed to execute our business plans and to meet our business requirements including capital expenditures for the investment in and expansion of our rental fleet, rental equipment and storage space, working capital requirements, stock repurchase plans and our preferred stock dividend program.

Our borrowing strategy is primarily focused on asset-backed financing. As part of this strategy, we seek to ladder maturities and hedge floating rate loans through the use of interest rate swaps. While each of these loans typically contains provisions governing the amount that can be borrowed in relation to specific assets, the overall structure is flexible with no limits on overall Company borrowings. Management feels it has adequate liquidity between cash and cash equivalents and unused borrowing capacity in existing facilities to meet the current and expected needs of the Company over the next several years. At September 30, 2007, we had cash availability under existing credit facilities of \$353.3 million along with an additional \$94.1 million in purchase accounts under the fleet securitization available for the purchase of new box trucks, cargo vans and pick-ups. We believe that there are additional opportunities for leverage in our existing capital structure. For a more detailed discussion of our long-term debt and borrowing capacity, please see Note 3 "Borrowings" to the "Notes to Condensed Consolidated Financial Statements."

## **Disclosures about Contractual Obligations and Commercial Commitments**

Our estimates as to future contractual obligations have not materially changed as to the disclosure included under the subheading "Contractual Obligations" in Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," of our Annual Report on Form 10-K for fiscal year ending March 31, 2007 except for the addition of the Rental Fleet Securitizations and draws taken on the Construction loan (see Note 3 "Borrowings" to the "Notes to Condensed Consolidated Financial Statements").

## Off-Balance Sheet Arrangements

The Company uses off-balance sheet arrangements where the economics and sound business principles warrant their use.

AMERCO utilizes operating leases for certain rental equipment and facilities with terms expiring substantially through 2012, with the exception of one land lease expiring in 2034. In the event of a shortfall in proceeds from the sales of the underlying rental equipment assets, AMERCO has guaranteed approximately \$170.1 million of residual values at September 30, 2007 for these assets at the end of their respective lease terms. AMERCO has been leasing rental equipment since 1987. To date, we have not experienced residual value shortfalls related to these leasing arrangements. Using the average cost of fleet related debt as the discount rate, the present value of AMERCO's minimum lease payments and residual value guarantees is \$546.2 million at September 30, 2007.

Historically, AMERCO used off-balance sheet arrangements in connection with the expansion of its self-storage business (see Note 8 "Related Party Transactions" of the "Notes to Condensed Consolidated Financial Statements"). These arrangements were primarily used when the Company's overall borrowing structure was more limited. The Company does not face similar limitations currently and off-balance sheet arrangements have not been utilized in our self-storage expansion in recent years. In the future, the Company will continue to identify and consider off-balance sheet opportunities to the extent such arrangements would be economically advantageous to the Company and its stockholders.

The Company currently manages the self-storage properties owned or leased by SAC Holdings, Mercury, 4 SAC, 5 SAC, Galaxy, and Private Mini pursuant to a standard form of management agreement, under which the Company receives a management fee of between 4% and 10% of the gross receipts plus reimbursement for certain expenses. The Company received management fees, exclusive of reimbursed expenses, of \$15.0 million, and \$9.2 million from the above mentioned entities during the first six months of fiscal 2008 and 2007, respectively. This management fee is consistent with the fee received for other properties the Company previously managed for third parties. SAC Holdings, 4 SAC, 5 SAC, Galaxy and Private Mini are substantially controlled by Blackwater. Mercury is substantially controlled by Mark V. Shoen. James P. Shoen, a significant shareholder and director of AMERCO, has an interest in Mercury.

The Company leases space for marketing company offices, vehicle repair shops and hitch installation centers from subsidiaries of SAC Holdings, 5 SAC and Galaxy. Total lease payments pursuant to such leases were \$1.3 million in the first six months of fiscal 2008 and 2007. The terms of the leases are similar to the terms of leases for other properties owned by unrelated parties that are leased to the Company.

At September 30, 2007, subsidiaries of SAC Holdings, 4 SAC, 5 SAC, Galaxy and Private Mini acted as U-Haul independent dealers. The financial and other terms of the dealership contracts with the aforementioned companies and their subsidiaries are substantially identical to the terms of those with the Company's other independent dealers whereby commissions are paid by the Company based on equipment rental revenues. During the first six months of fiscal 2008 and 2007, the Company paid the above mentioned entities \$20.8 million and \$21.2 million, respectively in commissions pursuant to such dealership contracts.

During the first six months of fiscal 2008, subsidiaries of the Company held various junior unsecured notes of SAC Holdings. The Company does not have an equity ownership interest in SAC Holdings. The Company recorded interest income of \$9.4 million and \$9.8 million, and received cash interest payments of \$10.2 million and \$37.2 million, from SAC Holdings during the first six months of fiscal 2008 and 2007, respectively. The cash interest payments for the first six months of fiscal 2007 included a payment to significantly reduce the outstanding interest receivable from SAC Holdings. The largest aggregate amount of notes receivable outstanding during the first six months of fiscal 2008 was \$203.7 million and the aggregate notes receivable balance at September 30, 2007 was \$198.4 million, of which \$75.1 million is with SAC Holding II and has been eliminated in the consolidating financial statements. In accordance with the terms of these notes, SAC Holdings may repay the notes without penalty or premium.

These agreements and notes with subsidiaries of SAC Holdings, 4 SAC, 5 SAC, Galaxy and Private Mini, excluding Dealer Agreements, provided revenues of \$20.4 million, expenses of \$1.3 million and cash flows of \$49.4 million during the first six months of fiscal 2008. Revenues and commission expenses related to the Dealer Agreements were \$97.3 million and \$20.8 million, respectively.

## **Fiscal 2008 Outlook**

In fiscal 2008, we are working towards increasing transaction volume and improving pricing, product mix and utilization for self-moving equipment rentals. Investing in our truck fleet is a key initiative to reach this goal. During the first six months of fiscal 2008, we have added over 15,000 new trucks. Our plans include manufacturing additional boxed trucks and adding to our pickup and cargo van fleet. This investment is expected to increase the number of rentable equipment days available to meet our customer demands and to reduce future spending on repair costs and equipment downtime. Revenue growth in the U-Move program could continue to be adversely impacted should we fail to execute in any of these areas.

In fiscal 2008, we are also working towards increasing our storage occupancy at existing sites, adding new eMove Storage Affiliates and building new locations. We believe that additional occupancy gains in our current portfolio of locations can be realized in fiscal 2008. The Company continues to evaluate new moving and storage opportunities in the market place.

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

Oxford is pursuing its goals of expanding its presence in the senior market through the sales of its Medicare supplement, life and annuity policies. As part of this strategy, Oxford is attempting to grow its agency force and develop new product offerings.

## **Cautionary Statements Regarding Forward-Looking Statements**

This Quarterly Report on Form 10-Q, contains “forward-looking statements” regarding future events and our future results. We may make additional written or oral forward-looking statements from time to time in filings with the SEC or otherwise. We believe such forward-looking statements are within the meaning of the safe-harbor provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements may include, but are not limited to, projections of revenues, earnings or loss; estimates of capital expenditures, plans for future operations, products or services; financing needs and plans; our perceptions of our legal positions and anticipated outcomes of government investigations and pending litigation against us; liquidity; goals and strategies; plans for new business; growth rate assumptions, pricing, costs, and access to capital and leasing markets 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 set forth in the section entitled “Item 1A. Risk Factors” contained in our Annual Report on Form 10-K for the fiscal year ended March 31, 2007, as well as the following: the Company’s ability to operate pursuant to the terms of its credit facilities; the Company’s ability to maintain contracts that are critical to its 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; fluctuations in our costs to maintain and update our fleet and facilities; our ability to refinance our debt; 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; the 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 SEC. The above factors, the following disclosures, as well as other statements in this report and in the Notes to Condensed Consolidated Financial Statements, could contribute to or cause such risks or uncertainties, or could cause our stock price to fluctuate dramatically. Consequently, the forward-looking statements should not be regarded as representations or warranties by the Company that such matters will be realized. The Company assumes no obligation to update or revise any of the forward-looking statements, whether in response to new information, unforeseen events, changed circumstances or otherwise.

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

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

**Interest rate risk**

The exposure to market risk for changes in interest rates relates primarily to our variable rate debt obligations. We have used interest rate swap agreements, interest rate cap agreements and forward swaps to reduce our exposure to changes in interest rates.

Notional Amount		Fair Value	Effective Date	Expiration Date	Fixed Rate	Floating Rate
\$106,698,977	(a), (b)	(931,326)	5/10/2006	4/10/2012	5.06%	1 Month LIBOR
117,289,327	(a), (b)	(2,573,061)	10/10/2006	10/10/2012	5.57%	1 Month LIBOR
38,729,819	(a)	(1,012,204)	7/10/2006	7/10/2013	5.67%	1 Month LIBOR
289,166,667	(a)	(7,873,389)	8/18/2006	8/10/2018	5.43%	1 Month LIBOR
26,500,000	(a)	(390,249)	2/12/2007	2/10/2014	5.24%	1 Month LIBOR
19,000,000	(a)	(113,106)	3/12/2007	3/10/2014	4.99%	1 Month LIBOR
18,000,000	(a)	(99,536)	3/12/2007	3/10/2014	4.99%	1 Month LIBOR

(a) interest rate swap agreement

(b) forward swap

As of September 30, 2007, the Company had approximately \$633.8 million of variable rate debt obligations. If LIBOR were to increase 100 basis points, the increase in interest expense on the variable rate debt would decrease future earnings and cash flows by approximately \$0.2 million annually (after consideration of the effect of the above derivative contracts).

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

**Foreign Currency Exchange Rate Risk**

The exposure to market risk for changes in foreign currency exchange rates relates primarily to our Canadian business. Approximately 5.5% and 4.8% of our revenue in the first six months of fiscal 2008 and 2007, respectively, were generated in Canada. The result of a 10.0% change in the value of the U.S. dollar relative to the Canadian dollar would not be material. We typically do not hedge any foreign currency risk since the exposure is not considered material.

**Item 4. Controls and Procedures**

Attached as exhibits to this Form 10-Q are certifications of the registrants' Chief Executive Officer (CEO) and Chief Accounting Officer (CAO), which are required in accordance with Rule 13a-14 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). This "Controls and Procedures" section includes information concerning the controls and controls evaluation referred to in the certifications and it should be read in conjunction with the certifications for a more complete understanding of the topics presented in Evaluation of Disclosure Controls and Procedures.

## **Evaluation of Disclosure Controls and Procedures**

The Company's management, with the participation of the CEO and CAO, conducted an evaluation of the effectiveness of the design and operation of the Company's "disclosure controls and procedures" (as such term is defined in the Exchange Act Rules 13a-15(e) and 15d-15(e)) ("Disclosure Controls") as of the end of the period covered by this Form 10-Q. Our Disclosure Controls are designed to reasonably assure that information required to be disclosed in our reports filed under the Exchange Act, such as this Form 10-Q, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Our Disclosure Controls are also designed to reasonably assure that such information is accumulated and communicated to our management, including the CEO and CAO, as appropriate to allow timely decisions regarding required disclosure. Based upon the controls evaluation, our CEO and CAO have concluded that as of the end of the period covered by this Form 10-Q, our Disclosure Controls were effective.

## **Inherent Limitations on the Effectiveness of Controls**

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

## **Changes in Internal Control over Financial Reporting**

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

# **PART II. OTHER INFORMATION**

## **Item 1. Legal Proceedings**

Information regarding our legal proceedings can be found under Note 7 "Contingencies" to the "Notes to Condensed Consolidated Financial Statements".

## **Item 1A. Risk Factors**

We are not aware of any material updates to the risk factors described in the Company's previously filed Annual Report on Form 10-K for the fiscal year ended March 31, 2007.

## **Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

On September 13, 2006, we announced that our Board had authorized us to repurchase up to \$50.0 million of our common stock. The stock may be repurchased by the Company from time to time on the open market between September 13, 2006 and October 31, 2007. On March 9, 2007, the Board authorized an increase in the Company's common stock repurchase program to a total aggregate amount, net of brokerage commissions, of \$115.0 million (which amount is inclusive of the \$50.0 million common stock repurchase program approved by the Board in 2006). The Company repurchased stock from time to time on the open market pursuant to this program. These purchases were funded from available working capital. During the course of the program the Company repurchased 1,225,290 shares at a cost of \$83.1 million. During the second quarter of fiscal 2008, we purchased no additional shares. As of November 1, 2007 the Board has not renewed the repurchase program or established a new program.



**Item 3. Defaults upon Senior Securities**

Not applicable.

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

The 2007 Annual Meeting of Stockholders of AMERCO was held on August 20, 2007. At such meeting, John P. Brogan and Daniel R. Mullen were elected as Class I Directors to serve until the 2011 Annual Meeting of Stockholders of AMERCO and Michael L. Gallagher was elected as a Class IV Director to serve until the 2010 Annual Meeting of Stockholders of AMERCO. Edward J. Shoen and M. Frank Lyons continue as directors with terms that expire at the 2008 Annual Meeting of Stockholders; John M. Dodds and James P. Shoen continue as directors with terms that expire at the 2009 Annual Meeting of Stockholders; and Charles J. Bayer will continue as a director with a term that expires at the 2010 Annual Meeting of Stockholders.

In addition, our stockholders voted upon and approved: (i) the ratification of the appointment of BDO Seidman LLP as the Company's independent auditors for fiscal 2008; and (ii) voted upon and approved a stockholder proposal to approve and affirm the actions taken by AMERCO and its subsidiaries' Boards of Directors, officers and employees in entering into all resulting contracts with SAC and ratify all SAC transactions amended or entered into by AMERCO and any of its subsidiaries between 1992 and March 31, 2007.

The following table sets forth the votes cast for, against or withheld, as well as the number of abstentions and broker non-votes with respect to each matter voted on at the 2007 Annual Meeting of Stockholders of AMERCO.

	<u>Votes Cast For</u>	<u>Votes Cast Against</u>	<u>Withheld</u>	<u>Abstentions</u>	<u>Non-Votes</u>
<b>Election of Directors:</b>					
John P. Brogan	18,282,729	-	1,236,866	-	-
Daniel R. Mullen	18,280,718	-	1,238,877	-	-
Michael L. Gallagher	18,282,267	-	1,237,328	-	-
<b>Ratification of Appointment of Auditors:</b>	19,499,098	19,253	-	1,244	-
<b>Stockholder Proposal Regarding Ratification of SAC Transactions:</b>	14,404,454	2,944,200	-	2,167,075	3,866

**Item 5. Other Information**

Not applicable.

**Item 6. Exhibits**

The following documents are filed as part of this report:

<b>Exhibit Number</b>	<b>Description</b>	<b>Page or Method of Filing</b>
2.1	Joint Plan of Reorganization of AMERCO and AMERCO Real Estate Company	Incorporated by reference to AMERCO's Current Report on Form 8-K filed October 20, 2003, file no. 1-11255
2.2	Disclosure Statement Concerning the Debtors' Joint Plan of Reorganization	Incorporated by reference to AMERCO's Current Report on Form 8-K filed October 20, 2003, file no. 1-11255
2.3	Amended Joint Plan of Reorganization of AMERCO and AMERCO Real Estate Company	Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended December 31, 2003, file No. 1-11255
2.4	Disclosure Statement Concerning the Debtor's First Amended Joint Plan of Reorganization	Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended December 31, 2003, file No. 1-11255
3.1	Restated Articles of Incorporation of AMERCO	Incorporated by reference to AMERCO's Registration Statement on form S-4 filed March 30, 2004, file number 1-11255
3.2	Restated By-Laws of AMERCO	Incorporated by reference to AMERCO's Quarterly Report on Form 10-Q for the quarter ended September 30, 1996, file No. 1-11255
10.1	Amended and restated Property Management Agreement among Six-A SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.	Filed herewith
10.2	Amended and restated Property Management Agreement among Six-B SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.	Filed herewith
10.3	Amended and restated Property Management Agreement among Six-C SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.	Filed herewith
10.4	Amended and restated Property Management Agreement among Eight SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.	Filed herewith
10.5	Amended and restated Property Management Agreement among Nine SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.	Filed herewith
10.6	Amended and restated Property Management Agreement among Ten SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.	Filed herewith
10.7	Amended and restated Property Management Agreement among Eleven SAC Self-Storage Corporation and Eleven SAC Self-Storage Odenton, Inc. and subsidiaries of U-Haul International, Inc.	Filed herewith
10.8	Amended and restated Property Management Agreement among Twelve SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.	Filed herewith
10.9	Amended and restated Property Management Agreement among Thirteen SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.	Filed herewith
10.10	Amended and restated Property Management Agreement among Fourteen SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.	Filed herewith
10.11	Amended and restated Property Management Agreement among Fifteen SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.	Filed herewith
10.12	Amended and restated Property Management Agreement among Sixteen SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.	Filed herewith
10.13	Amended and restated Property Management Agreement among Seventeen SAC Self-Storage Corporation and subsidiaries of U-Haul International, Inc.	Filed herewith

<b>Exhibit Number</b>	<b>Description</b>	<b>Page or Method of Filing</b>
10.14	Promissory Note. SAC Holding Corporation, a Nevada corporation ("Borrower"), pay to U-Haul International, Inc., a Nevada corporation	Filed herewith
31.1	Rule 13a-14(a)/15d-14(a) Certificate of Edward J. Shoen, President and Chairman of the Board of AMERCO	Filed herewith
31.2	Rule 13a-14(a)/15d-14(a) Certificate of Jason A. Berg, Chief Accounting Officer of AMERCO	Filed herewith
32.1	Certificate of Edward J. Shoen, President and Chairman of the Board of AMERCO pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Furnished herewith
32.2	Certificate of Jason A. Berg, Chief Accounting Officer of AMERCO pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Furnished herewith

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: November 7, 2007

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

Date: November 7, 2007

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



AMENDED AND RESTATED PROPERTY MANAGEMENT AGREEMENT

THIS AMENDED AND RESTATED PROPERTY MANAGEMENT AGREEMENT (this " Agreement ") is entered into as of June 20, 2007 among Six-A SAC Self-Storage Corporation, a Nevada corporation (" Owner."), and the subsidiaries of U-Haul International, Inc. set forth on the signature block hereto (" Manager").

RECITALS

- A. Owner owns the real property and all improvements thereon and appurtenances thereto located at the street addresses identified on Exhibit A hereto (hereinafter, collectively the "Property").
- B. Owner intends that the Property be rented on a space-by-space retail basis to corporations, partnerships, individuals and/or other entities for use as self-storage facilities.
- C. Owner and Manager are currently parties to a Property Management Agreement (the "Original Agreement"), which Original Agreement is hereby amended and restated in its entirety by this Agreement.
- D. Owner desires that Manager manage the Property and Manager desires to act as the property manager for the Property, all in accordance with the terms and conditions of this Agreement including as more specifically designated on Exhibit A hereto.

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

1. Employment.

- (a) Owner hereby retains Manager, and Manager agrees to act as manager of the Property upon the terms and conditions hereinafter set forth.
- (b) Owner acknowledges that Manager, and/or Manager affiliates, is in the business of managing self-storage facilities and businesses conducted thereat, including, but not limited to, the sale of packing supplies and rental of trucks and equipment, both for its own account and for the account of others. It is hereby expressly agreed that notwithstanding this Agreement, Manager and such affiliates may continue to engage in such activities, may manage facilities other than those presently managed by Manager and its affiliates (whether or not such other facilities may be in direct or indirect competition with Owner) and may in the future engage in other business which may compete directly or indirectly with activities of Owner.
- (c) In the performance of its duties under this Agreement, Manager shall occupy the position of an independent contractor with respect to Owner. Nothing contained herein shall be construed as making the parties hereto (or any of them) partners or joint venturers, nor construed as making Manager an employee of Owner.
-

2. Duties and Authority of Manager.

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

(a) **General Duties and Authority** . Manager shall have the sole and exclusive duty and authority to fully manage the Property and supervise and direct the business and affairs associated or related to the daily operation thereof, to collect on behalf of Owner all revenues related to the Property, to pay on behalf of Owner all expenses of the Property - and to execute on behalf of Owner such documents and instruments as, in the sole judgment of Manager, are reasonably necessary or advisable under the circumstances in order to fulfill Manager's duties hereunder. Such duties and authority shall include, without limitation, those set forth below. Notwithstanding the foregoing or any other term or provision herein, upon notice to Manager, Owner shall have the right to assume responsibility for the direct payment of certain expenses of Owner, as may be determined by Owner. In such event, Owner shall provide an accounting of such costs to Manager. In the event Owner fails to provide such accounting to Manager, Manager shall assume no liability for nonpayment for such expenses so assumed by Owner. The parties acknowledge and agree that Owner will retain title to, ownership of, and exclusive right to control the Property, subject to the terms of this Agreement, and that portion of the Gross Revenue (as hereinafter defined) owned by Owner ("Owner's Revenue") (which includes the revenue from the storage operations at the Property, retail sales, miscellaneous income and Owner's UMove commission), and that Manager will not acquire title to, any interest in, or any income or revenues from the Property or Owner's Revenue. In performing its services and making any payments hereunder, Manager will make known to third parties that Manager is acting solely as the agent of Owner. Under no circumstances will Manager represent or hold itself out to any third party as having any title to or property interest in the Property or Owner's Revenue.

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

(c) **Repair, Maintenance and Improvements** . Manager shall make, execute, supervise and have control over the making and executing of all decisions concerning the acquisition of furniture, fixtures and supplies for the Property, and may purchase, lease or otherwise acquire the same on behalf of Owner. Manager shall make and execute, or supervise and have control over the making and executing of all decisions concerning the maintenance, repair and landscaping of the Property, provided, however, that such maintenance, repair and landscaping shall be consistent with the maintenance, repair and landscaping implemented by

Manager and its affiliates at any other properties operated by Manager or its affiliates. Manager shall, on behalf of Owner, negotiate and contract for and supervise the installation of all capital improvements related to the Property; provided, however, that Manager agrees to secure the prior written approval of Owner on all such expenditures in excess of \$10,000.00 - for any one item, except monthly or recurring operating charges and/or emergency repairs if in the opinion of Manager such emergency-related expenditures are necessary to protect the Property from damage or to maintain services to the Owners or self-storage licensees as called for in their respective leases or self-storage agreements. In the event of such emergency repairs in excess of \$10,000, Manager shall notify Owner and the insurer of the cost estimate for such work.

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

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

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

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

(h) **Records and Reports of Disbursements and Collections** . Manager shall establish, supervise, direct and maintain the operation of a system of cash record keeping and bookkeeping with respect to all receipts and disbursements and all business activities and operations conducted by Manager in connection with the management and operation of the



Property. Manager shall be responsible for cash shortages and discrepancies incurred in the normal course of management operations. The books, records and accounts shall be maintained at the Manager's office or at Owner's office, or at such other location as Manager and Owner shall determine, and shall be available and open to examination and audit quarterly by Owner, its representatives, its lender, if any, and as provided by Owner, and, subject to any mortgagee of the Property, and such mortgagee's representative. Manager shall cause to be prepared and delivered to Owner a monthly statement on a per-Property basis, of receipts, expenses and charges, and any other information as reasonably required by Owner to prepare its financials statements, together with a statement, on a per-Property basis, of the disbursements made by Manager during such period on Owner's behalf, which shall include separate lines for prepaid items and inventory. Manager shall provide Owner with rent rolls and occupancy reports if requested.

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

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

(k) **Insurance** . Manager will insure, on its Master Policy, against all liabilities at the Property at Manager's cost (General Liability Insurance). Manager will insure equipment at Manager's cost. If requested by Owner, Manager will obtain and charge the annual Owner's property insurance (Property & Casualty Insurance) and pay same on Owner's behalf. Property & Casualty Insurance shall meet Lender's required coverage, to include earthquake, flood and other Lender requirements as the case may be, and shall be the cost of Owner.

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

(m) **Limitations on Manager Authority** . Notwithstanding anything to the contrary set forth in this Section 2, Manager shall not, without obtaining the prior written consent of Owner, (i) rent storage space in the Property by written lease or agreement for a stated term in excess of one year unless such lease or agreement is terminable by the giving of not more than thirty (30) days written notice, (ii) alter the building or other structures of the Property in violation of loan documents executed by Owner in connection with the property ("Loan Documents"); (iii) enter on behalf of Owner any other agreements which exceed a term of one

year and are not terminable on thirty day's notice at the will of Owner, without penalty, payment or surcharge; (iv) act in violation of any Law, (v) violate any term or condition of the Loan Documents; (vi) fail to correct any misunderstanding of any third party of which Manager becomes aware as to the separateness of Owner and Manager; or (vii) except as explicitly set forth in this Agreement, exercise any authority to act on behalf of, or hold itself out as having authority to act on behalf of, Owner.

(n) **Shared Expenses** . Owner acknowledges that certain economies may be achieved with respect to certain expenses to be incurred by Manager on behalf of Owner hereunder if materials, supplies, insurance or services are purchased by Manager in quantity for use not only in connection with Owner's business at the Property but in connection with other properties owned or managed by Manager or its affiliates. Manager shall have the right to purchase such materials, supplies, insurance (subject to the terms of this Agreement) and/or services in its own name and charge Owner a pro rata allocable share of the cost of the foregoing; provided, however, that the pro rata cost of such purchase to Owner shall not result in expenses that are either inconsistent with the expenses of other "U-Haul branded" locations in the general vicinity of the applicable Property or greater than would otherwise be incurred at competitive prices and terms available in the area where the Property is located; and provided further, Manager shall give Owner access to records (at no cost to Owner) so Owner may review any such expenses incurred.

(o) **Deposit of Gross Revenues** . All revenue from operations at the Property ("Gross Revenue") shall be deposited daily by Manager into (i) a bank account (the "Deposit Account") maintained by Manager (or its parent company) solely for the benefit of Owner; or (ii) a collective bank account (the "Collective Account") maintained by Manager (or its parent company) for the benefit of multiple property owners. Manager shall transfer daily all Owner's Revenue in the Deposit Account and all Owner's Revenue in the Collective Account to Owner's separately identified depository account ("Owner's Account"). To the extent that Gross Revenue is deposited into a Collective Account, Manager (or its parent company) shall reconcile such Collective Account daily and maintain such records as shall clearly identify each day the respective interest of each property owner in such account. Manager shall not, and shall not permit any other property owner or any affiliate of Manager to borrow, lend or use Owner's Revenue while it is in a Collective Account. Owner shall apply Owner's Revenue first to the repayment of Owner's senior debt with respect to the Property, and then to Manager in reimbursement of documented expenses and for management fees as provided under Section 4 below.

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

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

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

3. Duties of Owner.

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

4. Compensation of Manager.

(a) **Reimbursement of Expenses** . Manager shall be entitled to request and receive reimbursement for all timely authorized out-of-pocket reasonable and customary expenses actually incurred by Manager in the discharge of its duties hereunder. Such reimbursement shall be the obligation of Owner, whether or not Gross Revenues are sufficient to pay such amounts. Unpaid balances shall accrue interest at 4% thirty (30) days after presentment, unless a written request is received detailing Owner's objection to a billed amount.

(b) **Management Fee** . Owner shall pay to Manager as the full amount due for the services herein provided a monthly fee (the "Management Fee") which shall be six percent (6%) of the Property's current month Owner's Revenue, as determined on a cash basis. Subject to the terms of Section 2(o) the Management Fee shall be paid promptly, in arrears, within fifteen (15) days of Owner's receipt therefor, which invoice shall be sent from Manager to Owner following the end of each calendar month. Such invoice shall be itemized and shall include reasonable detail and be free from errors.

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

(c) **Inspection of Books and Records** . Owner shall have the right, upon prior reasonable notice to Manager, to inspect Manager's books and records with respect to the Property, to assure that proper fees and charges are assessed hereunder. Manager shall cooperate with any such inspection. Owner shall bear the cost of any such inspection; provided, however, that if it is ascertained that Manager has overcharged Owner by more than 5% in any given quarter, the cost of such inspection shall be borne by Manager. Manager shall promptly reimburse Owner for any overpayment.

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

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

6. Default; Termination.

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

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

(c) Owner shall have the right to terminate this Agreement, with or without cause, by giving not less than thirty (30) days' written notice to Manager pursuant to Section 14

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

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

7. Indemnification.

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

8. Assignment.

Manager shall not assign this Agreement to any party without the consent of Owner.

9. Standard for Property Manager's Responsibility.

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

10. Estoppel Certificate.

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

11. Term; Scope.

Subject to the provisions hereof, this Agreement shall have an initial term (such term, as extended or renewed in accordance with the provisions hereof, being called the "Term") commencing on the date hereof (the "Commencement Date") and ending on the last day of the one hundred and twentieth (120th) calendar month next following the date hereof or the maturity date of the applicable Loan Documents (which ever is later) (the "Expiration Date"); provided however, the parties shall have the right upon mutual agreement to terminate this Agreement

with respect to any individual Property no longer subject to the Loan Documents (for instance due to a significant casualty or condemnation of such Property).

12. Headings.

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

13. Governing Law.

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

14. Notices.

Any notice required or permitted herein shall be in writing and shall be personally delivered or mailed first class postage prepaid or delivered by an overnight delivery service to the respective addresses of the parties set forth above on the first page of this Agreement, or to such other address as any party may give to the other in writing. Any notice required by this Agreement will be deemed to have been given when personally served or one day after delivery to an overnight delivery service or five days after deposit in the first class mail. Any notice to Owner shall be to the attention of President, 715 South Country Club Drive, Mesa, AZ 85210. Any notice to Manager shall be to the attention of c/o U-Haul International, Inc. Legal Dept, 2721 North Central Avenue, Phoenix, AZ 85004, Attn: Secretary.

15. Severability.

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

16. Successors.

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

17. Attorneys' Fees.

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

18. Counterparts.

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

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

Owner :

Six-A SAC Self-Storage Corporation,

a Nevada corporation

By: \_\_\_\_\_  
Bruce Brockhagen, Secretary

Manager :

U-Haul Co. Maryland, Inc.,  
U-Haul Co. of New Hampshire  
U-Haul Co. of Oregon  
U-Haul Co. of Texas

By: \_\_\_\_\_

Its: \_\_\_\_\_

Exhibit A

List of Properties

818067	6-A	U-HAUL HYATTSVILLE	2421 CHILLUM ROAD	HYATTSVILLE	MARYLAND
790062	6-A	U-HAUL CTR S WILLOW	515 S WILLOW STREET	MANCHESTER	NEW HAMPSHIRE
704074	6-A	U-HAUL CT BEAVERTON	14225 SW TV HWY	BEAVERTON	OREGON
737074	6-A	U-HAUL CENTER BURNET ROAD	8710 BURNET ROAD	AUSTIN	TEXAS





AMENDED AND RESTATED PROPERTY MANAGEMENT AGREEMENT

THIS AMENDED AND RESTATED PROPERTY MANAGEMENT AGREEMENT (this "Agreement") is entered into as of June 20, 2007 among Six-B SAC Self-Storage Corporation, a Nevada corporation ("Owner"), and the subsidiaries of U-Haul International, Inc. set forth on the signature block hereto ("Manager").

RECITALS

- A. Owner owns the real property and all improvements thereon and appurtenances thereto located at the street addresses identified on Exhibit A hereto (hereinafter, collectively the "Property").
- B. Owner intends that the Property be rented on a space-by-space retail basis to corporations, partnerships, individuals and/or other entities for use as self-storage facilities.
- C. Owner and Manager are currently parties to a Property Management Agreement (the "Original Agreement"), which Original Agreement is hereby amended and restated in its entirety by this Agreement.
- D. Owner desires that Manager manage the Property and Manager desires to act as the property manager for the Property, all in accordance with the terms and conditions of this Agreement including as more specifically designated on Exhibit A hereto.

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

1. Employment.

- (a) Owner hereby retains Manager, and Manager agrees to act as manager of the Property upon the terms and conditions hereinafter set forth.
  - (b) Owner acknowledges that Manager, and/or Manager affiliates, is in the business of managing self-storage facilities and businesses conducted thereat, including, but not limited to, the sale of packing supplies and rental of trucks and equipment, both for its own account and for the account of others. It is hereby expressly agreed that notwithstanding this Agreement, Manager and such affiliates may continue to engage in such activities, may manage facilities other than those presently managed by Manager and its affiliates (whether or not such other facilities may be in direct or indirect competition with Owner) and may in the future engage in other business which may compete directly or indirectly with activities of Owner.
  - (c) In the performance of its duties under this Agreement, Manager shall occupy the position of an independent contractor with respect to Owner. Nothing contained herein shall be construed as making the parties hereto (or any of them) partners or joint venturers, nor construed as making Manager an employee of Owner.
-

## 2. Duties and Authority of Manager.

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

(a) **General Duties and Authority** . Manager shall have the sole and exclusive duty and authority to fully manage the Property and supervise and direct the business and affairs associated or related to the daily operation thereof, to collect on behalf of Owner all revenues related to the Property, to pay on behalf of Owner all expenses of the Property - and to execute on behalf of Owner such documents and instruments as, in the sole judgment of Manager, are reasonably necessary or advisable under the circumstances in order to fulfill Manager's duties hereunder. Such duties and authority shall include, without limitation, those set forth below. Notwithstanding the foregoing or any other term or provision herein, upon notice to Manager, Owner shall have the right to assume responsibility for the direct payment of certain expenses of Owner, as may be determined by Owner. In such event, Owner shall provide an accounting of such costs to Manager. In the event Owner fails to provide such accounting to Manager, Manager shall assume no liability for nonpayment for such expenses so assumed by Owner. The parties acknowledge and agree that Owner will retain title to, ownership of, and exclusive right to control the Property, subject to the terms of this Agreement, and that portion of the Gross Revenue (as hereinafter defined) owned by Owner ("Owner's Revenue") (which includes the revenue from the storage operations at the Property, retail sales, miscellaneous income and Owner's UMove commission), and that Manager will not acquire title to, any interest in, or any income or revenues from the Property or Owner's Revenue. In performing its services and making any payments hereunder, Manager will make known to third parties that Manager is acting solely as the agent of Owner. Under no circumstances will Manager represent or hold itself out to any third party as having any title to or property interest in the Property or Owner's Revenue.

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

(c) **Repair, Maintenance and Improvements** . Manager shall make, execute, supervise and have control over the making and executing of all decisions concerning the acquisition of furniture, fixtures and supplies for the Property, and may purchase, lease or otherwise acquire the same on behalf of Owner. Manager shall make and execute, or supervise and have control over the making and executing of all decisions concerning the maintenance, repair and landscaping of the Property, provided, however, that such maintenance, repair and landscaping shall be consistent with the maintenance, repair and landscaping implemented by

Manager and its affiliates at any other properties operated by Manager or its affiliates. Manager shall, on behalf of Owner, negotiate and contract for and supervise the installation of all capital improvements related to the Property; provided, however, that Manager agrees to secure the prior written approval of Owner on all such expenditures in excess of \$10,000.00 - for any one item, except monthly or recurring operating charges and/or emergency repairs if in the opinion of Manager such emergency-related expenditures are necessary to protect the Property from damage or to maintain services to the Owners or self-storage licensees as called for in their respective leases or self-storage agreements. In the event of such emergency repairs in excess of \$10,000, Manager shall notify Owner and the insurer of the cost estimate for such work.

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

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

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

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

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Property. Manager shall be responsible for cash shortages and discrepancies incurred in the normal course of management operations. The books, records and accounts shall be maintained at the Manager's office or at Owner's office, or at such other location as Manager and Owner shall determine, and shall be available and open to examination and audit quarterly by Owner, its representatives, its lender, if any, and as provided by Owner, and, subject to any mortgagee of the Property, and such mortgagee's representative. Manager shall cause to be prepared and delivered to Owner a monthly statement on a per-Property basis, of receipts, expenses and charges, and any other information as reasonably required by Owner to prepare its financials statements, together with a statement, on a per-Property basis, of the disbursements made by Manager during such period on Owner's behalf, which shall include separate lines for prepaid items and inventory. Manager shall provide Owner with rent rolls and occupancy reports if requested.

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

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

(k) **Insurance** . Manager will insure, on its Master Policy, against all liabilities at the Property at Manager's cost (General Liability Insurance). Manager will insure equipment at Manager's cost. If requested by Owner, Manager will obtain and charge the annual Owner's property insurance (Property & Casualty Insurance) and pay same on Owner's behalf. Property & Casualty Insurance shall meet Lender's required coverage, to include earthquake, flood and other Lender requirements as the case may be, and shall be the cost of Owner.

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

(m) **Limitations on Manager Authority** . Notwithstanding anything to the contrary set forth in this Section 2, Manager shall not, without obtaining the prior written consent of Owner, (i) rent storage space in the Property by written lease or agreement for a stated term in excess of one year unless such lease or agreement is terminable by the giving of not more than thirty (30) days written notice, (ii) alter the building or other structures of the Property in violation of loan documents executed by Owner in connection with the property ("Loan Documents"); (iii) enter on behalf of Owner any other agreements which exceed a term of one

year and are not terminable on thirty day's notice at the will of Owner, without penalty, payment or surcharge; (iv) act in violation of any Law, (v) violate any term or condition of the Loan Documents; (vi) fail to correct any misunderstanding of any third party of which Manager becomes aware as to the separateness of Owner and Manager; or (vii) except as explicitly set forth in this Agreement, exercise any authority to act on behalf of, or hold itself out as having authority to act on behalf of, Owner.

(n) **Shared Expenses** . Owner acknowledges that certain economies may be achieved with respect to certain expenses to be incurred by Manager on behalf of Owner hereunder if materials, supplies, insurance or services are purchased by Manager in quantity for use not only in connection with Owner's business at the Property but in connection with other properties owned or managed by Manager or its affiliates. Manager shall have the right to purchase such materials, supplies, insurance (subject to the terms of this Agreement) and/or services in its own name and charge Owner a pro rata allocable share of the cost of the foregoing; provided, however, that the pro rata cost of such purchase to Owner shall not result in expenses that are either inconsistent with the expenses of other "U-Haul branded" locations in the general vicinity of the applicable Property or greater than would otherwise be incurred at competitive prices and terms available in the area where the Property is located; and provided further, Manager shall give Owner access to records (at no cost to Owner) so Owner may review any such expenses incurred.

(o) **Deposit of Gross Revenues** . All revenue from operations at the Property ("Gross Revenue") shall be deposited daily by Manager into (i) a bank account (the "Deposit Account") maintained by Manager (or its parent company) solely for the benefit of Owner; or (ii) a collective bank account (the "Collective Account") maintained by Manager (or its parent company) for the benefit of multiple property owners. Manager shall transfer daily all Owner's Revenue in the Deposit Account and all Owner's Revenue in the Collective Account to Owner's separately identified depository account ("Owner's Account"). To the extent that Gross Revenue is deposited into a Collective Account, Manager (or its parent company) shall reconcile such Collective Account daily and maintain such records as shall clearly identify each day the respective interest of each property owner in such account. Manager shall not, and shall not permit any other property owner or any affiliate of Manager to borrow, lend or use Owner's Revenue while it is in a Collective Account. Owner shall apply Owner's Revenue first to the repayment of Owner's senior debt with respect to the Property, and then to Manager in reimbursement of documented expenses and for management fees as provided under Section 4 below.

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

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

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

3. Duties of Owner.

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

4. Compensation of Manager.

(a) **Reimbursement of Expenses** . Manager shall be entitled to request and receive reimbursement for all timely authorized out-of-pocket reasonable and customary expenses actually incurred by Manager in the discharge of its duties hereunder. Such reimbursement shall be the obligation of Owner, whether or not Gross Revenues are sufficient to pay such amounts. Unpaid balances shall accrue interest at 4% thirty (30) days after presentment, unless a written request is received detailing Owner's objection to a billed amount.

(b) **Management Fee** . Owner shall pay to Manager as the full amount due for the services herein provided a monthly fee (the "Management Fee") which shall be six percent (6%) of the Property's current month Owner's Revenue, as determined on a cash basis. Subject to the terms of Section 2(o) the Management Fee shall be paid promptly, in arrears, within fifteen (15) days of Owner's receipt therefor, which invoice shall be sent from Manager to Owner following the end of each calendar month. Such invoice shall be itemized and shall include reasonable detail and be free from errors.

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

(c) **Inspection of Books and Records** . Owner shall have the right, upon prior reasonable notice to Manager, to inspect Manager's books and records with respect to the Property, to assure that proper fees and charges are assessed hereunder. Manager shall cooperate with any such inspection. Owner shall bear the cost of any such inspection; provided, however, that if it is ascertained that Manager has overcharged Owner by more than 5% in any given quarter, the cost of such inspection shall be borne by Manager. Manager shall promptly reimburse Owner for any overpayment.

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

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

6. Default; Termination.

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

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

(c) Owner shall have the right to terminate this Agreement, with or without cause, by giving not less than thirty (30) days' written notice to Manager pursuant to Section 14



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

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

7. Indemnification.

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

8. Assignment.

Manager shall not assign this Agreement to any party without the consent of Owner.

9. Standard for Property Manager's Responsibility.

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

10. Estoppel Certificate.

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

11. Term; Scope.

Subject to the provisions hereof, this Agreement shall have an initial term (such term, as extended or renewed in accordance with the provisions hereof, being called the "Term") commencing on the date hereof (the "Commencement Date") and ending on the last day of the one hundred and twentieth (120th) calendar month next following the date hereof or the maturity date of the applicable Loan Documents (which ever is later) (the "Expiration Date"); provided however, the parties shall have the right upon mutual agreement to terminate this Agreement

with respect to any individual Property no longer subject to the Loan Documents (for instance due to a significant casualty or condemnation of such Property).

12. Headings.

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

13. Governing Law.

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

14. Notices.

Any notice required or permitted herein shall be in writing and shall be personally delivered or mailed first class postage prepaid or delivered by an overnight delivery service to the respective addresses of the parties set forth above on the first page of this Agreement, or to such other address as any party may give to the other in writing. Any notice required by this Agreement will be deemed to have been given when personally served or one day after delivery to an overnight delivery service or five days after deposit in the first class mail. Any notice to Owner shall be to the attention of President, 715 South Country Club Drive, Mesa, AZ 85210. Any notice to Manager shall be to the attention of c/o U-Haul International, Inc. Legal Dept, 2721 North Central Avenue, Phoenix, AZ 85004, Attn: Secretary.

15. Severability.

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

16. Successors.

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

17. Attorneys' Fees.

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

18. Counterparts.

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

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

Owner :

Six-B SAC Self-Storage Corporation,

a Nevada corporation

By: \_\_\_\_\_  
Bruce Brockhagen, Secretary

Manager :

U-Haul Co. of Louisiana

U-Haul Co. of Missouri

U-Haul Co. of Oregon

U-Haul Co. of Texas

U-Haul Co. of Virginia

By: \_\_\_\_\_  
Gary B. Horton, Treasurer

Exhibit A

List of Properties

743052	6-B	U-HAUL CT HOLLYWOOD	2205 HOLLYWOOD	SHREVEPORT	LOUISIANA
734052	6-B	U-HAUL DOWNTOWN	1530 LOCUST ST	KANSAS CITY	MISSOURI
700076	6-B	U-HAUL CTR FRANKLIN	4400 FRANKLIN BLVD	EUGENE	OREGON
741070	6-B	U-HAUL CTR L B J	12215 LBJ FREEWAY	GARLAND	TEXAS
824027	6-B	U-HAUL CENTER LOMBARDY	900 NORTH LOMBARDY	RICHMOND	VIRGINIA



AMENDED AND RESTATED PROPERTY MANAGEMENT AGREEMENT

THIS AMENDED AND RESTATED PROPERTY MANAGEMENT AGREEMENT (this " Agreement ") is entered into as of June 20, 2007 among Six-C SAC Self-Storage Corporation, a Nevada corporation (" Owner "), and the subsidiaries of U-Haul International, Inc. set forth on the signature block hereto (" Manager ").

RECITALS

- A. Owner owns the real property and all improvements thereon and appurtenances thereto located at the street addresses identified on Exhibit A hereto (hereinafter, collectively the "Property").
- B. Owner intends that the Property be rented on a space-by-space retail basis to corporations, partnerships, individuals and/or other entities for use as self-storage facilities.
- C. Owner and Manager are currently parties to a Property Management Agreement (the "Original Agreement"), which Original Agreement is hereby amended and restated in its entirety by this Agreement.
- D. Owner desires that Manager manage the Property and Manager desires to act as the property manager for the Property, all in accordance with the terms and conditions of this Agreement including as more specifically designated on Exhibit A hereto.

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

1. Employment.

- (a) Owner hereby retains Manager, and Manager agrees to act as manager of the Property upon the terms and conditions hereinafter set forth.
  - (b) Owner acknowledges that Manager, and/or Manager affiliates, is in the business of managing self-storage facilities and businesses conducted thereat, including, but not limited to, the sale of packing supplies and rental of trucks and equipment, both for its own account and for the account of others. It is hereby expressly agreed that notwithstanding this Agreement, Manager and such affiliates may continue to engage in such activities, may manage facilities other than those presently managed by Manager and its affiliates (whether or not such other facilities may be in direct or indirect competition with Owner) and may in the future engage in other business which may compete directly or indirectly with activities of Owner.
  - (c) In the performance of its duties under this Agreement, Manager shall occupy the position of an independent contractor with respect to Owner. Nothing contained herein shall be construed as making the parties hereto (or any of them) partners or joint venturers, nor construed as making Manager an employee of Owner.
-

## 2. Duties and Authority of Manager.

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

(a) **General Duties and Authority** . Manager shall have the sole and exclusive duty and authority to fully manage the Property and supervise and direct the business and affairs associated or related to the daily operation thereof, to collect on behalf of Owner all revenues related to the Property, to pay on behalf of Owner all expenses of the Property - and to execute on behalf of Owner such documents and instruments as, in the sole judgment of Manager, are reasonably necessary or advisable under the circumstances in order to fulfill Manager's duties hereunder. Such duties and authority shall include, without limitation, those set forth below. Notwithstanding the foregoing or any other term or provision herein, upon notice to Manager, Owner shall have the right to assume responsibility for the direct payment of certain expenses of Owner, as may be determined by Owner. In such event, Owner shall provide an accounting of such costs to Manager. In the event Owner fails to provide such accounting to Manager, Manager shall assume no liability for nonpayment for such expenses so assumed by Owner. The parties acknowledge and agree that Owner will retain title to, ownership of, and exclusive right to control the Property, subject to the terms of this Agreement, and that portion of the Gross Revenue (as hereinafter defined) owned by Owner ("Owner's Revenue") (which includes the revenue from the storage operations at the Property, retail sales, miscellaneous income and Owner's UMove commission), and that Manager will not acquire title to, any interest in, or any income or revenues from the Property or Owner's Revenue. In performing its services and making any payments hereunder, Manager will make known to third parties that Manager is acting solely as the agent of Owner. Under no circumstances will Manager represent or hold itself out to any third party as having any title to or property interest in the Property or Owner's Revenue.

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

(c) **Repair, Maintenance and Improvements** . Manager shall make, execute, supervise and have control over the making and executing of all decisions concerning the acquisition of furniture, fixtures and supplies for the Property, and may purchase, lease or otherwise acquire the same on behalf of Owner. Manager shall make and execute, or supervise and have control over the making and executing of all decisions concerning the maintenance, repair and landscaping of the Property, provided, however, that such maintenance, repair and landscaping shall be consistent with the maintenance, repair and landscaping implemented by

Manager and its affiliates at any other properties operated by Manager or its affiliates. Manager shall, on behalf of Owner, negotiate and contract for and supervise the installation of all capital improvements related to the Property; provided, however, that Manager agrees to secure the prior written approval of Owner on all such expenditures in excess of \$10,000.00 - for any one item, except monthly or recurring operating charges and/or emergency repairs if in the opinion of Manager such emergency-related expenditures are necessary to protect the Property from damage or to maintain services to the Owners or self-storage licensees as called for in their respective leases or self-storage agreements. In the event of such emergency repairs in excess of \$10,000, Manager shall notify Owner and the insurer of the cost estimate for such work.

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

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

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

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

(h) **Records and Reports of Disbursements and Collections** . Manager shall establish, supervise, direct and maintain the operation of a system of cash record keeping and bookkeeping with respect to all receipts and disbursements and all business activities and operations conducted by Manager in connection with the management and operation of the



Property. Manager shall be responsible for cash shortages and discrepancies incurred in the normal course of management operations. The books, records and accounts shall be maintained at the Manager's office or at Owner's office, or at such other location as Manager and Owner shall determine, and shall be available and open to examination and audit quarterly by Owner, its representatives, its lender, if any, and as provided by Owner, and, subject to any mortgagee of the Property, and such mortgagee's representative. Manager shall cause to be prepared and delivered to Owner a monthly statement on a per-Property basis, of receipts, expenses and charges, and any other information as reasonably required by Owner to prepare its financials statements, together with a statement, on a per-Property basis, of the disbursements made by Manager during such period on Owner's behalf, which shall include separate lines for prepaid items and inventory. Manager shall provide Owner with rent rolls and occupancy reports if requested.

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

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

(k) **Insurance** . Manager will insure, on its Master Policy, against all liabilities at the Property at Manager's cost (General Liability Insurance). Manager will insure equipment at Manager's cost. If requested by Owner, Manager will obtain and charge the annual Owner's property insurance (Property & Casualty Insurance) and pay same on Owner's behalf. Property & Casualty Insurance shall meet Lender's required coverage, to include earthquake, flood and other Lender requirements as the case may be, and shall be the cost of Owner.

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

(m) **Limitations on Manager Authority** . Notwithstanding anything to the contrary set forth in this Section 2, Manager shall not, without obtaining the prior written consent of Owner, (i) rent storage space in the Property by written lease or agreement for a stated term in excess of one year unless such lease or agreement is terminable by the giving of not more than thirty (30) days written notice, (ii) alter the building or other structures of the Property in violation of loan documents executed by Owner in connection with the property ("Loan Documents"); (iii) enter on behalf of Owner any other agreements which exceed a term of one

year and are not terminable on thirty day's notice at the will of Owner, without penalty, payment or surcharge; (iv) act in violation of any Law, (v) violate any term or condition of the Loan Documents; (vi) fail to correct any misunderstanding of any third party of which Manager becomes aware as to the separateness of Owner and Manager; or (vii) except as explicitly set forth in this Agreement, exercise any authority to act on behalf of, or hold itself out as having authority to act on behalf of, Owner.

(n) **Shared Expenses** . Owner acknowledges that certain economies may be achieved with respect to certain expenses to be incurred by Manager on behalf of Owner hereunder if materials, supplies, insurance or services are purchased by Manager in quantity for use not only in connection with Owner's business at the Property but in connection with other properties owned or managed by Manager or its affiliates. Manager shall have the right to purchase such materials, supplies, insurance (subject to the terms of this Agreement) and/or services in its own name and charge Owner a pro rata allocable share of the cost of the foregoing; provided, however, that the pro rata cost of such purchase to Owner shall not result in expenses that are either inconsistent with the expenses of other "U-Haul branded" locations in the general vicinity of the applicable Property or greater than would otherwise be incurred at competitive prices and terms available in the area where the Property is located; and provided further, Manager shall give Owner access to records (at no cost to Owner) so Owner may review any such expenses incurred.

(o) **Deposit of Gross Revenues** . All revenue from operations at the Property ("Gross Revenue") shall be deposited daily by Manager into (i) a bank account (the "Deposit Account") maintained by Manager (or its parent company) solely for the benefit of Owner; or (ii) a collective bank account (the "Collective Account") maintained by Manager (or its parent company) for the benefit of multiple property owners. Manager shall transfer daily all Owner's Revenue in the Deposit Account and all Owner's Revenue in the Collective Account to Owner's separately identified depository account ("Owner's Account"). To the extent that Gross Revenue is deposited into a Collective Account, Manager (or its parent company) shall reconcile such Collective Account daily and maintain such records as shall clearly identify each day the respective interest of each property owner in such account. Manager shall not, and shall not permit any other property owner or any affiliate of Manager to borrow, lend or use Owner's Revenue while it is in a Collective Account. Owner shall apply Owner's Revenue first to the repayment of Owner's senior debt with respect to the Property, and then to Manager in reimbursement of documented expenses and for management fees as provided under Section 4 below.

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

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

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

3. Duties of Owner.

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

4. Compensation of Manager.

(a) **Reimbursement of Expenses** . Manager shall be entitled to request and receive reimbursement for all timely authorized out-of-pocket reasonable and customary expenses actually incurred by Manager in the discharge of its duties hereunder. Such reimbursement shall be the obligation of Owner, whether or not Gross Revenues are sufficient to pay such amounts. Unpaid balances shall accrue interest at 4% thirty (30) days after presentment, unless a written request is received detailing Owner's objection to a billed amount.

(b) **Management Fee** . Owner shall pay to Manager as the full amount due for the services herein provided a monthly fee (the "Management Fee") which shall be six percent (6%) of the Property's current month Owner's Revenue, as determined on a cash basis. Subject to the terms of Section 2(o) the Management Fee shall be paid promptly, in arrears, within fifteen (15) days of Owner's receipt therefor, which invoice shall be sent from Manager to Owner following the end of each calendar month. Such invoice shall be itemized and shall include reasonable detail and be free from errors.

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

(c) **Inspection of Books and Records** . Owner shall have the right, upon prior reasonable notice to Manager, to inspect Manager's books and records with respect to the Property, to assure that proper fees and charges are assessed hereunder. Manager shall cooperate with any such inspection. Owner shall bear the cost of any such inspection; provided, however, that if it is ascertained that Manager has overcharged Owner by more than 5% in any given quarter, the cost of such inspection shall be borne by Manager. Manager shall promptly reimburse Owner for any overpayment.

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

6. Default; Termination.

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

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

(c) Owner shall have the right to terminate this Agreement, with or without cause, by giving not less than thirty (30) days' written notice to Manager pursuant to Section 14

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

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

7. Indemnification.

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

8. Assignment.

Manager shall not assign this Agreement to any party without the consent of Owner.

9. Standard for Property Manager's Responsibility.

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

10. Estoppel Certificate.

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

11. Term; Scope.

Subject to the provisions hereof, this Agreement shall have an initial term (such term, as extended or renewed in accordance with the provisions hereof, being called the "Term") commencing on the date hereof (the "Commencement Date") and ending on the last day of the one hundred and twentieth (120th) calendar month next following the date hereof or the maturity date of the applicable Loan Documents (which ever is later) (the "Expiration Date"); provided however, the parties shall have the right upon mutual agreement to terminate this Agreement

with respect to any individual Property no longer subject to the Loan Documents (for instance due to a significant casualty or condemnation of such Property).

12. Headings.

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

13. Governing Law.

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

14. Notices.

Any notice required or permitted herein shall be in writing and shall be personally delivered or mailed first class postage prepaid or delivered by an overnight delivery service to the respective addresses of the parties set forth above on the first page of this Agreement, or to such other address as any party may give to the other in writing. Any notice required by this Agreement will be deemed to have been given when personally served or one day after delivery to an overnight delivery service or five days after deposit in the first class mail. Any notice to Owner shall be to the attention of President, 715 South Country Club Drive, Mesa, AZ 85210. Any notice to Manager shall be to the attention of c/o U-Haul International, Inc. Legal Dept, 2721 North Central Avenue, Phoenix, AZ 85004, Attn: Secretary.

15. Severability.

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

16. Successors.

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

17. Attorneys' Fees.

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

18. Counterparts.

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

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

Owner :

Six-C SAC Self-Storage Corporation,

a Nevada corporation

By: \_\_\_\_\_  
Bruce Brockhagen, Secretary

Manager :

U-Haul Co. of Florida

U-Haul Co. of Massachusetts and Ohio, Inc.

U-Haul Co. of Oklahoma

U-Haul Co. of Pennsylvania

UI-Haul Co. of Texas

By: \_\_\_\_\_  
Gary B. Horton, Treasurer

Exhibit A

List of Properties

787078	6-C	U-HAUL UNIVERSITY	6701 S DIXIE HIGHWAY	SOUTH MIAMI	FLORIDA
766053	6-C	U-HAUL CT CLARK AVE	6000 CLARK AVE	CLEVELAND	OHIO
761073	6-C	U-HAUL MEMORIAL	1010 SOUTH MEMORIAL DRIVE	TULSA	OKLAHOMA
808066	6-C	U-HAUL CTR OF S PHILADELPHIA	1015-25 SOUTH 12TH STREET	PHILADELPHIA SOUTH	PENNSYLVANIA
745024	6-C	U-HAUL CENTER CONROE	1305 S I-45	CONROE	TEXAS





AMENDED AND RESTATED PROPERTY MANAGEMENT AGREEMENT

THIS AMENDED AND RESTATED PROPERTY MANAGEMENT AGREEMENT (this " Agreement ") is entered into as of June 20, 2007 among Eight SAC Self-Storage Corporation, a Nevada corporation (" Owner."), and the subsidiaries of U-Haul International, Inc. set forth on the signature block hereto (" Manager").

RECITALS

- A. Owner owns the real property and all improvements thereon and appurtenances thereto located at the street addresses identified on Exhibit A hereto (hereinafter, collectively the "Property").
- B. Owner intends that the Property be rented on a space-by-space retail basis to corporations, partnerships, individuals and/or other entities for use as self-storage facilities.
- C. Owner and Manager are currently parties to a Property Management Agreement (the "Original Agreement"), which Original Agreement is hereby amended and restated in its entirety by this Agreement.
- D. Owner desires that Manager manage the Property and Manager desires to act as the property manager for the Property, all in accordance with the terms and conditions of this Agreement including as more specifically designated on Exhibit A hereto.

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

1. Employment.

- (a) Owner hereby retains Manager, and Manager agrees to act as manager of the Property upon the terms and conditions hereinafter set forth.
  - (b) Owner acknowledges that Manager, and/or Manager affiliates, is in the business of managing self-storage facilities and businesses conducted thereat, including, but not limited to, the sale of packing supplies and rental of trucks and equipment, both for its own account and for the account of others. It is hereby expressly agreed that notwithstanding this Agreement, Manager and such affiliates may continue to engage in such activities, may manage facilities other than those presently managed by Manager and its affiliates (whether or not such other facilities may be in direct or indirect competition with Owner) and may in the future engage in other business which may compete directly or indirectly with activities of Owner.
  - (c) In the performance of its duties under this Agreement, Manager shall occupy the position of an independent contractor with respect to Owner. Nothing contained herein shall be construed as making the parties hereto (or any of them) partners or joint venturers, nor construed as making Manager an employee of Owner.
-

2. Duties and Authority of Manager.

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

(a) **General Duties and Authority** . Manager shall have the sole and exclusive duty and authority to fully manage the Property and supervise and direct the business and affairs associated or related to the daily operation thereof, to collect on behalf of Owner all revenues related to the Property, to pay on behalf of Owner all expenses of the Property - and to execute on behalf of Owner such documents and instruments as, in the sole judgment of Manager, are reasonably necessary or advisable under the circumstances in order to fulfill Manager's duties hereunder. Such duties and authority shall include, without limitation, those set forth below. Notwithstanding the foregoing or any other term or provision herein, upon notice to Manager, Owner shall have the right to assume responsibility for the direct payment of certain expenses of Owner, as may be determined by Owner. In such event, Owner shall provide an accounting of such costs to Manager. In the event Owner fails to provide such accounting to Manager, Manager shall assume no liability for nonpayment for such expenses so assumed by Owner. The parties acknowledge and agree that Owner will retain title to, ownership of, and exclusive right to control the Property, subject to the terms of this Agreement, and that portion of the Gross Revenue (as hereinafter defined) owned by Owner ("Owner's Revenue") (which includes the revenue from the storage operations at the Property, retail sales, miscellaneous income and Owner's UMove commission), and that Manager will not acquire title to, any interest in, or any income or revenues from the Property or Owner's Revenue. In performing its services and making any payments hereunder, Manager will make known to third parties that Manager is acting solely as the agent of Owner. Under no circumstances will Manager represent or hold itself out to any third party as having any title to or property interest in the Property or Owner's Revenue.

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

(c) **Repair, Maintenance and Improvements** . Manager shall make, execute, supervise and have control over the making and executing of all decisions concerning the acquisition of furniture, fixtures and supplies for the Property, and may purchase, lease or otherwise acquire the same on behalf of Owner. Manager shall make and execute, or supervise and have control over the making and executing of all decisions concerning the maintenance, repair and landscaping of the Property, provided, however, that such maintenance, repair and landscaping shall be consistent with the maintenance, repair and landscaping implemented by

Manager and its affiliates at any other properties operated by Manager or its affiliates. Manager shall, on behalf of Owner, negotiate and contract for and supervise the installation of all capital improvements related to the Property; provided, however, that Manager agrees to secure the prior written approval of Owner on all such expenditures in excess of \$10,000.00 - for any one item, except monthly or recurring operating charges and/or emergency repairs if in the opinion of Manager such emergency-related expenditures are necessary to protect the Property from damage or to maintain services to the Owners or self-storage licensees as called for in their respective leases or self-storage agreements. In the event of such emergency repairs in excess of \$10,000, Manager shall notify Owner and the insurer of the cost estimate for such work.

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

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

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

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

(h) **Records and Reports of Disbursements and Collections** . Manager shall establish, supervise, direct and maintain the operation of a system of cash record keeping and bookkeeping with respect to all receipts and disbursements and all business activities and operations conducted by Manager in connection with the management and operation of the

Property. Manager shall be responsible for cash shortages and discrepancies incurred in the normal course of management operations. The books, records and accounts shall be maintained at the Manager's office or at Owner's office, or at such other location as Manager and Owner shall determine, and shall be available and open to examination and audit quarterly by Owner, its representatives, its lender, if any, and as provided by Owner, and, subject to any mortgagee of the Property, and such mortgagee's representative. Manager shall cause to be prepared and delivered to Owner a monthly statement on a per-Property basis, of receipts, expenses and charges, and any other information as reasonably required by Owner to prepare its financials statements, together with a statement, on a per-Property basis, of the disbursements made by Manager during such period on Owner's behalf, which shall include separate lines for prepaid items and inventory. Manager shall provide Owner with rent rolls and occupancy reports if requested.

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

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

(k) **Insurance** . Manager will insure, on its Master Policy, against all liabilities at the Property at Manager's cost (General Liability Insurance). Manager will insure equipment at Manager's cost. If requested by Owner, Manager will obtain and charge the annual Owner's property insurance (Property & Casualty Insurance) and pay same on Owner's behalf. Property & Casualty Insurance shall meet Lender's required coverage, to include earthquake, flood and other Lender requirements as the case may be, and shall be the cost of Owner.

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

(m) **Limitations on Manager Authority** . Notwithstanding anything to the contrary set forth in this Section 2, Manager shall not, without obtaining the prior written consent of Owner, (i) rent storage space in the Property by written lease or agreement for a stated term in excess of one year unless such lease or agreement is terminable by the giving of not more than thirty (30) days written notice, (ii) alter the building or other structures of the Property in violation of loan documents executed by Owner in connection with the property ("Loan Documents"); (iii) enter on behalf of Owner any other agreements which exceed a term of one

year and are not terminable on thirty day's notice at the will of Owner, without penalty, payment or surcharge; (iv) act in violation of any Law, (v) violate any term or condition of the Loan Documents; (vi) fail to correct any misunderstanding of any third party of which Manager becomes aware as to the separateness of Owner and Manager; or (vii) except as explicitly set forth in this Agreement, exercise any authority to act on behalf of, or hold itself out as having authority to act on behalf of, Owner.

(n) **Shared Expenses** . Owner acknowledges that certain economies may be achieved with respect to certain expenses to be incurred by Manager on behalf of Owner hereunder if materials, supplies, insurance or services are purchased by Manager in quantity for use not only in connection with Owner's business at the Property but in connection with other properties owned or managed by Manager or its affiliates. Manager shall have the right to purchase such materials, supplies, insurance (subject to the terms of this Agreement) and/or services in its own name and charge Owner a pro rata allocable share of the cost of the foregoing; provided, however, that the pro rata cost of such purchase to Owner shall not result in expenses that are either inconsistent with the expenses of other "U-Haul branded" locations in the general vicinity of the applicable Property or greater than would otherwise be incurred at competitive prices and terms available in the area where the Property is located; and provided further, Manager shall give Owner access to records (at no cost to Owner) so Owner may review any such expenses incurred.

(o) **Deposit of Gross Revenues** . All revenue from operations at the Property ("Gross Revenue") shall be deposited daily by Manager into (i) a bank account (the "Deposit Account") maintained by Manager (or its parent company) solely for the benefit of Owner; or (ii) a collective bank account (the "Collective Account") maintained by Manager (or its parent company) for the benefit of multiple property owners. Manager shall transfer daily all Owner's Revenue in the Deposit Account and all Owner's Revenue in the Collective Account to Owner's separately identified depository account ("Owner's Account"). To the extent that Gross Revenue is deposited into a Collective Account, Manager (or its parent company) shall reconcile such Collective Account daily and maintain such records as shall clearly identify each day the respective interest of each property owner in such account. Manager shall not, and shall not permit any other property owner or any affiliate of Manager to borrow, lend or use Owner's Revenue while it is in a Collective Account. Owner shall apply Owner's Revenue first to the repayment of Owner's senior debt with respect to the Property, and then to Manager in reimbursement of documented expenses and for management fees as provided under Section 4 below.

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

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

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

3. Duties of Owner.

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

4. Compensation of Manager.

(a) **Reimbursement of Expenses** . Manager shall be entitled to request and receive reimbursement for all timely authorized out-of-pocket reasonable and customary expenses actually incurred by Manager in the discharge of its duties hereunder. Such reimbursement shall be the obligation of Owner, whether or not Gross Revenues are sufficient to pay such amounts. Unpaid balances shall accrue interest at 4% thirty (30) days after presentment, unless a written request is received detailing Owner's objection to a billed amount.

(b) **Management Fee** . Owner shall pay to Manager as the full amount due for the services herein provided a monthly fee (the "Management Fee") which shall be six percent (6%) of the Property's current month Owner's Revenue, as determined on a cash basis. Subject to the terms of Section 2(o) the Management Fee shall be paid promptly, in arrears, within fifteen (15) days of Owner's receipt therefor, which invoice shall be sent from Manager to Owner following the end of each calendar month. Such invoice shall be itemized and shall include reasonable detail and be free from errors.

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

(c) **Inspection of Books and Records** . Owner shall have the right, upon prior reasonable notice to Manager, to inspect Manager's books and records with respect to the Property, to assure that proper fees and charges are assessed hereunder. Manager shall cooperate with any such inspection. Owner shall bear the cost of any such inspection; provided, however, that if it is ascertained that Manager has overcharged Owner by more than 5% in any given quarter, the cost of such inspection shall be borne by Manager. Manager shall promptly reimburse Owner for any overpayment.

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

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

6. Default; Termination.

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

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

(c) Owner shall have the right to terminate this Agreement, with or without cause, by giving not less than thirty (30) days' written notice to Manager pursuant to Section 14



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

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

7. Indemnification.

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

8. Assignment.

Manager shall not assign this Agreement to any party without the consent of Owner.

9. Standard for Property Manager's Responsibility.

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

10. Estoppel Certificate.

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

11. Term; Scope.

Subject to the provisions hereof, this Agreement shall have an initial term (such term, as extended or renewed in accordance with the provisions hereof, being called the "Term") commencing on the date hereof (the "Commencement Date") and ending on the last day of the one hundred and twentieth (120th) calendar month next following the date hereof or the maturity date of the applicable Loan Documents (which ever is later) (the "Expiration Date"); provided however, the parties shall have the right upon mutual agreement to terminate this Agreement

with respect to any individual Property no longer subject to the Loan Documents (for instance due to a significant casualty or condemnation of such Property).

12. Headings.

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

13. Governing Law.

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

14. Notices.

Any notice required or permitted herein shall be in writing and shall be personally delivered or mailed first class postage prepaid or delivered by an overnight delivery service to the respective addresses of the parties set forth above on the first page of this Agreement, or to such other address as any party may give to the other in writing. Any notice required by this Agreement will be deemed to have been given when personally served or one day after delivery to an overnight delivery service or five days after deposit in the first class mail. Any notice to Owner shall be to the attention of President, 715 South Country Club Drive, Mesa, AZ 85210. Any notice to Manager shall be to the attention of c/o U-Haul International, Inc. Legal Dept, 2721 North Central Avenue, Phoenix, AZ 85004, Attn: Secretary.

15. Severability.

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

16. Successors.

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

17. Attorneys' Fees.

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

18. Counterparts .

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

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

Owner :

Eight SAC Self-Storage Corporation,

a Nevada corporation

By: \_\_\_\_\_  
Bruce Brockhagen, Secretary

Manager :

U-Haul Co. of California

U-Haul Co. of Florida

U-Haul Co. of Oklahoma

By: \_\_\_\_\_  
Gary B. Horton, Treasurer

Exhibit A

List of Properties

707064	8	U-HAUL CTR DUBLIN	6265 SCARLETT COURT	DUBLIN	CALIFORNIA
711085	8	U-HAUL NORTHRIDGE	18160 PARTHENIA ST	NORTHRIDGE	CALIFORNIA
784022	8	U-HAUL CENTER OF ORANGE PARK	701 BLANDING BLVD	ORANGE PARK	FLORIDA
761071	8	U-HAUL INDUSTRIAL	5140 SOUTH 103 EAST AVE	TULSA	OKLAHOMA



AMENDED AND RESTATED PROPERTY MANAGEMENT AGREEMENT

THIS AMENDED AND RESTATED PROPERTY MANAGEMENT AGREEMENT (this " Agreement ") is entered into as of June 20, 2007 among Nine SAC Self-Storage Corporation, a Nevada corporation (" Owner "), and the subsidiaries of U-Haul International, Inc. set forth on the signature block hereto (" Manager ").

RECITALS

- A. Owner owns the real property and all improvements thereon and appurtenances thereto located at the street addresses identified on Exhibit A hereto (hereinafter, collectively the "Property").
- B. Owner intends that the Property be rented on a space-by-space retail basis to corporations, partnerships, individuals and/or other entities for use as self-storage facilities.
- C. Owner and Manager are currently parties to a Property Management Agreement (the "Original Agreement"), which Original Agreement is hereby amended and restated in its entirety by this Agreement.
- D. Owner desires that Manager manage the Property and Manager desires to act as the property manager for the Property, all in accordance with the terms and conditions of this Agreement including as more specifically designated on Exhibit A hereto.

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

1. Employment.

- (a) Owner hereby retains Manager, and Manager agrees to act as manager of the Property upon the terms and conditions hereinafter set forth.
  - (b) Owner acknowledges that Manager, and/or Manager affiliates, is in the business of managing self-storage facilities and businesses conducted thereat, including, but not limited to, the sale of packing supplies and rental of trucks and equipment, both for its own account and for the account of others. It is hereby expressly agreed that notwithstanding this Agreement, Manager and such affiliates may continue to engage in such activities, may manage facilities other than those presently managed by Manager and its affiliates (whether or not such other facilities may be in direct or indirect competition with Owner) and may in the future engage in other business which may compete directly or indirectly with activities of Owner.
  - (c) In the performance of its duties under this Agreement, Manager shall occupy the position of an independent contractor with respect to Owner. Nothing contained herein shall be construed as making the parties hereto (or any of them) partners or joint venturers, nor construed as making Manager an employee of Owner.
-

## 2. Duties and Authority of Manager.

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

(a) **General Duties and Authority** . Manager shall have the sole and exclusive duty and authority to fully manage the Property and supervise and direct the business and affairs associated or related to the daily operation thereof, to collect on behalf of Owner all revenues related to the Property, to pay on behalf of Owner all expenses of the Property - and to execute on behalf of Owner such documents and instruments as, in the sole judgment of Manager, are reasonably necessary or advisable under the circumstances in order to fulfill Manager's duties hereunder. Such duties and authority shall include, without limitation, those set forth below. Notwithstanding the foregoing or any other term or provision herein, upon notice to Manager, Owner shall have the right to assume responsibility for the direct payment of certain expenses of Owner, as may be determined by Owner. In such event, Owner shall provide an accounting of such costs to Manager. In the event Owner fails to provide such accounting to Manager, Manager shall assume no liability for nonpayment for such expenses so assumed by Owner. The parties acknowledge and agree that Owner will retain title to, ownership of, and exclusive right to control the Property, subject to the terms of this Agreement, and that portion of the Gross Revenue (as hereinafter defined) owned by Owner ("Owner's Revenue") (which includes the revenue from the storage operations at the Property, retail sales, miscellaneous income and Owner's UMove commission), and that Manager will not acquire title to, any interest in, or any income or revenues from the Property or Owner's Revenue. In performing its services and making any payments hereunder, Manager will make known to third parties that Manager is acting solely as the agent of Owner. Under no circumstances will Manager represent or hold itself out to any third party as having any title to or property interest in the Property or Owner's Revenue.

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

(c) **Repair, Maintenance and Improvements** . Manager shall make, execute, supervise and have control over the making and executing of all decisions concerning the acquisition of furniture, fixtures and supplies for the Property, and may purchase, lease or otherwise acquire the same on behalf of Owner. Manager shall make and execute, or supervise and have control over the making and executing of all decisions concerning the maintenance, repair and landscaping of the Property, provided, however, that such maintenance, repair and

landscaping shall be consistent with the maintenance, repair and landscaping implemented by Manager and its affiliates at any other properties operated by Manager or its affiliates. Manager shall, on behalf of Owner, negotiate and contract for and supervise the installation of all capital improvements related to the Property; provided, however, that Manager agrees to secure the prior written approval of Owner on all such expenditures in excess of \$10,000.00 - for any one item, except monthly or recurring operating charges and/or emergency repairs if in the opinion of Manager such emergency-related expenditures are necessary to protect the Property from damage or to maintain services to the Owners or self-storage licensees as called for in their respective leases or self-storage agreements. In the event of such emergency repairs in excess of \$10,000, Manager shall notify Owner and the insurer of the cost estimate for such work.

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

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

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

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

(h) **Records and Reports of Disbursements and Collections** . Manager shall establish, supervise, direct and maintain the operation of a system of cash record keeping and bookkeeping with respect to all receipts and disbursements and all business activities and



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

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

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

(k) **Insurance** . Manager will insure, on its Master Policy, against all liabilities at the Property at Manager's cost (General Liability Insurance). Manager will insure equipment at Manager's cost. If requested by Owner, Manager will obtain and charge the annual Owner's property insurance (Property & Casualty Insurance) and pay same on Owner's behalf. Property & Casualty Insurance shall meet Lender's required coverage, to include earthquake, flood and other Lender requirements as the case may be, and shall be the cost of Owner.

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

(m) **Limitations on Manager Authority** . Notwithstanding anything to the contrary set forth in this Section 2, Manager shall not, without obtaining the prior written consent of Owner, (i) rent storage space in the Property by written lease or agreement for a stated term in excess of one year unless such lease or agreement is terminable by the giving of not more than thirty (30) days written notice, (ii) alter the building or other structures of the Property in violation of loan documents executed by Owner in connection with the property ("Loan

Documents"); (iii) enter on behalf of Owner any other agreements which exceed a term of one year and are not terminable on thirty day's notice at the will of Owner, without penalty, payment or surcharge; (iv) act in violation of any Law, (v) violate any term or condition of the Loan Documents; (vi) fail to correct any misunderstanding of any third party of which Manager becomes aware as to the separateness of Owner and Manager; or (vii) except as explicitly set forth in this Agreement, exercise any authority to act on behalf of, or hold itself out as having authority to act on behalf of, Owner.

(n) **Shared Expenses** . Owner acknowledges that certain economies may be achieved with respect to certain expenses to be incurred by Manager on behalf of Owner hereunder if materials, supplies, insurance or services are purchased by Manager in quantity for use not only in connection with Owner's business at the Property but in connection with other properties owned or managed by Manager or its affiliates. Manager shall have the right to purchase such materials, supplies, insurance (subject to the terms of this Agreement) and/or services in its own name and charge Owner a pro rata allocable share of the cost of the foregoing; provided, however, that the pro rata cost of such purchase to Owner shall not result in expenses that are either inconsistent with the expenses of other "U-Haul branded" locations in the general vicinity of the applicable Property or greater than would otherwise be incurred at competitive prices and terms available in the area where the Property is located; and provided further, Manager shall give Owner access to records (at no cost to Owner) so Owner may review any such expenses incurred.

(o) **Deposit of Gross Revenues** . All revenue from operations at the Property ("Gross Revenue") shall be deposited daily by Manager into (i) a bank account (the "Deposit Account") maintained by Manager (or its parent company) solely for the benefit of Owner; or (ii) a collective bank account (the "Collective Account") maintained by Manager (or its parent company) for the benefit of multiple property owners. Manager shall transfer daily all Owner's Revenue in the Deposit Account and all Owner's Revenue in the Collective Account to Owner's separately identified depository account ("Owner's Account"). To the extent that Gross Revenue is deposited into a Collective Account, Manager (or its parent company) shall reconcile such Collective Account daily and maintain such records as shall clearly identify each day the respective interest of each property owner in such account. Manager shall not, and shall not permit any other property owner or any affiliate of Manager to borrow, lend or use Owner's Revenue while it is in a Collective Account. Owner shall apply Owner's Revenue first to the repayment of Owner's senior debt with respect to the Property, and then to Manager in reimbursement of documented expenses and for management fees as provided under Section 4 below.

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

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

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

3. Duties of Owner.

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

4. Compensation of Manager.

(a) **Reimbursement of Expenses** . Manager shall be entitled to request and receive reimbursement for all timely authorized out-of-pocket reasonable and customary expenses actually incurred by Manager in the discharge of its duties hereunder. Such reimbursement shall be the obligation of Owner, whether or not Gross Revenues are sufficient to pay such amounts. Unpaid balances shall accrue interest at 4% thirty (30) days after presentment, unless a written request is received detailing Owner's objection to a billed amount.

(b) **Management Fee** . Owner shall pay to Manager as the full amount due for the services herein provided a monthly fee (the "Management Fee") which shall be six percent (6%) of the Property's current month Owner's Revenue, as determined on a cash basis. Subject to the terms of Section 2(o) the Management Fee shall be paid promptly, in arrears, within fifteen (15) days of Owner's receipt therefor, which invoice shall be sent from Manager to Owner following the end of each calendar month. Such invoice shall be itemized and shall include reasonable detail and be free from errors.

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

(c) **Inspection of Books and Records** . Owner shall have the right, upon prior reasonable notice to Manager, to inspect Manager's books and records with respect to the Property, to assure that proper fees and charges are assessed hereunder. Manager shall cooperate with any such inspection. Owner shall bear the cost of any such inspection; provided, however, that if it is ascertained that Manager has overcharged Owner by more than 5% in any given quarter, the cost of such inspection shall be borne by Manager. Manager shall promptly reimburse Owner for any overpayment.

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

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

6. Default; Termination.

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

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

(c) Owner shall have the right to terminate this Agreement, with or without cause, by giving not less than thirty (30) days' written notice to Manager pursuant to

Section 14

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

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

7. Indemnification.

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

8. Assignment.

Manager shall not assign this Agreement to any party without the consent of Owner.

9. Standard for Property Manager's Responsibility.

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

10. Estoppel Certificate.

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

11. Term; Scope.

Subject to the provisions hereof, this Agreement shall have an initial term (such term, as extended or renewed in accordance with the provisions hereof, being called the "Term") commencing on the date hereof (the "Commencement Date") and ending on the last day of the one hundred and twentieth (120th) calendar month next following the date hereof or the maturity date of the applicable Loan Documents (which ever is later) (the "Expiration Date"); provided however, the parties shall have the right upon mutual agreement to terminate this Agreement

with respect to any individual Property no longer subject to the Loan Documents (for instance due to a significant casualty or condemnation of such Property).

12. Headings.

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

13. Governing Law.

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

14. Notices.

Any notice required or permitted herein shall be in writing and shall be personally delivered or mailed first class postage prepaid or delivered by an overnight delivery service to the respective addresses of the parties set forth above on the first page of this Agreement, or to such other address as any party may give to the other in writing. Any notice required by this Agreement will be deemed to have been given when personally served or one day after delivery to an overnight delivery service or five days after deposit in the first class mail. Any notice to Owner shall be to the attention of President, 715 South Country Club Drive, Mesa, AZ 85210. Any notice to Manager shall be to the attention of c/o U-Haul International, Inc. Legal Dept, 2721 North Central Avenue, Phoenix, AZ 85004, Attn: Secretary.

15. Severability.

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

16. Successors.

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

17. Attorneys' Fees.

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

18. Counterparts.

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

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

Owner :

Nine SAC Self-Storage Corporation,  
a Nevada corporation

By: \_\_\_\_\_  
Bruce Brockhagen, Secretary

Manager :

U-Haul Co. of California  
U-Haul Co. of Florida  
U-Haul Co. of Texas  
U-Haul Co. of Virginia

By: \_\_\_\_\_  
Gary B. Horton, Treasurer

Exhibit A

List of Properties

709083	9 U-HAUL CENTER LODI	450 N CHEROKEE	LODI	CALIFORNIA	92376
788022	9 U-HAUL CENTER OF MARGATE	1700 NORTH STATE ROAD 7	MARGATE	FLORIDA	33143
745023	9 U-HAUL CENTER OF COPPERFIELD	8330 HIGHWAY 6 NORTH	HOUSTON NORTH	TEXAS	2118
825054	9 U-HAUL CT COLISEUM	1023 W MERCURY BLVD	HAMPTON	VIRGINIA	74146





AMENDED AND RESTATED PROPERTY MANAGEMENT AGREEMENT

THIS AMENDED AND RESTATED PROPERTY MANAGEMENT AGREEMENT (this " Agreement ") is entered into as of June 20, 2007 among Ten SAC Self-Storage Corporation, a Nevada corporation (" Owner "), and the subsidiaries of U-Haul International, Inc. set forth on the signature block hereto (" Manager ").

RECITALS

- A. Owner owns the real property and all improvements thereon and appurtenances thereto located at the street addresses identified on Exhibit A hereto (hereinafter, collectively the "Property").
- B. Owner intends that the Property be rented on a space-by-space retail basis to corporations, partnerships, individuals and/or other entities for use as self-storage facilities.
- C. Owner and Manager are currently parties to a Property Management Agreement (the "Original Agreement"), which Original Agreement is hereby amended and restated in its entirety by this Agreement.
- D. Owner desires that Manager manage the Property and Manager desires to act as the property manager for the Property, all in accordance with the terms and conditions of this Agreement including as more specifically designated on Exhibit A hereto.

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

1. Employment.

- (a) Owner hereby retains Manager, and Manager agrees to act as manager of the Property upon the terms and conditions hereinafter set forth.
  - (b) Owner acknowledges that Manager, and/or Manager affiliates, is in the business of managing self-storage facilities and businesses conducted thereat, including, but not limited to, the sale of packing supplies and rental of trucks and equipment, both for its own account and for the account of others. It is hereby expressly agreed that notwithstanding this Agreement, Manager and such affiliates may continue to engage in such activities, may manage facilities other than those presently managed by Manager and its affiliates (whether or not such other facilities may be in direct or indirect competition with Owner) and may in the future engage in other business which may compete directly or indirectly with activities of Owner.
  - (c) In the performance of its duties under this Agreement, Manager shall occupy the position of an independent contractor with respect to Owner. Nothing contained herein shall be construed as making the parties hereto (or any of them) partners or joint venturers, nor construed as making Manager an employee of Owner.
-

## 2. Duties and Authority of Manager.

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

(a) **General Duties and Authority** . Manager shall have the sole and exclusive duty and authority to fully manage the Property and supervise and direct the business and affairs associated or related to the daily operation thereof, to collect on behalf of Owner all revenues related to the Property, to pay on behalf of Owner all expenses of the Property - and to execute on behalf of Owner such documents and instruments as, in the sole judgment of Manager, are reasonably necessary or advisable under the circumstances in order to fulfill Manager's duties hereunder. Such duties and authority shall include, without limitation, those set forth below. Notwithstanding the foregoing or any other term or provision herein, upon notice to Manager, Owner shall have the right to assume responsibility for the direct payment of certain expenses of Owner, as may be determined by Owner. In such event, Owner shall provide an accounting of such costs to Manager. In the event Owner fails to provide such accounting to Manager, Manager shall assume no liability for nonpayment for such expenses so assumed by Owner. The parties acknowledge and agree that Owner will retain title to, ownership of, and exclusive right to control the Property, subject to the terms of this Agreement, and that portion of the Gross Revenue (as hereinafter defined) owned by Owner ("Owner's Revenue") (which includes the revenue from the storage operations at the Property, retail sales, miscellaneous income and Owner's UMove commission), and that Manager will not acquire title to, any interest in, or any income or revenues from the Property or Owner's Revenue. In performing its services and making any payments hereunder, Manager will make known to third parties that Manager is acting solely as the agent of Owner. Under no circumstances will Manager represent or hold itself out to any third party as having any title to or property interest in the Property or Owner's Revenue.

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

(c) **Repair, Maintenance and Improvements** . Manager shall make, execute, supervise and have control over the making and executing of all decisions concerning the acquisition of furniture, fixtures and supplies for the Property, and may purchase, lease or otherwise acquire the same on behalf of Owner. Manager shall make and execute, or supervise and have control over the making and executing of all decisions concerning the maintenance, repair and landscaping of the Property, provided, however, that such maintenance, repair and landscaping shall be consistent with the maintenance, repair and landscaping implemented by

Manager and its affiliates at any other properties operated by Manager or its affiliates. Manager shall, on behalf of Owner, negotiate and contract for and supervise the installation of all capital improvements related to the Property; provided, however, that Manager agrees to secure the prior written approval of Owner on all such expenditures in excess of \$10,000.00 - for any one item, except monthly or recurring operating charges and/or emergency repairs if in the opinion of Manager such emergency-related expenditures are necessary to protect the Property from damage or to maintain services to the Owners or self-storage licensees as called for in their respective leases or self-storage agreements. In the event of such emergency repairs in excess of \$10,000, Manager shall notify Owner and the insurer of the cost estimate for such work.

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

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

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

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

(h) **Records and Reports of Disbursements and Collections** . Manager shall establish, supervise, direct and maintain the operation of a system of cash record keeping and bookkeeping with respect to all receipts and disbursements and all business activities and operations conducted by Manager in connection with the management and operation of the

Property. Manager shall be responsible for cash shortages and discrepancies incurred in the normal course of management operations. The books, records and accounts shall be maintained at the Manager's office or at Owner's office, or at such other location as Manager and Owner shall determine, and shall be available and open to examination and audit quarterly by Owner, its representatives, its lender, if any, and as provided by Owner, and, subject to any mortgagee of the Property, and such mortgagee's representative. Manager shall cause to be prepared and delivered to Owner a monthly statement on a per-Property basis, of receipts, expenses and charges, and any other information as reasonably required by Owner to prepare its financials statements, together with a statement, on a per-Property basis, of the disbursements made by Manager during such period on Owner's behalf, which shall include separate lines for prepaid items and inventory. Manager shall provide Owner with rent rolls and occupancy reports if requested.

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

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

(k) **Insurance** . Manager will insure, on its Master Policy, against all liabilities at the Property at Manager's cost (General Liability Insurance). Manager will insure equipment at Manager's cost. If requested by Owner, Manager will obtain and charge the annual Owner's property insurance (Property & Casualty Insurance) and pay same on Owner's behalf. Property & Casualty Insurance shall meet Lender's required coverage, to include earthquake, flood and other Lender requirements as the case may be, and shall be the cost of Owner.

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

(m) **Limitations on Manager Authority** . Notwithstanding anything to the contrary set forth in this Section 2, Manager shall not, without obtaining the prior written consent of Owner, (i) rent storage space in the Property by written lease or agreement for a stated term in excess of one year unless such lease or agreement is terminable by the giving of not more than thirty (30) days written notice, (ii) alter the building or other structures of the Property in violation of loan documents executed by Owner in connection with the property ("Loan Documents"); (iii) enter on behalf of Owner any other agreements which exceed a term of one

year and are not terminable on thirty day's notice at the will of Owner, without penalty, payment or surcharge; (iv) act in violation of any Law, (v) violate any term or condition of the Loan Documents; (vi) fail to correct any misunderstanding of any third party of which Manager becomes aware as to the separateness of Owner and Manager; or (vii) except as explicitly set forth in this Agreement, exercise any authority to act on behalf of, or hold itself out as having authority to act on behalf of, Owner.

(n) **Shared Expenses** . Owner acknowledges that certain economies may be achieved with respect to certain expenses to be incurred by Manager on behalf of Owner hereunder if materials, supplies, insurance or services are purchased by Manager in quantity for use not only in connection with Owner's business at the Property but in connection with other properties owned or managed by Manager or its affiliates. Manager shall have the right to purchase such materials, supplies, insurance (subject to the terms of this Agreement) and/or services in its own name and charge Owner a pro rata allocable share of the cost of the foregoing; provided, however, that the pro rata cost of such purchase to Owner shall not result in expenses that are either inconsistent with the expenses of other "U-Haul branded" locations in the general vicinity of the applicable Property or greater than would otherwise be incurred at competitive prices and terms available in the area where the Property is located; and provided further, Manager shall give Owner access to records (at no cost to Owner) so Owner may review any such expenses incurred.

(o) **Deposit of Gross Revenues** . All revenue from operations at the Property ("Gross Revenue") shall be deposited daily by Manager into (i) a bank account (the "Deposit Account") maintained by Manager (or its parent company) solely for the benefit of Owner; or (ii) a collective bank account (the "Collective Account") maintained by Manager (or its parent company) for the benefit of multiple property owners. Manager shall transfer daily all Owner's Revenue in the Deposit Account and all Owner's Revenue in the Collective Account to Owner's separately identified depository account ("Owner's Account"). To the extent that Gross Revenue is deposited into a Collective Account, Manager (or its parent company) shall reconcile such Collective Account daily and maintain such records as shall clearly identify each day the respective interest of each property owner in such account. Manager shall not, and shall not permit any other property owner or any affiliate of Manager to borrow, lend or use Owner's Revenue while it is in a Collective Account. Owner shall apply Owner's Revenue first to the repayment of Owner's senior debt with respect to the Property, and then to Manager in reimbursement of documented expenses and for management fees as provided under Section 4 below.

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

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

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

3. Duties of Owner.

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

4. Compensation of Manager.

(a) **Reimbursement of Expenses** . Manager shall be entitled to request and receive reimbursement for all timely authorized out-of-pocket reasonable and customary expenses actually incurred by Manager in the discharge of its duties hereunder. Such reimbursement shall be the obligation of Owner, whether or not Gross Revenues are sufficient to pay such amounts. Unpaid balances shall accrue interest at 4% thirty (30) days after presentment, unless a written request is received detailing Owner's objection to a billed amount.

(b) **Management Fee** . Owner shall pay to Manager as the full amount due for the services herein provided a monthly fee (the "Management Fee") which shall be six percent (6%) of the Property's current month Owner's Revenue, as determined on a cash basis. Subject to the terms of Section 2(o) the Management Fee shall be paid promptly, in arrears, within fifteen (15) days of Owner's receipt therefor, which invoice shall be sent from Manager to Owner following the end of each calendar month. Such invoice shall be itemized and shall include reasonable detail and be free from errors.

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

(c) **Inspection of Books and Records** . Owner shall have the right, upon prior reasonable notice to Manager, to inspect Manager's books and records with respect to the Property, to assure that proper fees and charges are assessed hereunder. Manager shall cooperate with any such inspection. Owner shall bear the cost of any such inspection; provided, however, that if it is ascertained that Manager has overcharged Owner by more than 5% in any given quarter, the cost of such inspection shall be borne by Manager. Manager shall promptly reimburse Owner for any overpayment.

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

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

6. Default; Termination.

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

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

(c) Owner shall have the right to terminate this Agreement, with or without cause, by giving not less than thirty (30) days' written notice to Manager pursuant to Section 14



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

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

7. Indemnification.

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

8. Assignment.

Manager shall not assign this Agreement to any party without the consent of Owner.

9. Standard for Property Manager's Responsibility.

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

10. Estoppel Certificate.

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

11. Term; Scope.

Subject to the provisions hereof, this Agreement shall have an initial term (such term, as extended or renewed in accordance with the provisions hereof, being called the "Term") commencing on the date hereof (the "Commencement Date") and ending on the last day of the one hundred and twentieth (120th) calendar month next following the date hereof or the maturity date of the applicable Loan Documents (which ever is later) (the "Expiration Date"); provided however, the parties shall have the right upon mutual agreement to terminate this Agreement

with respect to any individual Property no longer subject to the Loan Documents (for instance due to a significant casualty or condemnation of such Property).

12. Headings.

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

13. Governing Law.

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

14. Notices.

Any notice required or permitted herein shall be in writing and shall be personally delivered or mailed first class postage prepaid or delivered by an overnight delivery service to the respective addresses of the parties set forth above on the first page of this Agreement, or to such other address as any party may give to the other in writing. Any notice required by this Agreement will be deemed to have been given when personally served or one day after delivery to an overnight delivery service or five days after deposit in the first class mail. Any notice to Owner shall be to the attention of President, 715 South Country Club Drive, Mesa, AZ 85210. Any notice to Manager shall be to the attention of c/o U-Haul International, Inc. Legal Dept, 2721 North Central Avenue, Phoenix, AZ 85004, Attn: Secretary.

15. Severability.

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

16. Successors.

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

17. Attorneys' Fees.

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

18. Counterparts.

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

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

Owner :

Ten SAC Self-Storage Corporation,  
a Nevada corporation

By: \_\_\_\_\_  
Bruce Brockhagen, Secretary

Manager :

U-Haul Co. of California  
U-Haul Co. of Florida  
U-Haul Co. of Massachusetts and Ohio, Inc.  
U-Haul Co. of Oklahoma, Inc.

By: \_\_\_\_\_  
Gary B. Horton, Treasurer

Exhibit A

List of Properties

715025	10	U-HAUL SAN CLEMENTE	310 AVE PICO , San Clemente CA
785050	10	U-HAUL E COLONIAL	4001 E COLONIAL DR Orlando, FL
884065	10	U-HAUL STORAGE RUSFIELD ROAD**	15 RUSFIELD ROAD, Boston, MA
738066	10	U-HAUL MCARTHUR PK	6500 NW EXPRESSWAY ST Oklahoma City, OK



AMENDED AND RESTATED PROPERTY MANAGEMENT AGREEMENT

THIS AMENDED AND RESTATED PROPERTY MANAGEMENT AGREEMENT (this "Agreement") is entered into as of June 20, 2007 among Eleven SAC Self-Storage Corporation, a Nevada corporation and Eleven SAC Self-Storage Odenton, Inc., a Nevada corporation (collectively, "Owner"), and the subsidiaries of U-Haul International, Inc. set forth on the signature block hereto ("Manager").

RECITALS

- A. Owner owns the real property and all improvements thereon and appurtenances thereto located at the street addresses identified on Exhibit A hereto (hereinafter, collectively the "Property").
- B. Owner intends that the Property be rented on a space-by-space retail basis to corporations, partnerships, individuals and/or other entities for use as self-storage facilities.
- C. Owner and Manager are currently parties to a Property Management Agreement (the "Original Agreement"), which Original Agreement is hereby amended and restated in its entirety by this Agreement.
- D. Owner desires that Manager manage the Property and Manager desires to act as the property manager for the Property, all in accordance with the terms and conditions of this Agreement including as more specifically designated on Exhibit A hereto.

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

1. Employment.

- (a) Owner hereby retains Manager, and Manager agrees to act as manager of the Property upon the terms and conditions hereinafter set forth.
  - (b) Owner acknowledges that Manager, and/or Manager affiliates, is in the business of managing self-storage facilities and businesses conducted thereat, including, but not limited to, the sale of packing supplies and rental of trucks and equipment, both for its own account and for the account of others. It is hereby expressly agreed that notwithstanding this Agreement, Manager and such affiliates may continue to engage in such activities, may manage facilities other than those presently managed by Manager and its affiliates (whether or not such other facilities may be in direct or indirect competition with Owner) and may in the future engage in other business which may compete directly or indirectly with activities of Owner.
  - (c) In the performance of its duties under this Agreement, Manager shall occupy the position of an independent contractor with respect to Owner. Nothing contained herein shall be construed as making the parties hereto (or any of them) partners or joint venturers, nor construed as making Manager an employee of Owner.
-

2. Duties and Authority of Manager.

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

(a) **General Duties and Authority** . Manager shall have the sole and exclusive duty and authority to fully manage the Property and supervise and direct the business and affairs associated or related to the daily operation thereof, to collect on behalf of Owner all revenues related to the Property, to pay on behalf of Owner all expenses of the Property - and to execute on behalf of Owner such documents and instruments as, in the sole judgment of Manager, are reasonably necessary or advisable under the circumstances in order to fulfill Manager's duties hereunder. Such duties and authority shall include, without limitation, those set forth below. Notwithstanding the foregoing or any other term or provision herein, upon notice to Manager, Owner shall have the right to assume responsibility for the direct payment of certain expenses of Owner, as may be determined by Owner. In such event, Owner shall provide an accounting of such costs to Manager. In the event Owner fails to provide such accounting to Manager, Manager shall assume no liability for nonpayment for such expenses so assumed by Owner. The parties acknowledge and agree that Owner will retain title to, ownership of, and exclusive right to control the Property, subject to the terms of this Agreement, and that portion of the Gross Revenue (as hereinafter defined) owned by Owner ("Owner's Revenue") (which includes the revenue from the storage operations at the Property, retail sales, miscellaneous income and Owner's UMove commission), and that Manager will not acquire title to, any interest in, or any income or revenues from the Property or Owner's Revenue. In performing its services and making any payments hereunder, Manager will make known to third parties that Manager is acting solely as the agent of Owner. Under no circumstances will Manager represent or hold itself out to any third party as having any title to or property interest in the Property or Owner's Revenue.

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

(c) **Repair, Maintenance and Improvements** . Manager shall make, execute, supervise and have control over the making and executing of all decisions concerning the acquisition of furniture, fixtures and supplies for the Property, and may purchase, lease or otherwise acquire the same on behalf of Owner. Manager shall make and execute, or supervise and have control over the making and executing of all decisions concerning the maintenance, repair and landscaping of the Property, provided, however, that such maintenance, repair and landscaping shall be consistent with the maintenance, repair and landscaping implemented by

Manager and its affiliates at any other properties operated by Manager or its affiliates. Manager shall, on behalf of Owner, negotiate and contract for and supervise the installation of all capital improvements related to the Property; provided, however, that Manager agrees to secure the prior written approval of Owner on all such expenditures in excess of \$10,000.00 - for any one item, except monthly or recurring operating charges and/or emergency repairs if in the opinion of Manager such emergency-related expenditures are necessary to protect the Property from damage or to maintain services to the Owners or self-storage licensees as called for in their respective leases or self-storage agreements. In the event of such emergency repairs in excess of \$10,000, Manager shall notify Owner and the insurer of the cost estimate for such work.

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

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

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

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

(h) **Records and Reports of Disbursements and Collections** . Manager shall establish, supervise, direct and maintain the operation of a system of cash record keeping and bookkeeping with respect to all receipts and disbursements and all business activities and operations conducted by Manager in connection with the management and operation of the



Property. Manager shall be responsible for cash shortages and discrepancies incurred in the normal course of management operations. The books, records and accounts shall be maintained at the Manager's office or at Owner's office, or at such other location as Manager and Owner shall determine, and shall be available and open to examination and audit quarterly by Owner, its representatives, its lender, if any, and as provided by Owner, and, subject to any mortgagee of the Property, and such mortgagee's representative. Manager shall cause to be prepared and delivered to Owner a monthly statement on a per-Property basis, of receipts, expenses and charges, and any other information as reasonably required by Owner to prepare its financials statements, together with a statement, on a per-Property basis, of the disbursements made by Manager during such period on Owner's behalf, which shall include separate lines for prepaid items and inventory. Manager shall provide Owner with rent rolls and occupancy reports if requested.

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

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

(k) **Insurance** . Manager will insure, on its Master Policy, against all liabilities at the Property at Manager's cost (General Liability Insurance). Manager will insure equipment at Manager's cost. If requested by Owner, Manager will obtain and charge the annual Owner's property insurance (Property & Casualty Insurance) and pay same on Owner's behalf. Property & Casualty Insurance shall meet Lender's required coverage, to include earthquake, flood and other Lender requirements as the case may be, and shall be the cost of Owner.

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

6. Default; Termination.

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

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

(c) Owner shall have the right to terminate this Agreement, with or without cause, by giving not less than thirty (30) days' written notice to Manager pursuant to Section 14

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

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

7. Indemnification.

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

8. Assignment.

Manager shall not assign this Agreement to any party without the consent of Owner.

9. Standard for Property Manager's Responsibility.

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

10. Estoppel Certificate.

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

11. Term; Scope.

Subject to the provisions hereof, this Agreement shall have an initial term (such term, as extended or renewed in accordance with the provisions hereof, being called the "Term") commencing on the date hereof (the "Commencement Date") and ending on the last day of the one hundred and twentieth (120th) calendar month next following the date hereof or the maturity date of the applicable Loan Documents (which ever is later) (the "Expiration Date"); provided however, the parties shall have the right upon mutual agreement to terminate this Agreement

with respect to any individual Property no longer subject to the Loan Documents (for instance due to a significant casualty or condemnation of such Property).

12. Headings.

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

13. Governing Law.

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

14. Notices.

Any notice required or permitted herein shall be in writing and shall be personally delivered or mailed first class postage prepaid or delivered by an overnight delivery service to the respective addresses of the parties set forth above on the first page of this Agreement, or to such other address as any party may give to the other in writing. Any notice required by this Agreement will be deemed to have been given when personally served or one day after delivery to an overnight delivery service or five days after deposit in the first class mail. Any notice to Owner shall be to the attention of President, 715 South Country Club Drive, Mesa, AZ 85210. Any notice to Manager shall be to the attention of c/o U-Haul International, Inc. Legal Dept, 2721 North Central Avenue, Phoenix, AZ 85004, Attn: Secretary.

15. Severability.

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

16. Successors.

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

17. Attorneys' Fees.

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

18. Counterparts .

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

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

Owner :

Eleven SAC Self-Storage Corporation,  
Eleven SAC Self-Storage Odenton, Inc.,

By: \_\_\_\_\_  
Bruce Brockhagen, Secretary

Manager :

U-Haul Co. Arizona  
U-Haul Co. Arkansas  
U-Haul Co. California  
U-Haul Co. Georgia  
U-Haul Co. Louisiana  
U-Haul Co. U-Haul Co. Maryland  
U-Haul Co. North Carolina  
U-Haul Co. Pennsylvania  
U-Haul Co. South Carolina  
U-Haul Co. Virginia

By: \_\_\_\_\_  
Gary B. Horton, Treasurer

Exhibit A

List of Properties

882056	11	U-HAUL STORAGE CACTUS&51ST AVE	12280 NORTH 51ST AVENUE	GLENDALE	ARIZONA	3103
882087	11	U-HAUL STORAGE COLONEL GLENN	6224 COLONEL GLENN	LITTLE ROCK	ARKANSAS	74112
884016	11	U-HAUL STORAGE CARLSBAD	6175 PASEO DEL NORTE	CARLSBAD	CALIFORNIA	97403
884035	11	U-HAUL STORAGE RIALTO	2775 FOOTHILL BLVD	RIALTO	CALIFORNIA	97005
882084	11	U-HAUL STORAGE WASHINGTON	4540 WASHINGTON ROAD	COLLEGE PARK	GEORGIA	19013
882070	11	AIRPORT SELF STORAGE	2828 MARIETTA STREET	KENNER	LOUISIANA	19147
883005	11	U-HAUL STORAGE MARRERO	7201 WEST BANK EXPRESSWAY	MARRERO	LOUISIANA	29206
883003	11	U-HAUL STORAGE WESTWOOD	5919 FINANCIAL PLAZA	SHREVEPORT	LOUISIANA	29210
882092	11 **	U-HAUL STORAGE ODENTON	1480 ANNAPOLIS ROAD	ODENTON	MARYLAND	29575
882060	11	U-HAUL STORAGE BOONE	HWY 105 BYPASS	BOONE	NORTH CAROLINA	77095
882069	11	U-HAUL STORAGE CHESTER	1600 HIGHLAND AVENUE	CHESTER	PENNSYLVANIA	78757
882073	11	U-HAUL STORAGE DECKER PARK RD	125 DECKER PARK ROAD	COLUMBIA	SOUTH CAROLINA	75041
882074	11	U-HAUL STORAGE JAMIL ROAD	156 JAMIL ROAD	COLUMBIA	SOUTH CAROLINA	77301
882090	11	U-HAUL STORAGE OF MYRTLE BEACH	5604 SOUTH KINGS HIGHWAY	MYRTLE BEACH	SOUTH CAROLINA	20166
882078	11	U-HAUL STORAGE ELM DRIVE	8083 ELM DRIVE	MECHANICSVILLE	VIRGINIA	23224
882052	11	U-HAUL STORAGE BELT BLVD	351 EAST BELT BLVD	RICHMOND	VIRGINIA	23434
882091	11	U-HAUL STORAGE NORTH BLVD	2930 NORTH BLVD	RICHMOND	VIRGINIA	23111
795057	11	U-HAUL CENTER STERLING	45715 OLD OX ROAD	STERLING	VIRGINIA	23230
882077	11	U-HAUL STORAGE HOLLAND ROAD	1325 HOLLAND ROAD	SUFFOLK	VIRGINIA	23666





AMENDED AND RESTATED PROPERTY MANAGEMENT AGREEMENT

THIS AMENDED AND RESTATED PROPERTY MANAGEMENT AGREEMENT (this "Agreement") is entered into as of June 20, 2007 among Twelve SAC Self-Storage Corporation, a Nevada corporation ("Owner"), and the subsidiaries of U-Haul International, Inc. set forth on the signature block hereto ("Manager").

RECITALS

- A. Owner owns the real property and all improvements thereon and appurtenances thereto located at the street addresses identified on Exhibit A hereto (hereinafter, collectively the "Property").
- B. Owner intends that the Property be rented on a space-by-space retail basis to corporations, partnerships, individuals and/or other entities for use as self-storage facilities.
- C. Owner and Manager are currently parties to a Property Management Agreement (the "Original Agreement"), which Original Agreement is hereby amended and restated in its entirety by this Agreement.
- D. Owner desires that Manager manage the Property and Manager desires to act as the property manager for the Property, all in accordance with the terms and conditions of this Agreement including as more specifically designated on Exhibit A hereto.

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

1. Employment.

- (a) Owner hereby retains Manager, and Manager agrees to act as manager of the Property upon the terms and conditions hereinafter set forth.
  - (b) Owner acknowledges that Manager, and/or Manager affiliates, is in the business of managing self-storage facilities and businesses conducted thereat, including, but not limited to, the sale of packing supplies and rental of trucks and equipment, both for its own account and for the account of others. It is hereby expressly agreed that notwithstanding this Agreement, Manager and such affiliates may continue to engage in such activities, may manage facilities other than those presently managed by Manager and its affiliates (whether or not such other facilities may be in direct or indirect competition with Owner) and may in the future engage in other business which may compete directly or indirectly with activities of Owner.
  - (c) In the performance of its duties under this Agreement, Manager shall occupy the position of an independent contractor with respect to Owner. Nothing contained herein shall be construed as making the parties hereto (or any of them) partners or joint venturers, nor construed as making Manager an employee of Owner.
-

## 2. Duties and Authority of Manager.

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

(a) **General Duties and Authority** . Manager shall have the sole and exclusive duty and authority to fully manage the Property and supervise and direct the business and affairs associated or related to the daily operation thereof, to collect on behalf of Owner all revenues related to the Property, to pay on behalf of Owner all expenses of the Property - and to execute on behalf of Owner such documents and instruments as, in the sole judgment of Manager, are reasonably necessary or advisable under the circumstances in order to fulfill Manager's duties hereunder. Such duties and authority shall include, without limitation, those set forth below. Notwithstanding the foregoing or any other term or provision herein, upon notice to Manager, Owner shall have the right to assume responsibility for the direct payment of certain expenses of Owner, as may be determined by Owner. In such event, Owner shall provide an accounting of such costs to Manager. In the event Owner fails to provide such accounting to Manager, Manager shall assume no liability for nonpayment for such expenses so assumed by Owner. The parties acknowledge and agree that Owner will retain title to, ownership of, and exclusive right to control the Property, subject to the terms of this Agreement, and that portion of the Gross Revenue (as hereinafter defined) owned by Owner ("Owner's Revenue") (which includes the revenue from the storage operations at the Property, retail sales, miscellaneous income and Owner's UMove commission), and that Manager will not acquire title to, any interest in, or any income or revenues from the Property or Owner's Revenue. In performing its services and making any payments hereunder, Manager will make known to third parties that Manager is acting solely as the agent of Owner. Under no circumstances will Manager represent or hold itself out to any third party as having any title to or property interest in the Property or Owner's Revenue.

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

(c) **Repair, Maintenance and Improvements** . Manager shall make, execute, supervise and have control over the making and executing of all decisions concerning the acquisition of furniture, fixtures and supplies for the Property, and may purchase, lease or otherwise acquire the same on behalf of Owner. Manager shall make and execute, or supervise and have control over the making and executing of all decisions concerning the maintenance, repair and landscaping of the Property, provided, however, that such maintenance, repair and landscaping shall be consistent with the maintenance, repair and landscaping implemented by

Manager and its affiliates at any other properties operated by Manager or its affiliates. Manager shall, on behalf of Owner, negotiate and contract for and supervise the installation of all capital improvements related to the Property; provided, however, that Manager agrees to secure the prior written approval of Owner on all such expenditures in excess of \$10,000.00 - for any one item, except monthly or recurring operating charges and/or emergency repairs if in the opinion of Manager such emergency-related expenditures are necessary to protect the Property from damage or to maintain services to the Owners or self-storage licensees as called for in their respective leases or self-storage agreements. In the event of such emergency repairs in excess of \$10,000, Manager shall notify Owner and the insurer of the cost estimate for such work.

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

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

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

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

(h) **Records and Reports of Disbursements and Collections** . Manager shall establish, supervise, direct and maintain the operation of a system of cash record keeping and bookkeeping with respect to all receipts and disbursements and all business activities and operations conducted by Manager in connection with the management and operation of the

Property. Manager shall be responsible for cash shortages and discrepancies incurred in the normal course of management operations. The books, records and accounts shall be maintained at the Manager's office or at Owner's office, or at such other location as Manager and Owner shall determine, and shall be available and open to examination and audit quarterly by Owner, its representatives, its lender, if any, and as provided by Owner, and, subject to any mortgagee of the Property, and such mortgagee's representative. Manager shall cause to be prepared and delivered to Owner a monthly statement on a per-Property basis, of receipts, expenses and charges, and any other information as reasonably required by Owner to prepare its financials statements, together with a statement, on a per-Property basis, of the disbursements made by Manager during such period on Owner's behalf, which shall include separate lines for prepaid items and inventory. Manager shall provide Owner with rent rolls and occupancy reports if requested.

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

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

(k) **Insurance** . Manager will insure, on its Master Policy, against all liabilities at the Property at Manager's cost (General Liability Insurance). Manager will insure equipment at Manager's cost. If requested by Owner, Manager will obtain and charge the annual Owner's property insurance (Property & Casualty Insurance) and pay same on Owner's behalf. Property & Casualty Insurance shall meet Lender's required coverage, to include earthquake, flood and other Lender requirements as the case may be, and shall be the cost of Owner.

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

(m) **Limitations on Manager Authority** . Notwithstanding anything to the contrary set forth in this Section 2, Manager shall not, without obtaining the prior written consent of Owner, (i) rent storage space in the Property by written lease or agreement for a stated term in excess of one year unless such lease or agreement is terminable by the giving of not more than thirty (30) days written notice, (ii) alter the building or other structures of the Property in violation of loan documents executed by Owner in connection with the property ("Loan Documents"); (iii) enter on behalf of Owner any other agreements which exceed a term of one

year and are not terminable on thirty day's notice at the will of Owner, without penalty, payment or surcharge; (iv) act in violation of any Law, (v) violate any term or condition of the Loan Documents; (vi) fail to correct any misunderstanding of any third party of which Manager becomes aware as to the separateness of Owner and Manager; or (vii) except as explicitly set forth in this Agreement, exercise any authority to act on behalf of, or hold itself out as having authority to act on behalf of, Owner.

(n) **Shared Expenses** . Owner acknowledges that certain economies may be achieved with respect to certain expenses to be incurred by Manager on behalf of Owner hereunder if materials, supplies, insurance or services are purchased by Manager in quantity for use not only in connection with Owner's business at the Property but in connection with other properties owned or managed by Manager or its affiliates. Manager shall have the right to purchase such materials, supplies, insurance (subject to the terms of this Agreement) and/or services in its own name and charge Owner a pro rata allocable share of the cost of the foregoing; provided, however, that the pro rata cost of such purchase to Owner shall not result in expenses that are either inconsistent with the expenses of other "U-Haul branded" locations in the general vicinity of the applicable Property or greater than would otherwise be incurred at competitive prices and terms available in the area where the Property is located; and provided further, Manager shall give Owner access to records (at no cost to Owner) so Owner may review any such expenses incurred.

(o) **Deposit of Gross Revenues** . All revenue from operations at the Property ("Gross Revenue") shall be deposited daily by Manager into (i) a bank account (the "Deposit Account") maintained by Manager (or its parent company) solely for the benefit of Owner; or (ii) a collective bank account (the "Collective Account") maintained by Manager (or its parent company) for the benefit of multiple property owners. Manager shall transfer daily all Owner's Revenue in the Deposit Account and all Owner's Revenue in the Collective Account to Owner's separately identified depository account ("Owner's Account"). To the extent that Gross Revenue is deposited into a Collective Account, Manager (or its parent company) shall reconcile such Collective Account daily and maintain such records as shall clearly identify each day the respective interest of each property owner in such account. Manager shall not, and shall not permit any other property owner or any affiliate of Manager to borrow, lend or use Owner's Revenue while it is in a Collective Account. Owner shall apply Owner's Revenue first to the repayment of Owner's senior debt with respect to the Property, and then to Manager in reimbursement of documented expenses and for management fees as provided under Section 4 below.

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

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

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

3. Duties of Owner.

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

4. Compensation of Manager.

(a) **Reimbursement of Expenses** . Manager shall be entitled to request and receive reimbursement for all timely authorized out-of-pocket reasonable and customary expenses actually incurred by Manager in the discharge of its duties hereunder. Such reimbursement shall be the obligation of Owner, whether or not Gross Revenues are sufficient to pay such amounts. Unpaid balances shall accrue interest at 4% thirty (30) days after presentment, unless a written request is received detailing Owner's objection to a billed amount.

(b) **Management Fee** . Owner shall pay to Manager as the full amount due for the services herein provided a monthly fee (the "Management Fee") which shall be six percent (6%) of the Property's current month Owner's Revenue, as determined on a cash basis. Subject to the terms of Section 2(o) the Management Fee shall be paid promptly, in arrears, within fifteen (15) days of Owner's receipt therefor, which invoice shall be sent from Manager to Owner following the end of each calendar month. Such invoice shall be itemized and shall include reasonable detail and be free from errors.

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

(c) **Inspection of Books and Records** . Owner shall have the right, upon prior reasonable notice to Manager, to inspect Manager's books and records with respect to the Property, to assure that proper fees and charges are assessed hereunder. Manager shall cooperate with any such inspection. Owner shall bear the cost of any such inspection; provided, however, that if it is ascertained that Manager has overcharged Owner by more than 5% in any given quarter, the cost of such inspection shall be borne by Manager. Manager shall promptly reimburse Owner for any overpayment.

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

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

6. Default; Termination.

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

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

(c) Owner shall have the right to terminate this Agreement, with or without cause, by giving not less than thirty (30) days' written notice to Manager pursuant to Section 14



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

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

7. Indemnification.

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

8. Assignment.

Manager shall not assign this Agreement to any party without the consent of Owner.

9. Standard for Property Manager's Responsibility.

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

10. Estoppel Certificate.

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

11. Term; Scope.

Subject to the provisions hereof, this Agreement shall have an initial term (such term, as extended or renewed in accordance with the provisions hereof, being called the "Term") commencing on the date hereof (the "Commencement Date") and ending on the last day of the one hundred and twentieth (120th) calendar month next following the date hereof or the maturity date of the applicable Loan Documents (which ever is later) (the "Expiration Date"); provided however, the parties shall have the right upon mutual agreement to terminate this Agreement

with respect to any individual Property no longer subject to the Loan Documents (for instance due to a significant casualty or condemnation of such Property).

12. Headings.

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

13. Governing Law.

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

14. Notices.

Any notice required or permitted herein shall be in writing and shall be personally delivered or mailed first class postage prepaid or delivered by an overnight delivery service to the respective addresses of the parties set forth above on the first page of this Agreement, or to such other address as any party may give to the other in writing. Any notice required by this Agreement will be deemed to have been given when personally served or one day after delivery to an overnight delivery service or five days after deposit in the first class mail. Any notice to Owner shall be to the attention of President, 715 South Country Club Drive, Mesa, AZ 85210. Any notice to Manager shall be to the attention of c/o U-Haul International, Inc. Legal Dept, 2721 North Central Avenue, Phoenix, AZ 85004, Attn: Secretary.

15. Severability.

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

16. Successors.

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

17. Attorneys' Fees.

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

18. Counterparts.

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

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

Owner :

Twelve SAC Self-Storage Corporation,

a Nevada corporation

By: \_\_\_\_\_  
Bruce Brockhagen, Secretary

Manager :

U-Haul Co. Arizona, Inc.,

U-Haul Co. of California

U-Haul Co. of Florida

U-Haul Co. of Georgia

U-Haul Co. of Louisiana

U-Haul Co. of Oregon

U-Haul Co. of Texas

By: \_\_\_\_\_  
Gary B. Horton, Treasurer

Exhibit A

List of Properties

723031	12	U-HAUL CENTER HAYDEN ROAD	15455 NORTH 84TH STREET	SCOTTSDALE	ARIZONA
710022	12	U-HAUL CENTER OF VACAVILLE	1240 E MONTE VISTA AVE	VACAVILLE	CALIFORNIA
788052	12	U-HAUL CTR BROWARD	2800 WEST BROWARD BLVD	FORT LAUDERDALE	FLORIDA
777024	12	U-HAUL CENTER OLD NATL HWY	5390 OLD NATL HWY	COLLEGE PARK	GEORGIA
747073	12	U-HAUL GAUSE BLVD	1685 GAUSE BOULEVARD	SLIDELL	LOUISIANA
704027	12	U-HAUL CT OF TIGARD	11552 SW PACIFIC HWY	TIGARD	OREGON
744023	12	U-HAUL CENTER GRISSOM ROAD	5420 GRISSOM ROAD 215	SAN ANTONIO	TEXAS
836042	12	U-HAUL CTR OF N RICHLAND HILLS	8221 GRAPEVINE HWY	NORTH RICHLAND HILLS	TEXAS



AMENDED AND RESTATED PROPERTY MANAGEMENT AGREEMENT

THIS AMENDED AND RESTATED PROPERTY MANAGEMENT AGREEMENT (this "Agreement") is entered into as of June 20, 2007 among Thirteen SAC Self-Storage Corporation, a Nevada corporation ("Owner"), and the subsidiaries of U-Haul International, Inc. set forth on the signature block hereto ("Manager").

RECITALS

- A. Owner owns the real property and all improvements thereon and appurtenances thereto located at the street addresses identified on Exhibit A hereto (hereinafter, collectively the "Property").
- B. Owner intends that the Property be rented on a space-by-space retail basis to corporations, partnerships, individuals and/or other entities for use as self-storage facilities.
- C. Owner and Manager are currently parties to a Property Management Agreement (the "Original Agreement"), which Original Agreement is hereby amended and restated in its entirety by this Agreement.
- D. Owner desires that Manager manage the Property and Manager desires to act as the property manager for the Property, all in accordance with the terms and conditions of this Agreement including as more specifically designated on Exhibit A hereto.

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

1. Employment.

- (a) Owner hereby retains Manager, and Manager agrees to act as manager of the Property upon the terms and conditions hereinafter set forth.
  - (b) Owner acknowledges that Manager, and/or Manager affiliates, is in the business of managing self-storage facilities and businesses conducted thereat, including, but not limited to, the sale of packing supplies and rental of trucks and equipment, both for its own account and for the account of others. It is hereby expressly agreed that notwithstanding this Agreement, Manager and such affiliates may continue to engage in such activities, may manage facilities other than those presently managed by Manager and its affiliates (whether or not such other facilities may be in direct or indirect competition with Owner) and may in the future engage in other business which may compete directly or indirectly with activities of Owner.
  - (c) In the performance of its duties under this Agreement, Manager shall occupy the position of an independent contractor with respect to Owner. Nothing contained herein shall be construed as making the parties hereto (or any of them) partners or joint venturers, nor construed as making Manager an employee of Owner.
-

## 2. Duties and Authority of Manager.

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

(a) **General Duties and Authority** . Manager shall have the sole and exclusive duty and authority to fully manage the Property and supervise and direct the business and affairs associated or related to the daily operation thereof, to collect on behalf of Owner all revenues related to the Property, to pay on behalf of Owner all expenses of the Property - and to execute on behalf of Owner such documents and instruments as, in the sole judgment of Manager, are reasonably necessary or advisable under the circumstances in order to fulfill Manager's duties hereunder. Such duties and authority shall include, without limitation, those set forth below. Notwithstanding the foregoing or any other term or provision herein, upon notice to Manager, Owner shall have the right to assume responsibility for the direct payment of certain expenses of Owner, as may be determined by Owner. In such event, Owner shall provide an accounting of such costs to Manager. In the event Owner fails to provide such accounting to Manager, Manager shall assume no liability for nonpayment for such expenses so assumed by Owner. The parties acknowledge and agree that Owner will retain title to, ownership of, and exclusive right to control the Property, subject to the terms of this Agreement, and that portion of the Gross Revenue (as hereinafter defined) owned by Owner ("Owner's Revenue") (which includes the revenue from the storage operations at the Property, retail sales, miscellaneous income and Owner's UMove commission), and that Manager will not acquire title to, any interest in, or any income or revenues from the Property or Owner's Revenue. In performing its services and making any payments hereunder, Manager will make known to third parties that Manager is acting solely as the agent of Owner. Under no circumstances will Manager represent or hold itself out to any third party as having any title to or property interest in the Property or Owner's Revenue.

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

(c) **Repair, Maintenance and Improvements** . Manager shall make, execute, supervise and have control over the making and executing of all decisions concerning the acquisition of furniture, fixtures and supplies for the Property, and may purchase, lease or otherwise acquire the same on behalf of Owner. Manager shall make and execute, or supervise and have control over the making and executing of all decisions concerning the maintenance, repair and landscaping of the Property, provided, however, that such maintenance, repair and landscaping shall be consistent with the maintenance, repair and landscaping implemented by

Manager and its affiliates at any other properties operated by Manager or its affiliates. Manager shall, on behalf of Owner, negotiate and contract for and supervise the installation of all capital improvements related to the Property; provided, however, that Manager agrees to secure the prior written approval of Owner on all such expenditures in excess of \$10,000.00 - for any one item, except monthly or recurring operating charges and/or emergency repairs if in the opinion of Manager such emergency-related expenditures are necessary to protect the Property from damage or to maintain services to the Owners or self-storage licensees as called for in their respective leases or self-storage agreements. In the event of such emergency repairs in excess of \$10,000, Manager shall notify Owner and the insurer of the cost estimate for such work.

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

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

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

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

(h) **Records and Reports of Disbursements and Collections** . Manager shall establish, supervise, direct and maintain the operation of a system of cash record keeping and bookkeeping with respect to all receipts and disbursements and all business activities and operations conducted by Manager in connection with the management and operation of the



Property. Manager shall be responsible for cash shortages and discrepancies incurred in the normal course of management operations. The books, records and accounts shall be maintained at the Manager's office or at Owner's office, or at such other location as Manager and Owner shall determine, and shall be available and open to examination and audit quarterly by Owner, its representatives, its lender, if any, and as provided by Owner, and, subject to any mortgagee of the Property, and such mortgagee's representative. Manager shall cause to be prepared and delivered to Owner a monthly statement on a per-Property basis, of receipts, expenses and charges, and any other information as reasonably required by Owner to prepare its financials statements, together with a statement, on a per-Property basis, of the disbursements made by Manager during such period on Owner's behalf, which shall include separate lines for prepaid items and inventory. Manager shall provide Owner with rent rolls and occupancy reports if requested.

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

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

(k) **Insurance** . Manager will insure, on its Master Policy, against all liabilities at the Property at Manager's cost (General Liability Insurance). Manager will insure equipment at Manager's cost. If requested by Owner, Manager will obtain and charge the annual Owner's property insurance (Property & Casualty Insurance) and pay same on Owner's behalf. Property & Casualty Insurance shall meet Lender's required coverage, to include earthquake, flood and other Lender requirements as the case may be, and shall be the cost of Owner.

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

(m) **Limitations on Manager Authority** . Notwithstanding anything to the contrary set forth in this Section 2, Manager shall not, without obtaining the prior written consent of Owner, (i) rent storage space in the Property by written lease or agreement for a stated term in excess of one year unless such lease or agreement is terminable by the giving of not more than thirty (30) days written notice, (ii) alter the building or other structures of the Property in violation of loan documents executed by Owner in connection with the property ("Loan Documents"); (iii) enter on behalf of Owner any other agreements which exceed a term of one

year and are not terminable on thirty day's notice at the will of Owner, without penalty, payment or surcharge; (iv) act in violation of any Law, (v) violate any term or condition of the Loan Documents; (vi) fail to correct any misunderstanding of any third party of which Manager becomes aware as to the separateness of Owner and Manager; or (vii) except as explicitly set forth in this Agreement, exercise any authority to act on behalf of, or hold itself out as having authority to act on behalf of, Owner.

(n) **Shared Expenses** . Owner acknowledges that certain economies may be achieved with respect to certain expenses to be incurred by Manager on behalf of Owner hereunder if materials, supplies, insurance or services are purchased by Manager in quantity for use not only in connection with Owner's business at the Property but in connection with other properties owned or managed by Manager or its affiliates. Manager shall have the right to purchase such materials, supplies, insurance (subject to the terms of this Agreement) and/or services in its own name and charge Owner a pro rata allocable share of the cost of the foregoing; provided, however, that the pro rata cost of such purchase to Owner shall not result in expenses that are either inconsistent with the expenses of other "U-Haul branded" locations in the general vicinity of the applicable Property or greater than would otherwise be incurred at competitive prices and terms available in the area where the Property is located; and provided further, Manager shall give Owner access to records (at no cost to Owner) so Owner may review any such expenses incurred.

(o) **Deposit of Gross Revenues** . All revenue from operations at the Property ("Gross Revenue") shall be deposited daily by Manager into (i) a bank account (the "Deposit Account") maintained by Manager (or its parent company) solely for the benefit of Owner; or (ii) a collective bank account (the "Collective Account") maintained by Manager (or its parent company) for the benefit of multiple property owners. Manager shall transfer daily all Owner's Revenue in the Deposit Account and all Owner's Revenue in the Collective Account to Owner's separately identified depository account ("Owner's Account"). To the extent that Gross Revenue is deposited into a Collective Account, Manager (or its parent company) shall reconcile such Collective Account daily and maintain such records as shall clearly identify each day the respective interest of each property owner in such account. Manager shall not, and shall not permit any other property owner or any affiliate of Manager to borrow, lend or use Owner's Revenue while it is in a Collective Account. Owner shall apply Owner's Revenue first to the repayment of Owner's senior debt with respect to the Property, and then to Manager in reimbursement of documented expenses and for management fees as provided under Section 4 below.

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

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

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

3. Duties of Owner.

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

4. Compensation of Manager.

(a) **Reimbursement of Expenses** . Manager shall be entitled to request and receive reimbursement for all timely authorized out-of-pocket reasonable and customary expenses actually incurred by Manager in the discharge of its duties hereunder. Such reimbursement shall be the obligation of Owner, whether or not Gross Revenues are sufficient to pay such amounts. Unpaid balances shall accrue interest at 4% thirty (30) days after presentment, unless a written request is received detailing Owner's objection to a billed amount.

(b) **Management Fee** . Owner shall pay to Manager as the full amount due for the services herein provided a monthly fee (the "Management Fee") which shall be six percent (6%) of the Property's current month Owner's Revenue, as determined on a cash basis. Subject to the terms of Section 2(o) the Management Fee shall be paid promptly, in arrears, within fifteen (15) days of Owner's receipt therefor, which invoice shall be sent from Manager to Owner following the end of each calendar month. Such invoice shall be itemized and shall include reasonable detail and be free from errors.

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

(c) **Inspection of Books and Records** . Owner shall have the right, upon prior reasonable notice to Manager, to inspect Manager's books and records with respect to the Property, to assure that proper fees and charges are assessed hereunder. Manager shall cooperate with any such inspection. Owner shall bear the cost of any such inspection; provided, however, that if it is ascertained that Manager has overcharged Owner by more than 5% in any given quarter, the cost of such inspection shall be borne by Manager. Manager shall promptly reimburse Owner for any overpayment.

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

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

6. Default; Termination.

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

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

(c) Owner shall have the right to terminate this Agreement, with or without cause, by giving not less than thirty (30) days' written notice to Manager pursuant to Section 14

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

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

7. Indemnification.

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

8. Assignment.

Manager shall not assign this Agreement to any party without the consent of Owner.

9. Standard for Property Manager's Responsibility.

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

10. Estoppel Certificate.

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

11. Term; Scope.

Subject to the provisions hereof, this Agreement shall have an initial term (such term, as extended or renewed in accordance with the provisions hereof, being called the "Term") commencing on the date hereof (the "Commencement Date") and ending on the last day of the one hundred and twentieth (120th) calendar month next following the date hereof or the maturity date of the applicable Loan Documents (which ever is later) (the "Expiration Date"); provided however, the parties shall have the right upon mutual agreement to terminate this Agreement

with respect to any individual Property no longer subject to the Loan Documents (for instance due to a significant casualty or condemnation of such Property).

12. Headings.

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

13. Governing Law.

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

14. Notices.

Any notice required or permitted herein shall be in writing and shall be personally delivered or mailed first class postage prepaid or delivered by an overnight delivery service to the respective addresses of the parties set forth above on the first page of this Agreement, or to such other address as any party may give to the other in writing. Any notice required by this Agreement will be deemed to have been given when personally served or one day after delivery to an overnight delivery service or five days after deposit in the first class mail. Any notice to Owner shall be to the attention of President, 715 South Country Club Drive, Mesa, AZ 85210. Any notice to Manager shall be to the attention of c/o U-Haul International, Inc. Legal Dept, 2721 North Central Avenue, Phoenix, AZ 85004, Attn: Secretary.

15. Severability.

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

16. Successors.

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

17. Attorneys' Fees.

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

18. Counterparts.

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

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

Owner :

Thirteen SAC Self-Storage Corporation,

a Nevada corporation

By: \_\_\_\_\_  
Bruce Brockhagen, Secretary

Manager :

U-Haul Co. of California

U-Haul Co. of Florida

U-Haul Co. of Georgia

U-Haul Co. of Louisiana

U-Haul Co. of Massachusetts and Ohio, Inc.

U-Haul Co. of Pennsylvania

U-Haul Co. of Texas

By: \_\_\_\_\_  
Gary B. Horton, Treasurer

Exhibit A

List of Properties

713059	13	U-HAUL CTR COVINA	1040 NORTH AZUSA AVENUE	COVINA	CALIFORNIA
715059	13	U-HAUL LAMBERT ROAD	661 E LAMBERT	LA HABRA	CALIFORNIA
785053	13	U-HAUL CENTER GOLDENROD	508 NORTH GOLDENROD ROAD	ORLANDO	FLORIDA
779069	13	U-HAUL CTR SAVANNAH	8810 ABERCORN EXPY	SAVANNAH	GEORGIA
747055	13	U-HAUL CTR TULANE	2801 TULANE AVE	NEW ORLEANS	LOUISIANA
796067	13	U-HAUL OF HYANNIS	594 BEARSES WAY	HYANNIS	MASSACHUSETTS
884085	13	U-HAUL STORAGE WORCESTER**	495 SHREWSBURY STREET	WORCESTER	MASSACHUSETTS
811055	13	U-HAUL MECHANICSBURG	4725 OLD GETTYSBURG	MECHANICSBURG	PENNSYLVANIA
745045	13	U-HAUL CENTER I-10 WEST	10220 OLD KATY ROAD	HOUSTON NORTH	TEXAS





AMENDED AND RESTATED PROPERTY MANAGEMENT AGREEMENT

THIS AMENDED AND RESTATED PROPERTY MANAGEMENT AGREEMENT (this " Agreement ") is entered into as of June 20, 2007 among Fourteen SAC Self-Storage Corporation, a Nevada corporation (" Owner "), and the subsidiaries of U-Haul International, Inc. set forth on the signature block hereto (" Manager ").

RECITALS

- A. Owner owns the real property and all improvements thereon and appurtenances thereto located at the street addresses identified on Exhibit A hereto (hereinafter, collectively the "Property").
- B. Owner intends that the Property be rented on a space-by-space retail basis to corporations, partnerships, individuals and/or other entities for use as self-storage facilities.
- C. Owner and Manager are currently parties to a Property Management Agreement (the "Original Agreement"), which Original Agreement is hereby amended and restated in its entirety by this Agreement.
- D. Owner desires that Manager manage the Property and Manager desires to act as the property manager for the Property, all in accordance with the terms and conditions of this Agreement including as more specifically designated on Exhibit A hereto.

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

1. Employment.

- (a) Owner hereby retains Manager, and Manager agrees to act as manager of the Property upon the terms and conditions hereinafter set forth.
  - (b) Owner acknowledges that Manager, and/or Manager affiliates, is in the business of managing self-storage facilities and businesses conducted thereat, including, but not limited to, the sale of packing supplies and rental of trucks and equipment, both for its own account and for the account of others. It is hereby expressly agreed that notwithstanding this Agreement, Manager and such affiliates may continue to engage in such activities, may manage facilities other than those presently managed by Manager and its affiliates (whether or not such other facilities may be in direct or indirect competition with Owner) and may in the future engage in other business which may compete directly or indirectly with activities of Owner.
  - (c) In the performance of its duties under this Agreement, Manager shall occupy the position of an independent contractor with respect to Owner. Nothing contained herein shall be construed as making the parties hereto (or any of them) partners or joint venturers, nor construed as making Manager an employee of Owner.
-

## 2. Duties and Authority of Manager.

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

(a) **General Duties and Authority** . Manager shall have the sole and exclusive duty and authority to fully manage the Property and supervise and direct the business and affairs associated or related to the daily operation thereof, to collect on behalf of Owner all revenues related to the Property, to pay on behalf of Owner all expenses of the Property - and to execute on behalf of Owner such documents and instruments as, in the sole judgment of Manager, are reasonably necessary or advisable under the circumstances in order to fulfill Manager's duties hereunder. Such duties and authority shall include, without limitation, those set forth below. Notwithstanding the foregoing or any other term or provision herein, upon notice to Manager, Owner shall have the right to assume responsibility for the direct payment of certain expenses of Owner, as may be determined by Owner. In such event, Owner shall provide an accounting of such costs to Manager. In the event Owner fails to provide such accounting to Manager, Manager shall assume no liability for nonpayment for such expenses so assumed by Owner. The parties acknowledge and agree that Owner will retain title to, ownership of, and exclusive right to control the Property, subject to the terms of this Agreement, and that portion of the Gross Revenue (as hereinafter defined) owned by Owner ("Owner's Revenue") (which includes the revenue from the storage operations at the Property, retail sales, miscellaneous income and Owner's UMove commission), and that Manager will not acquire title to, any interest in, or any income or revenues from the Property or Owner's Revenue. In performing its services and making any payments hereunder, Manager will make known to third parties that Manager is acting solely as the agent of Owner. Under no circumstances will Manager represent or hold itself out to any third party as having any title to or property interest in the Property or Owner's Revenue.

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

(c) **Repair, Maintenance and Improvements** . Manager shall make, execute, supervise and have control over the making and executing of all decisions concerning the acquisition of furniture, fixtures and supplies for the Property, and may purchase, lease or otherwise acquire the same on behalf of Owner. Manager shall make and execute, or supervise and have control over the making and executing of all decisions concerning the maintenance, repair and landscaping of the Property, provided, however, that such maintenance, repair and landscaping shall be consistent with the maintenance, repair and landscaping implemented by

Manager and its affiliates at any other properties operated by Manager or its affiliates. Manager shall, on behalf of Owner, negotiate and contract for and supervise the installation of all capital improvements related to the Property; provided, however, that Manager agrees to secure the prior written approval of Owner on all such expenditures in excess of \$10,000.00 - for any one item, except monthly or recurring operating charges and/or emergency repairs if in the opinion of Manager such emergency-related expenditures are necessary to protect the Property from damage or to maintain services to the Owners or self-storage licensees as called for in their respective leases or self-storage agreements. In the event of such emergency repairs in excess of \$10,000, Manager shall notify Owner and the insurer of the cost estimate for such work.

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

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

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

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

(h) **Records and Reports of Disbursements and Collections** . Manager shall establish, supervise, direct and maintain the operation of a system of cash record keeping and bookkeeping with respect to all receipts and disbursements and all business activities and operations conducted by Manager in connection with the management and operation of the

Property. Manager shall be responsible for cash shortages and discrepancies incurred in the normal course of management operations. The books, records and accounts shall be maintained at the Manager's office or at Owner's office, or at such other location as Manager and Owner shall determine, and shall be available and open to examination and audit quarterly by Owner, its representatives, its lender, if any, and as provided by Owner, and, subject to any mortgagee of the Property, and such mortgagee's representative. Manager shall cause to be prepared and delivered to Owner a monthly statement on a per-Property basis, of receipts, expenses and charges, and any other information as reasonably required by Owner to prepare its financials statements, together with a statement, on a per-Property basis, of the disbursements made by Manager during such period on Owner's behalf, which shall include separate lines for prepaid items and inventory. Manager shall provide Owner with rent rolls and occupancy reports if requested.

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

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

(k) **Insurance** . Manager will insure, on its Master Policy, against all liabilities at the Property at Manager's cost (General Liability Insurance). Manager will insure equipment at Manager's cost. If requested by Owner, Manager will obtain and charge the annual Owner's property insurance (Property & Casualty Insurance) and pay same on Owner's behalf. Property & Casualty Insurance shall meet Lender's required coverage, to include earthquake, flood and other Lender requirements as the case may be, and shall be the cost of Owner.

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

(m) **Limitations on Manager Authority** . Notwithstanding anything to the contrary set forth in this Section 2, Manager shall not, without obtaining the prior written consent of Owner, (i) rent storage space in the Property by written lease or agreement for a stated term in excess of one year unless such lease or agreement is terminable by the giving of not more than thirty (30) days written notice, (ii) alter the building or other structures of the Property in violation of loan documents executed by Owner in connection with the property ("Loan Documents"); (iii) enter on behalf of Owner any other agreements which exceed a term of one

year and are not terminable on thirty day's notice at the will of Owner, without penalty, payment or surcharge; (iv) act in violation of any Law, (v) violate any term or condition of the Loan Documents; (vi) fail to correct any misunderstanding of any third party of which Manager becomes aware as to the separateness of Owner and Manager; or (vii) except as explicitly set forth in this Agreement, exercise any authority to act on behalf of, or hold itself out as having authority to act on behalf of, Owner.

(n) **Shared Expenses** . Owner acknowledges that certain economies may be achieved with respect to certain expenses to be incurred by Manager on behalf of Owner hereunder if materials, supplies, insurance or services are purchased by Manager in quantity for use not only in connection with Owner's business at the Property but in connection with other properties owned or managed by Manager or its affiliates. Manager shall have the right to purchase such materials, supplies, insurance (subject to the terms of this Agreement) and/or services in its own name and charge Owner a pro rata allocable share of the cost of the foregoing; provided, however, that the pro rata cost of such purchase to Owner shall not result in expenses that are either inconsistent with the expenses of other "U-Haul branded" locations in the general vicinity of the applicable Property or greater than would otherwise be incurred at competitive prices and terms available in the area where the Property is located; and provided further, Manager shall give Owner access to records (at no cost to Owner) so Owner may review any such expenses incurred.

(o) **Deposit of Gross Revenues** . All revenue from operations at the Property ("Gross Revenue") shall be deposited daily by Manager into (i) a bank account (the "Deposit Account") maintained by Manager (or its parent company) solely for the benefit of Owner; or (ii) a collective bank account (the "Collective Account") maintained by Manager (or its parent company) for the benefit of multiple property owners. Manager shall transfer daily all Owner's Revenue in the Deposit Account and all Owner's Revenue in the Collective Account to Owner's separately identified depository account ("Owner's Account"). To the extent that Gross Revenue is deposited into a Collective Account, Manager (or its parent company) shall reconcile such Collective Account daily and maintain such records as shall clearly identify each day the respective interest of each property owner in such account. Manager shall not, and shall not permit any other property owner or any affiliate of Manager to borrow, lend or use Owner's Revenue while it is in a Collective Account. Owner shall apply Owner's Revenue first to the repayment of Owner's senior debt with respect to the Property, and then to Manager in reimbursement of documented expenses and for management fees as provided under Section 4 below.

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

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

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

3. Duties of Owner.

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

4. Compensation of Manager.

(a) **Reimbursement of Expenses** . Manager shall be entitled to request and receive reimbursement for all timely authorized out-of-pocket reasonable and customary expenses actually incurred by Manager in the discharge of its duties hereunder. Such reimbursement shall be the obligation of Owner, whether or not Gross Revenues are sufficient to pay such amounts. Unpaid balances shall accrue interest at 4% thirty (30) days after presentment, unless a written request is received detailing Owner's objection to a billed amount.

(b) **Management Fee** . Owner shall pay to Manager as the full amount due for the services herein provided a monthly fee (the "Management Fee") which shall be six percent (6%) of the Property's current month Owner's Revenue, as determined on a cash basis. Subject to the terms of Section 2(o) the Management Fee shall be paid promptly, in arrears, within fifteen (15) days of Owner's receipt therefor, which invoice shall be sent from Manager to Owner following the end of each calendar month. Such invoice shall be itemized and shall include reasonable detail and be free from errors.

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

(c) **Inspection of Books and Records** . Owner shall have the right, upon prior reasonable notice to Manager, to inspect Manager's books and records with respect to the Property, to assure that proper fees and charges are assessed hereunder. Manager shall cooperate with any such inspection. Owner shall bear the cost of any such inspection; provided, however, that if it is ascertained that Manager has overcharged Owner by more than 5% in any given quarter, the cost of such inspection shall be borne by Manager. Manager shall promptly reimburse Owner for any overpayment.

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

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

6. Default; Termination.

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

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

(c) Owner shall have the right to terminate this Agreement, with or without cause, by giving not less than thirty (30) days' written notice to Manager pursuant to Section 14



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

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

7. Indemnification.

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

8. Assignment.

Manager shall not assign this Agreement to any party without the consent of Owner.

9. Standard for Property Manager's Responsibility.

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

10. Estoppel Certificate.

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

11. Term; Scope.

Subject to the provisions hereof, this Agreement shall have an initial term (such term, as extended or renewed in accordance with the provisions hereof, being called the "Term") commencing on the date hereof (the "Commencement Date") and ending on the last day of the one hundred and twentieth (120th) calendar month next following the date hereof or the maturity date of the applicable Loan Documents (which ever is later) (the "Expiration Date"); provided however, the parties shall have the right upon mutual agreement to terminate this Agreement

with respect to any individual Property no longer subject to the Loan Documents (for instance due to a significant casualty or condemnation of such Property).

12. Headings.

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

13. Governing Law.

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

14. Notices.

Any notice required or permitted herein shall be in writing and shall be personally delivered or mailed first class postage prepaid or delivered by an overnight delivery service to the respective addresses of the parties set forth above on the first page of this Agreement, or to such other address as any party may give to the other in writing. Any notice required by this Agreement will be deemed to have been given when personally served or one day after delivery to an overnight delivery service or five days after deposit in the first class mail. Any notice to Owner shall be to the attention of President, 715 South Country Club Drive, Mesa, AZ 85210. Any notice to Manager shall be to the attention of c/o U-Haul International, Inc. Legal Dept, 2721 North Central Avenue, Phoenix, AZ 85004, Attn: Secretary.

15. Severability.

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

16. Successors.

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

17. Attorneys' Fees.

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

18. Counterparts.

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

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

Owner :

Fourteen SAC Self-Storage Corporation,  
a Nevada corporation

By: \_\_\_\_\_  
Bruce Brockhagen, Secretary

Manager :

U-Haul Co. of Illinois, Inc.  
U-Haul Co. of Kansas, Inc.  
U-Haul Co. of Nevada, Inc.  
U-Haul Co. of New York, Inc.  
U-Haul Co. of Texas

By: \_\_\_\_\_  
Gary B. Horton, Treasurer

Exhibit A

List of Properties

758059	14	U-HAUL LINCOLN PARK	1200 WEST FULLERTON	CHICAGO NORTH	ILLINOIS
734025	14	U-HAUL CENTER OF OLATHE	12540 SOUTH ROGERS ROAD	OLATHE	KANSAS
838054	14	U-HAUL CENTER NORTH RANCHO	3969 NORTH RANCHO DRIVE	LAS VEGAS	NEVADA
800057	14	U-HAUL CTR ALBANY	139 BROADWAY	ALBANY	NEW YORK
806056	14	U-HAUL OF INWOOD	20A SHERIDAN BLVD	INWOOD	NEW YORK
737037	14	U-HAUL CENTER TEXAS AVENUE	2813 TEXAS AVENUE	COLLEGE STATION	TEXAS



AMENDED AND RESTATED PROPERTY MANAGEMENT AGREEMENT

THIS AMENDED AND RESTATED PROPERTY MANAGEMENT AGREEMENT (this "Agreement") is entered into as of June 20, 2007 among Fifteen SAC Self-Storage Corporation, a Nevada corporation ("Owner"), and the subsidiaries of U-Haul International, Inc. set forth on the signature block hereto ("Manager").

RECITALS

- A. Owner owns the real property and all improvements thereon and appurtenances thereto located at the street addresses identified on Exhibit A hereto (hereinafter, collectively the "Property").
- B. Owner intends that the Property be rented on a space-by-space retail basis to corporations, partnerships, individuals and/or other entities for use as self-storage facilities.
- C. Owner and Manager are currently parties to a Property Management Agreement (the "Original Agreement"), which Original Agreement is hereby amended and restated in its entirety by this Agreement.
- D. Owner desires that Manager manage the Property and Manager desires to act as the property manager for the Property, all in accordance with the terms and conditions of this Agreement including as more specifically designated on Exhibit A hereto.

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

1. Employment.

- (a) Owner hereby retains Manager, and Manager agrees to act as manager of the Property upon the terms and conditions hereinafter set forth.
  - (b) Owner acknowledges that Manager, and/or Manager affiliates, is in the business of managing self-storage facilities and businesses conducted thereat, including, but not limited to, the sale of packing supplies and rental of trucks and equipment, both for its own account and for the account of others. It is hereby expressly agreed that notwithstanding this Agreement, Manager and such affiliates may continue to engage in such activities, may manage facilities other than those presently managed by Manager and its affiliates (whether or not such other facilities may be in direct or indirect competition with Owner) and may in the future engage in other business which may compete directly or indirectly with activities of Owner.
  - (c) In the performance of its duties under this Agreement, Manager shall occupy the position of an independent contractor with respect to Owner. Nothing contained herein shall be construed as making the parties hereto (or any of them) partners or joint venturers, nor construed as making Manager an employee of Owner.
-

## 2. Duties and Authority of Manager.

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

(a) **General Duties and Authority** . Manager shall have the sole and exclusive duty and authority to fully manage the Property and supervise and direct the business and affairs associated or related to the daily operation thereof, to collect on behalf of Owner all revenues related to the Property, to pay on behalf of Owner all expenses of the Property - and to execute on behalf of Owner such documents and instruments as, in the sole judgment of Manager, are reasonably necessary or advisable under the circumstances in order to fulfill Manager's duties hereunder. Such duties and authority shall include, without limitation, those set forth below. Notwithstanding the foregoing or any other term or provision herein, upon notice to Manager, Owner shall have the right to assume responsibility for the direct payment of certain expenses of Owner, as may be determined by Owner. In such event, Owner shall provide an accounting of such costs to Manager. In the event Owner fails to provide such accounting to Manager, Manager shall assume no liability for nonpayment for such expenses so assumed by Owner. The parties acknowledge and agree that Owner will retain title to, ownership of, and exclusive right to control the Property, subject to the terms of this Agreement, and that portion of the Gross Revenue (as hereinafter defined) owned by Owner ("Owner's Revenue") (which includes the revenue from the storage operations at the Property, retail sales, miscellaneous income and Owner's UMove commission), and that Manager will not acquire title to, any interest in, or any income or revenues from the Property or Owner's Revenue. In performing its services and making any payments hereunder, Manager will make known to third parties that Manager is acting solely as the agent of Owner. Under no circumstances will Manager represent or hold itself out to any third party as having any title to or property interest in the Property or Owner's Revenue.

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

(c) **Repair, Maintenance and Improvements** . Manager shall make, execute, supervise and have control over the making and executing of all decisions concerning the acquisition of furniture, fixtures and supplies for the Property, and may purchase, lease or otherwise acquire the same on behalf of Owner. Manager shall make and execute, or supervise and have control over the making and executing of all decisions concerning the maintenance, repair and landscaping of the Property, provided, however, that such maintenance, repair and landscaping shall be consistent with the maintenance, repair and landscaping implemented by

Manager and its affiliates at any other properties operated by Manager or its affiliates. Manager shall, on behalf of Owner, negotiate and contract for and supervise the installation of all capital improvements related to the Property; provided, however, that Manager agrees to secure the prior written approval of Owner on all such expenditures in excess of \$10,000.00 - for any one item, except monthly or recurring operating charges and/or emergency repairs if in the opinion of Manager such emergency-related expenditures are necessary to protect the Property from damage or to maintain services to the Owners or self-storage licensees as called for in their respective leases or self-storage agreements. In the event of such emergency repairs in excess of \$10,000, Manager shall notify Owner and the insurer of the cost estimate for such work.

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

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

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

(h) **Records and Reports of Disbursements and Collections** . Manager shall establish, supervise, direct and maintain the operation of a system of cash record keeping and bookkeeping with respect to all receipts and disbursements and all business activities and operations conducted by Manager in connection with the management and operation of the



Property. Manager shall be responsible for cash shortages and discrepancies incurred in the normal course of management operations. The books, records and accounts shall be maintained at the Manager's office or at Owner's office, or at such other location as Manager and Owner shall determine, and shall be available and open to examination and audit quarterly by Owner, its representatives, its lender, if any, and as provided by Owner, and, subject to any mortgagee of the Property, and such mortgagee's representative. Manager shall cause to be prepared and delivered to Owner a monthly statement on a per-Property basis, of receipts, expenses and charges, and any other information as reasonably required by Owner to prepare its financials statements, together with a statement, on a per-Property basis, of the disbursements made by Manager during such period on Owner's behalf, which shall include separate lines for prepaid items and inventory. Manager shall provide Owner with rent rolls and occupancy reports if requested.

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

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

(k) **Insurance** . Manager will insure, on its Master Policy, against all liabilities at the Property at Manager's cost (General Liability Insurance). Manager will insure equipment at Manager's cost. If requested by Owner, Manager will obtain and charge the annual Owner's property insurance (Property & Casualty Insurance) and pay same on Owner's behalf. Property & Casualty Insurance shall meet Lender's required coverage, to include earthquake, flood and other Lender requirements as the case may be, and shall be the cost of Owner.

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

(m) **Limitations on Manager Authority** . Notwithstanding anything to the contrary set forth in this Section 2, Manager shall not, without obtaining the prior written consent of Owner, (i) rent storage space in the Property by written lease or agreement for a stated term in excess of one year unless such lease or agreement is terminable by the giving of not more than thirty (30) days written notice, (ii) alter the building or other structures of the Property in violation of loan documents executed by Owner in connection with the property ("Loan Documents"); (iii) enter on behalf of Owner any other agreements which exceed a term of one

year and are not terminable on thirty day's notice at the will of Owner, without penalty, payment or surcharge; (iv) act in violation of any Law, (v) violate any term or condition of the Loan Documents; (vi) fail to correct any misunderstanding of any third party of which Manager becomes aware as to the separateness of Owner and Manager; or (vii) except as explicitly set forth in this Agreement, exercise any authority to act on behalf of, or hold itself out as having authority to act on behalf of, Owner.

(n) **Shared Expenses** . Owner acknowledges that certain economies may be achieved with respect to certain expenses to be incurred by Manager on behalf of Owner hereunder if materials, supplies, insurance or services are purchased by Manager in quantity for use not only in connection with Owner's business at the Property but in connection with other properties owned or managed by Manager or its affiliates. Manager shall have the right to purchase such materials, supplies, insurance (subject to the terms of this Agreement) and/or services in its own name and charge Owner a pro rata allocable share of the cost of the foregoing; provided, however, that the pro rata cost of such purchase to Owner shall not result in expenses that are either inconsistent with the expenses of other "U-Haul branded" locations in the general vicinity of the applicable Property or greater than would otherwise be incurred at competitive prices and terms available in the area where the Property is located; and provided further, Manager shall give Owner access to records (at no cost to Owner) so Owner may review any such expenses incurred.

(o) **Deposit of Gross Revenues** . All revenue from operations at the Property ("Gross Revenue") shall be deposited daily by Manager into (i) a bank account (the "Deposit Account") maintained by Manager (or its parent company) solely for the benefit of Owner; or (ii) a collective bank account (the "Collective Account") maintained by Manager (or its parent company) for the benefit of multiple property owners. Manager shall transfer daily all Owner's Revenue in the Deposit Account and all Owner's Revenue in the Collective Account to Owner's separately identified depository account ("Owner's Account"). To the extent that Gross Revenue is deposited into a Collective Account, Manager (or its parent company) shall reconcile such Collective Account daily and maintain such records as shall clearly identify each day the respective interest of each property owner in such account. Manager shall not, and shall not permit any other property owner or any affiliate of Manager to borrow, lend or use Owner's Revenue while it is in a Collective Account. Owner shall apply Owner's Revenue first to the repayment of Owner's senior debt with respect to the Property, and then to Manager in reimbursement of documented expenses and for management fees as provided under Section 4 below.

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

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

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

3. Duties of Owner.

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

4. Compensation of Manager.

(a) **Reimbursement of Expenses** . Manager shall be entitled to request and receive reimbursement for all timely authorized out-of-pocket reasonable and customary expenses actually incurred by Manager in the discharge of its duties hereunder. Such reimbursement shall be the obligation of Owner, whether or not Gross Revenues are sufficient to pay such amounts. Unpaid balances shall accrue interest at 4% thirty (30) days after presentment, unless a written request is received detailing Owner's objection to a billed amount.

(b) **Management Fee** . Owner shall pay to Manager as the full amount due for the services herein provided a monthly fee (the "Management Fee") which shall be six percent (6%) of the Property's current month Owner's Revenue, as determined on a cash basis. Subject to the terms of Section 2(o) the Management Fee shall be paid promptly, in arrears, within fifteen (15) days of Owner's receipt therefor, which invoice shall be sent from Manager to Owner following the end of each calendar month. Such invoice shall be itemized and shall include reasonable detail and be free from errors.

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

(c) **Inspection of Books and Records** . Owner shall have the right, upon prior reasonable notice to Manager, to inspect Manager's books and records with respect to the Property, to assure that proper fees and charges are assessed hereunder. Manager shall cooperate with any such inspection. Owner shall bear the cost of any such inspection; provided, however, that if it is ascertained that Manager has overcharged Owner by more than 5% in any given quarter, the cost of such inspection shall be borne by Manager. Manager shall promptly reimburse Owner for any overpayment.

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

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

6. Default; Termination.

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

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

(c) Owner shall have the right to terminate this Agreement, with or without cause, by giving not less than thirty (30) days' written notice to Manager pursuant to Section 14

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

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

7. Indemnification.

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

8. Assignment.

Manager shall not assign this Agreement to any party without the consent of Owner.

9. Standard for Property Manager's Responsibility.

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

10. Estoppel Certificate.

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

11. Term; Scope.

Subject to the provisions hereof, this Agreement shall have an initial term (such term, as extended or renewed in accordance with the provisions hereof, being called the "Term") commencing on the date hereof (the "Commencement Date") and ending on the last day of the one hundred and twentieth (120th) calendar month next following the date hereof or the maturity date of the applicable Loan Documents (which ever is later) (the "Expiration Date"); provided however, the parties shall have the right upon mutual agreement to terminate this Agreement

with respect to any individual Property no longer subject to the Loan Documents (for instance due to a significant casualty or condemnation of such Property).

12. Headings.

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

13. Governing Law.

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

14. Notices.

Any notice required or permitted herein shall be in writing and shall be personally delivered or mailed first class postage prepaid or delivered by an overnight delivery service to the respective addresses of the parties set forth above on the first page of this Agreement, or to such other address as any party may give to the other in writing. Any notice required by this Agreement will be deemed to have been given when personally served or one day after delivery to an overnight delivery service or five days after deposit in the first class mail. Any notice to Owner shall be to the attention of President, 715 South Country Club Drive, Mesa, AZ 85210. Any notice to Manager shall be to the attention of c/o U-Haul International, Inc. Legal Dept, 2721 North Central Avenue, Phoenix, AZ 85004, Attn: Secretary.

15. Severability.

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

16. Successors.

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

17. Attorneys' Fees.

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

18. Counterparts.

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

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

Owner :

Fifteen SAC Self-Storage Corporation,

a Nevada corporation

By: \_\_\_\_\_  
Bruce Brockhagen, Secretary

Manager :

U-Haul Co. of Arkansas

U-Haul Co. of California

U-Haul Co. of Connecticut

U-Haul Co. of Massachusetts and Ohio, Inc.

U-Haul Co. of New Jersey, Inc.

U-Haul Co. of New York, Inc.

U-Haul Co. of Texas

By: \_\_\_\_\_  
Gary B. Horton, Treasurer

Exhibit A

List of Properties

884074	15	U-HAUL STORAGE I-30	9302 INTERSTATE 30	LITTLE ROCK	ARKANSAS
882053	15	U-HAUL STORAGE IVAR AVENUE	3527 IVAR AVENUE	ROSEMEAD	CALIFORNIA
884015	15	U-HAUL STORAGE GLENDORA	1301 E ROUTE 66	GLENDORA	CALIFORNIA
883082	15	U-HAUL STORAGE BLACK ROCK	3029 FAIRFIELD AVENUE	BRIDGEPORT	CONNECTICUT
837025	15	U-HAUL CENTER OF SALISBURY	6 MERRILL STREET	SALISBURY	MASSACHUSETTS
882081	15	U-HAUL STORAGE LAURELWOOD	611 BLACKWOOD CLEMENTON ROAD	LINDENWOLD	NEW JERSEY
882079	15	U-HAUL STORAGE BUSINESS AVE	5600 BUSINESS AVENUE	CLAY	NEW YORK
883002	15	U-HAUL STORAGE HULEN	7225 SOUTH HULEN	FORT WORTH	TEXAS
884051	15	U-HAUL STORAGE WAXAHACHIE	1103 WEST 287 BYPASS	WAXAHACHIE	TEXAS
884076	15	U-HAUL STORAGE TARRANT ROAD	2455 TARRANT ROAD	GRAND PRAIRIE	TEXAS





AMENDED AND RESTATED PROPERTY MANAGEMENT AGREEMENT

THIS AMENDED AND RESTATED PROPERTY MANAGEMENT AGREEMENT (this "Agreement") is entered into as of June 20, 2007 among Sixteen SAC Self-Storage Corporation, a Nevada corporation ("Owner"), and the subsidiaries of U-Haul International, Inc. set forth on the signature block hereto ("Manager").

RECITALS

- A. Owner owns the real property and all improvements thereon and appurtenances thereto located at the street addresses identified on Exhibit A hereto (hereinafter, collectively the "Property").
- B. Owner intends that the Property be rented on a space-by-space retail basis to corporations, partnerships, individuals and/or other entities for use as self-storage facilities.
- C. Owner and Manager are currently parties to a Property Management Agreement (the "Original Agreement"), which Original Agreement is hereby amended and restated in its entirety by this Agreement.
- D. Owner desires that Manager manage the Property and Manager desires to act as the property manager for the Property, all in accordance with the terms and conditions of this Agreement including as more specifically designated on Exhibit A hereto.

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

1. Employment.

- (a) Owner hereby retains Manager, and Manager agrees to act as manager of the Property upon the terms and conditions hereinafter set forth.
  - (b) Owner acknowledges that Manager, and/or Manager affiliates, is in the business of managing self-storage facilities and businesses conducted thereat, including, but not limited to, the sale of packing supplies and rental of trucks and equipment, both for its own account and for the account of others. It is hereby expressly agreed that notwithstanding this Agreement, Manager and such affiliates may continue to engage in such activities, may manage facilities other than those presently managed by Manager and its affiliates (whether or not such other facilities may be in direct or indirect competition with Owner) and may in the future engage in other business which may compete directly or indirectly with activities of Owner.
  - (c) In the performance of its duties under this Agreement, Manager shall occupy the position of an independent contractor with respect to Owner. Nothing contained herein shall be construed as making the parties hereto (or any of them) partners or joint venturers, nor construed as making Manager an employee of Owner.
-

## 2. Duties and Authority of Manager.

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

(a) **General Duties and Authority** . Manager shall have the sole and exclusive duty and authority to fully manage the Property and supervise and direct the business and affairs associated or related to the daily operation thereof, to collect on behalf of Owner all revenues related to the Property, to pay on behalf of Owner all expenses of the Property - and to execute on behalf of Owner such documents and instruments as, in the sole judgment of Manager, are reasonably necessary or advisable under the circumstances in order to fulfill Manager's duties hereunder. Such duties and authority shall include, without limitation, those set forth below. Notwithstanding the foregoing or any other term or provision herein, upon notice to Manager, Owner shall have the right to assume responsibility for the direct payment of certain expenses of Owner, as may be determined by Owner. In such event, Owner shall provide an accounting of such costs to Manager. In the event Owner fails to provide such accounting to Manager, Manager shall assume no liability for nonpayment for such expenses so assumed by Owner. The parties acknowledge and agree that Owner will retain title to, ownership of, and exclusive right to control the Property, subject to the terms of this Agreement, and that portion of the Gross Revenue (as hereinafter defined) owned by Owner ("Owner's Revenue") (which includes the revenue from the storage operations at the Property, retail sales, miscellaneous income and Owner's UMove commission), and that Manager will not acquire title to, any interest in, or any income or revenues from the Property or Owner's Revenue. In performing its services and making any payments hereunder, Manager will make known to third parties that Manager is acting solely as the agent of Owner. Under no circumstances will Manager represent or hold itself out to any third party as having any title to or property interest in the Property or Owner's Revenue.

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

(c) **Repair, Maintenance and Improvements** . Manager shall make, execute, supervise and have control over the making and executing of all decisions concerning the acquisition of furniture, fixtures and supplies for the Property, and may purchase, lease or otherwise acquire the same on behalf of Owner. Manager shall make and execute, or supervise and have control over the making and executing of all decisions concerning the maintenance, repair and landscaping of the Property, provided, however, that such maintenance, repair and landscaping shall be consistent with the maintenance, repair and landscaping implemented by

Manager and its affiliates at any other properties operated by Manager or its affiliates. Manager shall, on behalf of Owner, negotiate and contract for and supervise the installation of all capital improvements related to the Property; provided, however, that Manager agrees to secure the prior written approval of Owner on all such expenditures in excess of \$10,000.00 - for any one item, except monthly or recurring operating charges and/or emergency repairs if in the opinion of Manager such emergency-related expenditures are necessary to protect the Property from damage or to maintain services to the Owners or self-storage licensees as called for in their respective leases or self-storage agreements. In the event of such emergency repairs in excess of \$10,000, Manager shall notify Owner and the insurer of the cost estimate for such work.

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

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

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

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

(h) **Records and Reports of Disbursements and Collections** . Manager shall establish, supervise, direct and maintain the operation of a system of cash record keeping and bookkeeping with respect to all receipts and disbursements and all business activities and operations conducted by Manager in connection with the management and operation of the

Property. Manager shall be responsible for cash shortages and discrepancies incurred in the normal course of management operations. The books, records and accounts shall be maintained at the Manager's office or at Owner's office, or at such other location as Manager and Owner shall determine, and shall be available and open to examination and audit quarterly by Owner, its representatives, its lender, if any, and as provided by Owner, and, subject to any mortgagee of the Property, and such mortgagee's representative. Manager shall cause to be prepared and delivered to Owner a monthly statement on a per-Property basis, of receipts, expenses and charges, and any other information as reasonably required by Owner to prepare its financials statements, together with a statement, on a per-Property basis, of the disbursements made by Manager during such period on Owner's behalf, which shall include separate lines for prepaid items and inventory. Manager shall provide Owner with rent rolls and occupancy reports if requested.

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

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

(k) **Insurance** . Manager will insure, on its Master Policy, against all liabilities at the Property at Manager's cost (General Liability Insurance). Manager will insure equipment at Manager's cost. If requested by Owner, Manager will obtain and charge the annual Owner's property insurance (Property & Casualty Insurance) and pay same on Owner's behalf. Property & Casualty Insurance shall meet Lender's required coverage, to include earthquake, flood and other Lender requirements as the case may be, and shall be the cost of Owner.

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

(m) **Limitations on Manager Authority** . Notwithstanding anything to the contrary set forth in this Section 2, Manager shall not, without obtaining the prior written consent of Owner, (i) rent storage space in the Property by written lease or agreement for a stated term in excess of one year unless such lease or agreement is terminable by the giving of not more than thirty (30) days written notice, (ii) alter the building or other structures of the Property in violation of loan documents executed by Owner in connection with the property ("Loan Documents"); (iii) enter on behalf of Owner any other agreements which exceed a term of one

year and are not terminable on thirty day's notice at the will of Owner, without penalty, payment or surcharge; (iv) act in violation of any Law, (v) violate any term or condition of the Loan Documents; (vi) fail to correct any misunderstanding of any third party of which Manager becomes aware as to the separateness of Owner and Manager; or (vii) except as explicitly set forth in this Agreement, exercise any authority to act on behalf of, or hold itself out as having authority to act on behalf of, Owner.

(n) **Shared Expenses** . Owner acknowledges that certain economies may be achieved with respect to certain expenses to be incurred by Manager on behalf of Owner hereunder if materials, supplies, insurance or services are purchased by Manager in quantity for use not only in connection with Owner's business at the Property but in connection with other properties owned or managed by Manager or its affiliates. Manager shall have the right to purchase such materials, supplies, insurance (subject to the terms of this Agreement) and/or services in its own name and charge Owner a pro rata allocable share of the cost of the foregoing; provided, however, that the pro rata cost of such purchase to Owner shall not result in expenses that are either inconsistent with the expenses of other "U-Haul branded" locations in the general vicinity of the applicable Property or greater than would otherwise be incurred at competitive prices and terms available in the area where the Property is located; and provided further, Manager shall give Owner access to records (at no cost to Owner) so Owner may review any such expenses incurred.

(o) **Deposit of Gross Revenues** . All revenue from operations at the Property ("Gross Revenue") shall be deposited daily by Manager into (i) a bank account (the "Deposit Account") maintained by Manager (or its parent company) solely for the benefit of Owner; or (ii) a collective bank account (the "Collective Account") maintained by Manager (or its parent company) for the benefit of multiple property owners. Manager shall transfer daily all Owner's Revenue in the Deposit Account and all Owner's Revenue in the Collective Account to Owner's separately identified depository account ("Owner's Account"). To the extent that Gross Revenue is deposited into a Collective Account, Manager (or its parent company) shall reconcile such Collective Account daily and maintain such records as shall clearly identify each day the respective interest of each property owner in such account. Manager shall not, and shall not permit any other property owner or any affiliate of Manager to borrow, lend or use Owner's Revenue while it is in a Collective Account. Owner shall apply Owner's Revenue first to the repayment of Owner's senior debt with respect to the Property, and then to Manager in reimbursement of documented expenses and for management fees as provided under Section 4 below.

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

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

3. Duties of Owner.

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(a) **Reimbursement of Expenses** . Manager shall be entitled to request and receive reimbursement for all timely authorized out-of-pocket reasonable and customary expenses actually incurred by Manager in the discharge of its duties hereunder. Such reimbursement shall be the obligation of Owner, whether or not Gross Revenues are sufficient to pay such amounts. Unpaid balances shall accrue interest at 4% thirty (30) days after presentment, unless a written request is received detailing Owner's objection to a billed amount.

(b) **Management Fee** . Owner shall pay to Manager as the full amount due for the services herein provided a monthly fee (the "Management Fee") which shall be six percent (6%) of the Property's current month Owner's Revenue, as determined on a cash basis. Subject to the terms of Section 2(o) the Management Fee shall be paid promptly, in arrears, within fifteen (15) days of Owner's receipt therefor, which invoice shall be sent from Manager to Owner following the end of each calendar month. Such invoice shall be itemized and shall include reasonable detail and be free from errors.

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

(c) **Inspection of Books and Records** . Owner shall have the right, upon prior reasonable notice to Manager, to inspect Manager's books and records with respect to the Property, to assure that proper fees and charges are assessed hereunder. Manager shall cooperate with any such inspection. Owner shall bear the cost of any such inspection; provided, however, that if it is ascertained that Manager has overcharged Owner by more than 5% in any given quarter, the cost of such inspection shall be borne by Manager. Manager shall promptly reimburse Owner for any overpayment.

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

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

6. Default; Termination.

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

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

(c) Owner shall have the right to terminate this Agreement, with or without cause, by giving not less than thirty (30) days' written notice to Manager pursuant to Section 14



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

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

7. Indemnification.

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

8. Assignment.

Manager shall not assign this Agreement to any party without the consent of Owner.

9. Standard for Property Manager's Responsibility.

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

10. Estoppel Certificate.

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

11. Term; Scope.

Subject to the provisions hereof, this Agreement shall have an initial term (such term, as extended or renewed in accordance with the provisions hereof, being called the "Term") commencing on the date hereof (the "Commencement Date") and ending on the last day of the one hundred and twentieth (120th) calendar month next following the date hereof or the maturity date of the applicable Loan Documents (which ever is later) (the "Expiration Date"); provided however, the parties shall have the right upon mutual agreement to terminate this Agreement

with respect to any individual Property no longer subject to the Loan Documents (for instance due to a significant casualty or condemnation of such Property).

12. Headings.

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

13. Governing Law.

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

14. Notices.

Any notice required or permitted herein shall be in writing and shall be personally delivered or mailed first class postage prepaid or delivered by an overnight delivery service to the respective addresses of the parties set forth above on the first page of this Agreement, or to such other address as any party may give to the other in writing. Any notice required by this Agreement will be deemed to have been given when personally served or one day after delivery to an overnight delivery service or five days after deposit in the first class mail. Any notice to Owner shall be to the attention of President, 715 South Country Club Drive, Mesa, AZ 85210. Any notice to Manager shall be to the attention of c/o U-Haul International, Inc. Legal Dept, 2721 North Central Avenue, Phoenix, AZ 85004, Attn: Secretary.

15. Severability.

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

16. Successors.

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

17. Attorneys' Fees.

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

18. Counterparts.

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

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

Owner :

Sixteen SAC Self-Storage Corporation,  
a Nevada corporation

By: \_\_\_\_\_  
Bruce Brockhagen, Secretary

Manager :

U-Haul Co. of Arizona  
U-Haul Co. of California  
U-Haul Co. of Connecticut  
U-Haul Co. of Missouri  
U-Haul co. of New Jersey, Inc.  
U-Haul Co. of New York, Inc.  
U-Haul Co. of Texas

By: \_\_\_\_\_  
Gary B. Horton, Treasurer

Exhibit A

List of Properties

882061	16	U-HAUL STORAGE RIO SALADO	500 NORTH SCOTTSDALE ROAD	TEMPE	ARIZONA
709022	16	U-HAUL CENTER WHITE LANE	6201 - 6261 WHITE LANE	BAKERSFIELD	CALIFORNIA
882089	16	U-HAUL STORAGE SYCAMORE AVENUE	36 NORTH SYCAMORE AVENUE	PASADENA	CALIFORNIA
884025	16	U-HAUL STORAGE MIDDLETOWN	1200 NEWFIELD STREET (RT 3)	MIDDLETOWN	CONNECTICUT
884063	16	UHAUL STG SOUTH SIDE	2101 S KINGS HWY BLVD	SAINT LOUIS	MISSOURI
882083	16	U-HAUL STORAGE BURLINGTON	94 CONNECTICUT DRIVE	BURLINGTON	NEW JERSEY
882080	16	U-HAUL STORAGE RIDGEWAY AVE	2055 RIDGEWAY AVENUE	ROCHESTER	NEW YORK
883001	16	U-HAUL STORAGE RUFÉ SNOW	6550 BROWNING DR	NORTH RICHLAND HILLS	TEXAS
884014	16	U-HAUL STORAGE ALMA	3401 ALMA DRIVE	PLANO	TEXAS
884061	16	U-HAUL STORAGE WESTCHASE	7741-43 ECKHERT RD	SAN ANTONIO	TEXAS



AMENDED AND RESTATED PROPERTY MANAGEMENT AGREEMENT

THIS AMENDED AND RESTATED PROPERTY MANAGEMENT AGREEMENT (this "Agreement") is entered into as of June 20, 2007 among Seventeen SAC Self-Storage Corporation, a Nevada corporation ("Owner"), and the subsidiaries of U-Haul International, Inc. set forth on the signature block hereto ("Manager").

RECITALS

- A. Owner owns the real property and all improvements thereon and appurtenances thereto located at the street addresses identified on Exhibit A hereto (hereinafter, collectively the "Property").
- B. Owner intends that the Property be rented on a space-by-space retail basis to corporations, partnerships, individuals and/or other entities for use as self-storage facilities.
- C. Owner and Manager are currently parties to a Property Management Agreement (the "Original Agreement"), which Original Agreement is hereby amended and restated in its entirety by this Agreement.
- D. Owner desires that Manager manage the Property and Manager desires to act as the property manager for the Property, all in accordance with the terms and conditions of this Agreement including as more specifically designated on Exhibit A hereto.

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

1. Employment.

- (a) Owner hereby retains Manager, and Manager agrees to act as manager of the Property upon the terms and conditions hereinafter set forth.
  - (b) Owner acknowledges that Manager, and/or Manager affiliates, is in the business of managing self-storage facilities and businesses conducted thereat, including, but not limited to, the sale of packing supplies and rental of trucks and equipment, both for its own account and for the account of others. It is hereby expressly agreed that notwithstanding this Agreement, Manager and such affiliates may continue to engage in such activities, may manage facilities other than those presently managed by Manager and its affiliates (whether or not such other facilities may be in direct or indirect competition with Owner) and may in the future engage in other business which may compete directly or indirectly with activities of Owner.
  - (c) In the performance of its duties under this Agreement, Manager shall occupy the position of an independent contractor with respect to Owner. Nothing contained herein shall be construed as making the parties hereto (or any of them) partners or joint venturers, nor construed as making Manager an employee of Owner.
-

## 2. Duties and Authority of Manager.

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

(a) **General Duties and Authority** . Manager shall have the sole and exclusive duty and authority to fully manage the Property and supervise and direct the business and affairs associated or related to the daily operation thereof, to collect on behalf of Owner all revenues related to the Property, to pay on behalf of Owner all expenses of the Property - and to execute on behalf of Owner such documents and instruments as, in the sole judgment of Manager, are reasonably necessary or advisable under the circumstances in order to fulfill Manager's duties hereunder. Such duties and authority shall include, without limitation, those set forth below. Notwithstanding the foregoing or any other term or provision herein, upon notice to Manager, Owner shall have the right to assume responsibility for the direct payment of certain expenses of Owner, as may be determined by Owner. In such event, Owner shall provide an accounting of such costs to Manager. In the event Owner fails to provide such accounting to Manager, Manager shall assume no liability for nonpayment for such expenses so assumed by Owner. The parties acknowledge and agree that Owner will retain title to, ownership of, and exclusive right to control the Property, subject to the terms of this Agreement, and that portion of the Gross Revenue (as hereinafter defined) owned by Owner ("Owner's Revenue") (which includes the revenue from the storage operations at the Property, retail sales, miscellaneous income and Owner's UMove commission), and that Manager will not acquire title to, any interest in, or any income or revenues from the Property or Owner's Revenue. In performing its services and making any payments hereunder, Manager will make known to third parties that Manager is acting solely as the agent of Owner. Under no circumstances will Manager represent or hold itself out to any third party as having any title to or property interest in the Property or Owner's Revenue.

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

(c) **Repair, Maintenance and Improvements** . Manager shall make, execute, supervise and have control over the making and executing of all decisions concerning the acquisition of furniture, fixtures and supplies for the Property, and may purchase, lease or otherwise acquire the same on behalf of Owner. Manager shall make and execute, or supervise and have control over the making and executing of all decisions concerning the maintenance, repair and landscaping of the Property, provided, however, that such maintenance, repair and landscaping shall be consistent with the maintenance, repair and landscaping implemented by

Manager and its affiliates at any other properties operated by Manager or its affiliates. Manager shall, on behalf of Owner, negotiate and contract for and supervise the installation of all capital improvements related to the Property; provided, however, that Manager agrees to secure the prior written approval of Owner on all such expenditures in excess of \$10,000.00 - for any one item, except monthly or recurring operating charges and/or emergency repairs if in the opinion of Manager such emergency-related expenditures are necessary to protect the Property from damage or to maintain services to the Owners or self-storage licensees as called for in their respective leases or self-storage agreements. In the event of such emergency repairs in excess of \$10,000, Manager shall notify Owner and the insurer of the cost estimate for such work.

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

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

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

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

(h) **Records and Reports of Disbursements and Collections** . Manager shall establish, supervise, direct and maintain the operation of a system of cash record keeping and bookkeeping with respect to all receipts and disbursements and all business activities and operations conducted by Manager in connection with the management and operation of the



Property. Manager shall be responsible for cash shortages and discrepancies incurred in the normal course of management operations. The books, records and accounts shall be maintained at the Manager's office or at Owner's office, or at such other location as Manager and Owner shall determine, and shall be available and open to examination and audit quarterly by Owner, its representatives, its lender, if any, and as provided by Owner, and, subject to any mortgagee of the Property, and such mortgagee's representative. Manager shall cause to be prepared and delivered to Owner a monthly statement on a per-Property basis, of receipts, expenses and charges, and any other information as reasonably required by Owner to prepare its financials statements, together with a statement, on a per-Property basis, of the disbursements made by Manager during such period on Owner's behalf, which shall include separate lines for prepaid items and inventory. Manager shall provide Owner with rent rolls and occupancy reports if requested.

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

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

(k) **Insurance** . Manager will insure, on its Master Policy, against all liabilities at the Property at Manager's cost (General Liability Insurance). Manager will insure equipment at Manager's cost. If requested by Owner, Manager will obtain and charge the annual Owner's property insurance (Property & Casualty Insurance) and pay same on Owner's behalf. Property & Casualty Insurance shall meet Lender's required coverage, to include earthquake, flood and other Lender requirements as the case may be, and shall be the cost of Owner.

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

(m) **Limitations on Manager Authority** . Notwithstanding anything to the contrary set forth in this Section 2, Manager shall not, without obtaining the prior written consent of Owner, (i) rent storage space in the Property by written lease or agreement for a stated term in excess of one year unless such lease or agreement is terminable by the giving of not more than thirty (30) days written notice, (ii) alter the building or other structures of the Property in violation of loan documents executed by Owner in connection with the property ("Loan Documents"); (iii) enter on behalf of Owner any other agreements which exceed a term of one

year and are not terminable on thirty day's notice at the will of Owner, without penalty, payment or surcharge; (iv) act in violation of any Law, (v) violate any term or condition of the Loan Documents; (vi) fail to correct any misunderstanding of any third party of which Manager becomes aware as to the separateness of Owner and Manager; or (vii) except as explicitly set forth in this Agreement, exercise any authority to act on behalf of, or hold itself out as having authority to act on behalf of, Owner.

(n) **Shared Expenses** . Owner acknowledges that certain economies may be achieved with respect to certain expenses to be incurred by Manager on behalf of Owner hereunder if materials, supplies, insurance or services are purchased by Manager in quantity for use not only in connection with Owner's business at the Property but in connection with other properties owned or managed by Manager or its affiliates. Manager shall have the right to purchase such materials, supplies, insurance (subject to the terms of this Agreement) and/or services in its own name and charge Owner a pro rata allocable share of the cost of the foregoing; provided, however, that the pro rata cost of such purchase to Owner shall not result in expenses that are either inconsistent with the expenses of other "U-Haul branded" locations in the general vicinity of the applicable Property or greater than would otherwise be incurred at competitive prices and terms available in the area where the Property is located; and provided further, Manager shall give Owner access to records (at no cost to Owner) so Owner may review any such expenses incurred.

(o) **Deposit of Gross Revenues** . All revenue from operations at the Property ("Gross Revenue") shall be deposited daily by Manager into (i) a bank account (the "Deposit Account") maintained by Manager (or its parent company) solely for the benefit of Owner; or (ii) a collective bank account (the "Collective Account") maintained by Manager (or its parent company) for the benefit of multiple property owners. Manager shall transfer daily all Owner's Revenue in the Deposit Account and all Owner's Revenue in the Collective Account to Owner's separately identified depository account ("Owner's Account"). To the extent that Gross Revenue is deposited into a Collective Account, Manager (or its parent company) shall reconcile such Collective Account daily and maintain such records as shall clearly identify each day the respective interest of each property owner in such account. Manager shall not, and shall not permit any other property owner or any affiliate of Manager to borrow, lend or use Owner's Revenue while it is in a Collective Account. Owner shall apply Owner's Revenue first to the repayment of Owner's senior debt with respect to the Property, and then to Manager in reimbursement of documented expenses and for management fees as provided under Section 4 below.

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

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

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

3. Duties of Owner.

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

4. Compensation of Manager.

(a) **Reimbursement of Expenses** . Manager shall be entitled to request and receive reimbursement for all timely authorized out-of-pocket reasonable and customary expenses actually incurred by Manager in the discharge of its duties hereunder. Such reimbursement shall be the obligation of Owner, whether or not Gross Revenues are sufficient to pay such amounts. Unpaid balances shall accrue interest at 4% thirty (30) days after presentment, unless a written request is received detailing Owner's objection to a billed amount.

(b) **Management Fee** . Owner shall pay to Manager as the full amount due for the services herein provided a monthly fee (the "Management Fee") which shall be six percent (6%) of the Property's current month Owner's Revenue, as determined on a cash basis. Subject to the terms of Section 2(o) the Management Fee shall be paid promptly, in arrears, within fifteen (15) days of Owner's receipt therefor, which invoice shall be sent from Manager to Owner following the end of each calendar month. Such invoice shall be itemized and shall include reasonable detail and be free from errors.

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

(c) **Inspection of Books and Records** . Owner shall have the right, upon prior reasonable notice to Manager, to inspect Manager's books and records with respect to the Property, to assure that proper fees and charges are assessed hereunder. Manager shall cooperate with any such inspection. Owner shall bear the cost of any such inspection; provided, however, that if it is ascertained that Manager has overcharged Owner by more than 5% in any given quarter, the cost of such inspection shall be borne by Manager. Manager shall promptly reimburse Owner for any overpayment.

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

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

6. Default; Termination.

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

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

(c) Owner shall have the right to terminate this Agreement, with or without cause, by giving not less than thirty (30) days' written notice to Manager pursuant to Section 14

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

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

7. Indemnification.

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

8. Assignment.

Manager shall not assign this Agreement to any party without the consent of Owner.

9. Standard for Property Manager's Responsibility.

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

10. Estoppel Certificate.

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

11. Term; Scope.

Subject to the provisions hereof, this Agreement shall have an initial term (such term, as extended or renewed in accordance with the provisions hereof, being called the "Term") commencing on the date hereof (the "Commencement Date") and ending on the last day of the one hundred and twentieth (120th) calendar month next following the date hereof or the maturity date of the applicable Loan Documents (which ever is later) (the "Expiration Date"); provided however, the parties shall have the right upon mutual agreement to terminate this Agreement

with respect to any individual Property no longer subject to the Loan Documents (for instance due to a significant casualty or condemnation of such Property).

12. Headings.

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

13. Governing Law.

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

14. Notices.

Any notice required or permitted herein shall be in writing and shall be personally delivered or mailed first class postage prepaid or delivered by an overnight delivery service to the respective addresses of the parties set forth above on the first page of this Agreement, or to such other address as any party may give to the other in writing. Any notice required by this Agreement will be deemed to have been given when personally served or one day after delivery to an overnight delivery service or five days after deposit in the first class mail. Any notice to Owner shall be to the attention of President, 715 South Country Club Drive, Mesa, AZ 85210. Any notice to Manager shall be to the attention of c/o U-Haul International, Inc. Legal Dept, 2721 North Central Avenue, Phoenix, AZ 85004, Attn: Secretary.

15. Severability.

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

16. Successors.

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

17. Attorneys' Fees.

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

18. Counterparts.

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

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

Owner :

Seventeen SAC Self-Storage Corporation,

a Nevada corporation

By: \_\_\_\_\_  
Bruce Brockhagen, Secretary

Manager :

U-Haul Co. of Massachusetts and Ohio, Inc.

U-Haul Co. of Missouri,

U-Haul Co. of New York, Inc.

U-Haul Col. Of Texas

U-Haul Co. of Virginia

By: \_\_\_\_\_  
Gary B. Horton, Treasurer

Exhibit A

List of Properties

837078	17	U-HAUL OF MEDFORD	600 MYSTIC VLY PKWY	SOMERVILLE	MASSACHUSETTS
736055	17	U-HAUL KINGS HIGHWAY	1641 S KINGS HWY	SAINT LOUIS	MISSOURI
806070	17	U-HAUL CENTER ROCKVILLE	230-240 MAPLE AVENUE	ROCKVILLE CENTRE	NEW YORK
737024	17	U-HAUL CENTER OF ROUND ROCK	1535 ROUND ROCK AVENUE	ROUND ROCK	TEXAS
746071	17	U-HAUL CTR BEAUMONT	3885 MILAM	BEAUMONT	TEXAS
825053	17	U-HAUL CTR DOWNTOWN	1301 MONTICELLO AVE	NORFOLK	VIRGINIA





\$20,014,294.00

September 1, 2007

FOR VALUE RECEIVED, SAC Holding Corporation, a Nevada corporation ("Borrower"), hereby promises to pay to the order of U-Haul International, Inc., a Nevada corporation (together with any and all of its successors and assigns and/or any other holder of this Note, "Lender"), without offset, in immediately available funds in lawful money of the United States of America, at 2727 North Central Avenue, Phoenix, Arizona 85004, the principal sum of twenty million fourteen thousand two hundred ninety four and no/100ths Dollars (\$20,014,294.00) (or the unpaid balance of all principal advanced against this Note, if that amount is less), together with interest on the unpaid principal balance of this Note from day to day outstanding as hereinafter provided.

Section 1 Payment Schedule and Maturity Date.

Commencing as of September 1, 2007 ("Interest Commencement Date"), through March 15, 2019 (the "Maturity Date"), Borrower shall make monthly payments to Lender of interest only hereunder. Interest shall accrue hereunder, commencing only as of the Interest Commencement Date, at the Stated Rate (as hereinafter refined). There shall be no principal payment obligations hereunder, except at the Maturity Date. There shall be no interest payments due, and no interest shall accrue hereunder, until the Interest Commencement Date. All payments hereunder of interest shall be in arrears and shall be made on the first day of each month, and continuing on the 1st day of each succeeding month through and including the Maturity Date. The entire principal balance of this Note then unpaid, together with all accrued and unpaid interest, and all other amounts payable hereunder, shall be due and payable in full on the Maturity Date.

Section 2 Interest Rate; Deferral of Portion of Interest. (a) The unpaid principal balance of this Note from day to day outstanding, which is not past due, shall bear interest at a fixed rate of nine percent (9%) (the "Stated Rate"). Interest shall be computed for the actual number of days which have elapsed, on the basis of a 365-day year.

(b) If any amount payable by Borrower hereunder is not paid when due (without regard to any applicable grace periods), such amount shall thereafter bear interest at a fixed rate of the then-applicable Stated Rate plus two percent (the "Past Due Rate") per annum, to the fullest extent permitted by applicable law.

Section 3 Prepayment. Borrower shall have the right to prepay the principal balance of this Note, in full at any time or in part from time to time, without fee, premium or penalty of any nature or kind whatsoever.

Section 4 Certain Provisions Regarding Payments. All payments made under this Note shall be applied, to the extent thereof to accrued but unpaid interest, to unpaid principal, and to any other sums due and unpaid to Lender under this Note in such manner and order as Lender may elect. Remittances shall be made without offset, demand, counterclaim, deduction, or recoupment (each of which is hereby waived) and shall be accepted subject to the condition that any check or draft may be handled for collection in accordance with the practice of the collecting

bank or banks. Acceptance by Lender of any payment in an amount less than the amount then due on any indebtedness shall be deemed an acceptance on account only, notwithstanding any notation on or accompanying such partial payment to the contrary, and shall not in any way (a) waive or excuse the existence of an Event of Default, (b) waive, impair or extinguish any right or remedy available to Lender hereunder, or (c) waive the requirement of punctual payment and performance or constitute a novation in any respect. Whenever any payment under this Note falls due on a day which is not a business day, such payment may be made on the next succeeding business day.

Section 5            Events of Default. The occurrence of anyone or more of the following shall constitute an "Event of Default" under this Note:

(a) Borrower fails to pay when and as due and payable any amounts payable by Borrower to Lender under the terms of this Note and such failure continues for one-hundred and eighty (180) calendar days after Borrower's receipt of written notice from Lender of its failure to pay such amounts and Lender determines in its sole discretion that there is no reasonable likelihood that Borrower will cure such failure within a reasonable period of time thereafter.

(b) Any other covenant, agreement or condition in this Note is not fully and timely performed, observed or kept, and such failure to perform, observe or keep continues for thirty (30) days after Borrower's receipt of written notice from Lender of its failure to so perform.

(c) The Borrower files a bankruptcy petition, a bankruptcy petition is filed against any of the foregoing parties, or the Borrower makes a general assignment for the benefit of creditors.

(d) A receiver or similar official is appointed for a substantial portion of the Borrower's business, or the business is terminated, or, the Borrower is liquidated or dissolved.

Section 6            Remedies. Upon the occurrence of an Event of Default, Lender may at any time thereafter exercise anyone or more of the following rights, powers and remedies:

(a) Lender may accelerate the maturity date and declare the unpaid principal balance and accrued but unpaid interest on this Note, and all other amounts payable hereunder, at once due and payable, and upon such declaration the same shall at once be due and payable.

(b) Lender may set off the amount due against any and all accounts, credits, money, securities or other property now or hereafter on deposit with, held by or in the possession of Lender to the credit or for the account of Borrower, without notice to or the consent of Borrower.

(c) Lender may exercise any of its other rights, powers and remedies at law or in equity.

Section 7            Remedies Cumulative. All of the rights and remedies of Lender under this Note are cumulative of each other and of any and all other rights at law or in equity, and the exercise by Lender of any one or more of such rights and remedies shall not preclude the simultaneous or later exercise by Lender of any or all such other rights and remedies. No single or partial exercise of any right or remedy shall exhaust it or preclude any other or further exercise thereof, and every right and remedy may be exercised at any time and from time to time.

No failure by Lender to exercise, nor delay in exercising, any right or remedy shall operate as a waiver of such right or remedy or as a waiver of any Event of Default.

Section 8 Costs and Expenses of Enforcement. Borrower agrees to pay to Lender on demand all costs and expenses incurred by Lender in seeking to collect this Note, including court costs and reasonable out-of-pocket attorneys' fees and expenses, whether or not suit is filed hereon, or whether in connection with bankruptcy, insolvency or appeal.

Section 9 Heirs, Successors and Assigns. The terms of this Note shall bind and inure to the benefit of the representatives, successors and assigns of the parties.

Section 10 General Provisions. Time is of the essence with respect to Borrower's obligations under this Note. Borrower hereby (a) waives demand, presentment for payment, notice of dishonor and of nonpayment, protest, notice of protest, notice of intent to accelerate, notice of acceleration and all other notices (except any notices which are specifically required by this Note) or filing of suit and diligence in collecting this Note, consent to any extensions or postponements of time of payment of this Note for any period or periods of time and to any partial payments, before or after maturity, and to any other indulgences with respect hereto, without notice thereof to any of them; (b) submits (and waives all rights to object) to non-exclusive personal jurisdiction of any state or federal court sitting in the state and county in which payment of this Note is to be made for the enforcement of any and all obligations under this Note; and (c) waives the benefit of all homestead and similar exemptions as to this Note. A determination that any provision of this Note is unenforceable or invalid shall not affect the enforceability or validity of any other provision and the determination that the application of any provision of this Note to any person or circumstance is illegal or unenforceable shall not affect the enforceability or validity of such provision as it may apply to other persons or circumstances. This Note may not be amended except in a writing specifically intended for such purpose and executed by the party against whom enforcement of the amendment is sought. Captions and headings in this Note are for convenience only and shall be disregarded in construing it. This Note and its validity, enforcement and interpretation shall be governed by the laws of the state in which payment of this Note is to be made (without regard to any principles of conflicts of laws) and applicable United States federal law. Whenever a time of day is referred to herein, unless otherwise specified such time shall be the local time of the place where payment of this Note is to be made. The term "Business Day" shall mean a day on which U.S. banks are open for the conduct of substantially all of their banking business in the city in which this Note is payable (excluding Saturdays and Sundays). The words "include" and "including" shall be interpreted as if followed by the words "without limitation."

Section 11 Notices. Any notice, request, or demand to or upon Borrower or Lender shall be deemed to have been properly given or made when delivered in writing to the intended recipient at the address specified below or, as to any party hereto, at such other address as shall be designated by such party in a notice to each other party hereto. Except as otherwise provided in this Notice, all such communications shall be deemed to have been duly given when transmitted by telecopier or personally delivered or, in the case of a mailed notice, upon receipt. Notice addresses for Lender and Borrower are as follows:

If to Lender:

U-Haul International, Inc.  
2727 N. Central Avenue  
Phoenix, AZ 85004  
Attn: Jason Berg

If to Borrower:

SAC Holding Corporation/SAC Financial Corporation  
c/o Five SAC Self-Storage Corporation  
715 South Country Club Drive  
Mesa, AZ 85210  
Attn: Bruce Brockhagen

Section 12 No Usury . It is expressly stipulated and agreed to be the intent of Borrower and Lender at all times to comply with applicable state law or applicable United States federal law (to the extent that it permits Lender to contract for, charge, take, reserve, or receive a greater amount of interest than under state law) and that this Section shall control every other covenant and agreement in this Note. If applicable state or federal law should at any time be judicially interpreted so as to render usurious any amount called for under this Note or contracted for, charged, taken, reserved, or received with respect to the Loan, or if Lender's exercise of the option to accelerate the maturity date, or if any prepayment by Borrower results in Borrower having paid any interest in excess of that permitted by applicable law, then it is Lender's express intent that all excess amounts theretofore collected by Lender shall be credited on the principal balance of this Note and the provisions of this Note shall immediately be deemed reformed and the amounts thereafter collectible hereunder and thereunder reduced, without the necessity of the execution of any new documents, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder or thereunder. All sums paid or agreed to be paid to Lender for the use or forbearance of the Loan shall, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the full stated term of the Loan.

IN WITNESS WHEREOF, Borrower has duly executed this Note as of the date first above written.

Borrower:

SAC Holding Corporation

By:

\_\_\_\_\_  
Name: Bruce G. Brockhagen  
Title: Secretary



**Rule 13a-14(a)/15d-14(a) Certification**

I, Edward J. Shoen, certify that:

1. I have reviewed this quarterly report on Form 10-Q of AMERCO (the "Registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrants as of, and for, the periods presented in this report;
4. The Registrants other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrants and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrants, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the Registrants disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the Registrants internal control over financial reporting that occurred during the Registrants most recent fiscal quarter (the Registrants fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrants internal control over financial reporting; and
5. The Registrants other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrants auditors and the audit committee of the Registrants board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrants ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrants internal control over financial reporting.

/s/ Edward J. Shoen  
Edward J. Shoen  
President and Chairman of the  
Board of AMERCO

Date: November 7, 2007

**Rule 13a-14(a)/15d-14(a) Certification**

I, Jason A. Berg, certify that:

1. I have reviewed this quarterly report on Form 10-Q of AMERCO (the "Registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrants as of, and for, the periods presented in this report;
4. The Registrants other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrants and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrants, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the Registrants disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the Registrants internal control over financial reporting that occurred during the Registrants most recent fiscal quarter (the Registrants fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrants internal control over financial reporting; and
5. The Registrants other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrants auditors and the audit committee of the Registrants board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrants ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrants internal control over financial reporting.

/s/ Jason A. Berg  
Jason A. Berg  
Chief Accounting Officer of AMERCO

Date: November 7, 2007



## CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,

## AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Form 10-Q for the quarter ended September 30, 2007 of AMERCO (the "Company"), as filed with the Securities and Exchange Commission on November 7, 2007 (the "Report"), I, Edward J. Shoen, Chairman of the Board and President of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

AMERCO,

a Nevada corporation

/s/ Edward J. Shoen

Edward J. Shoen

President and Chairman of the Board

Date: November 7, 2007

## CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,

## AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Form 10-Q for the quarter ended September 30, 2007 of AMERCO (the "Company"), as filed with the Securities and Exchange Commission on November 7, 2007 (the "Report"), I, Jason A. Berg, Chief Accounting Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

AMERCO,

a Nevada corporation

/s/ Jason A. Berg

Jason A. Berg  
Chief Accounting Officer

Date: November 7, 2007