

UIC-16A - Details on the Easement Deed

1. This property, along with numerous other (non-U-Haul) properties in the area is the subject of a court order from a class action law suit. This is one of those ridiculous class action law suits in which we were not involved, but we were nonetheless included in the "class" and awarded \$74 as our share of the settlement, and we are bound by the terms of the settlement.
2. The class action was filed on behalf of numerous property owners in this area and related to a telecommunications company running its fiber optic line across these properties. Basically, the complaint was that the telecom was "using" these various properties without the consent of, or payment of any consideration to, the property-owners. Apparently, this has been going on for numerous years. It's never been a problem for us.
3. Ultimately, the court agreed with the plaintiff and mandated that the telecom pay the property owners (in our case, we were awarded the \$74 mentioned above), and also mandated that each property owner grant the telecom an easement for this fiber optic line. The court order states that if the property owner does not grant the easement, the court will grant the easement to the telecom, on the property owner's behalf. The easement will be recorded in the local land records office.
4. So, one way or another, an easement will be granted on 16A (whether voluntarily or involuntarily).
5. Per Section 11(b) of the Pledge and Security Agreement, this is not permitted.
6. Per Section 22(i), we can seek waivers and amendments of the applicable UIC transaction documents, so long as we get approval of the "Required Holders" (majority).
7. So, short of paying off this series, the appropriate solution is to seek approval of the Required Holder of Series 16A, and thus obtain the approval to grant this easement. This will be captioned as a waiver of the prohibition in Section 11(b) of the Pledge and Security Agreement which prohibits liens including easements such as this. The waiver will be limited to this specific matter.
8. The easement itself is a non-issue from a real property and business operations perspective; it does not have an adverse impact to the property at all.