

ORIGINAL

AVALON DEVELOPMENT, LLC

4315 Pablo Oaks Ct
Jacksonville, FL 32224

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March 9, 2007

COMMISSION
CLERK

Mrs. Blanco S. Bayo'
Division of the Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

RE: Petition of AT&T Florida for Relief from Carrier-of-Last-Resort
Obligations Pursuant to Florida Statutes Section 364.025(6)(d);
Docket No. 070126-TL

Dear Mrs. Bayo':

Avalon Development, LLC ("Developer") is writing to object to the petition of BellSouth Communications Inc., dba AT&T Florida ("ATT"), for relief from its Carrier-of-Last-Resort ("COLR") obligations to serve the Villages of Avalon Phase II in Hernando County, Florida. Developer is the developer of the Villages at Avalon.

ATT is currently providing voice service to Phase I of the Villages of Avalon, which is contiguous to Phase II. Developer has provided ATT with all rights it requires to provide voice services to Phase II and all remaining phases of the development. Developer disagrees with ATT's reasons for seeking relief from COLR obligations for Phase II, and requests that the Commission deny ATT's petition for relief.

ATT alleges that it has good cause to file its petition under Florida Statute 362.025(6)(d) due to, inter alia, the fact that it is denied access to provide services other than voice services to the property. ATT alleges that it must be excused from providing voice services to Avalon because it is being denied access to provide video and data services. So far as Developer is aware, the COLR obligations are based on voice services, not video and data services. The fact that ATT is already providing voice services to Phase I of Avalon, a contiguous part of the development, belies ATT's economic argument that it cannot economically provide voice services to the development if it is unable to also provide video and data services.

Further, Developer does not agree with the factual basis for ATT's arguments; many of its facts are simply not relevant to the Villages of Avalon. Developer and ATT previously agreed on easement rights for Phase I of the development. Attached to this letter is the easement amendment negotiated with ATT for this purpose. Developer remains committed to granting ATT the same easement over Phase II of the development (and all remaining phases) that ATT deemed sufficient for Phase I. Developer did not contemplate during its negotiations with ATT on Phase I that ATT would seek to file its petition or deny service to the residents of Phase II after it requested the easement rights in the attached document.

If ATT's petition is accepted by the Commission, a resident in Phase II who later requests voice service from ATT will likely be subject to build out fees not charged to residents in Phase I, who are on the contiguous part of the development. Residents of Phase II could be charged higher rates for (or even denied) backup or emergency service, which are currently available to

- CMP _____
- COM _____
- CTR _____
- ECR _____
- GCL _____
- OPC _____
- RCA _____
- SCR _____
- SGA _____

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OTH *Kim P.*

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residents of Phase I, since Phase I is now being served by ATT. Developer believes all of the necessary equipment ATT will need to serve the new phase of Avalon (except for in-ground facilities in the phase itself) has already been installed by ATT, since it currently serves the development in Phase I.

Developer views the petition as an attempt by ATT to deny that it has received easements granted by the developer. As ATT is already providing voice services to Phase I of the Avalon development, Developer cannot understand the reasoning behind permitting ATT to abandon service to Avalon at this late date. If the Avalon development and easements were sufficient in the first place to provide voice services, it is not clear why they are now insufficient.

Furthermore, ATT has always been aware of the other providers providing service in the area. ATT was aware of this fact when it began to provide service at Phase I. The existence of competition for services, even competition for voice services, should not be a sufficient excuse for ATT to simply walk away from the residents of Avalon.

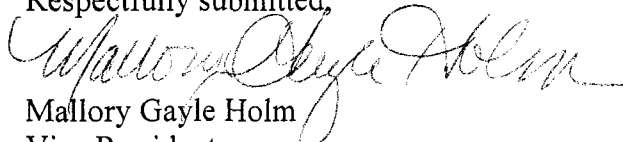
As ATT already provides service to Phase I of Avalon under an easement that it accepted before, it should not be permitted by this Commission to reject the same easement or to refuse to provide service to the adjacent Phase II of Avalon (or any remaining phases). ATT now refuses to provide service to portions of Avalon under the same easement it previously found acceptable.

Developer respectfully requests that the Commission deny ATT's petition, deny the relief requested by ATT, and dismiss this proceeding with prejudice. In the event that the Commission seeks additional information from Developer, or requires Developer's response to be in a different form, Developer request sufficient time to so respond.

We hereby certify that we sent copies of this letter to the persons identified in the copy lines below, by certified First Class mail.

This response is submitted by Developer, on behalf of itself and its affiliate Stokes & Griffith Properties, LLC.

Respectfully submitted,



Mallory Gayle Holm
Vice President

cc: James Meza III
Sharon R. Liebman
Manuel A. Gurdian
c/o Nancy H. Sims
150 South Monroe Street, Suite 400
Tallahassee, Florida 32301

Prepared by and return to:

R
MALLORY GAYLE HOLM, ESO.
STOKES LAND GROUP, LLLP
4315 PARLO OAKS ~~TRACT~~ SUITE 1
JACKSONVILLE, FLORIDA 32204 Easement

Doc# 2006071354
Hernando County, Florida
08/31/2006 3:24PM
KAREN NICOLAI, Clerk

5/12
c

1. Prior Easement

Avalon Development, LLC ("Grantor") executed and recorded an Easement and Memorandum of Agreement, Document Number 2005071992, filed August 18, 2005, Official Records of Hernando County, Book 2084, Pages 1307, et seq. ("Memorandum"), granting easement rights on, over, under and through the property identified in Exhibit A attached hereto and incorporated herein (referred to as "Property") to Capitol Infrastructure, LLC. As provided in paragraph 9 of the Memorandum, and notwithstanding anything to the contrary in the Memorandum, Grantor hereby grants the additional easement herein.

2. Grant of Easement

Grantor hereby grants to BellSouth Telecommunications, Inc. ("Grantee"), and its licensees, successors, assigns and affiliates, a perpetual, non-exclusive easement (a) on, over, under and through the specific portions of the Property reserved for use by public utilities ("Reserved Areas") as set forth in the Avalon Phase I plat recorded August 24, 2005 ("Plat") and any roads or rights-of-way within the Property, including the paved or unpaved portions thereof (collectively, the "Easement Area") to place, repair, operate, maintain, access, upgrade and remove facilities to provide (i) any communications services, including voice, video and data services, to Capitol Infrastructure, LLC, and its successors, assigns and designees, including, without limitation, Baldwin County Internet/DSSI Service, Inc. and (ii) voice services to any customer, provided that Grantee shall not be responsible for any alleged breach of this Easement if Grantee has used its best efforts not to provide services other than voice services but ultimately provides services other than voice services to any such customer; and (b) to market any service described in part (ii) of subparagraph (a) of this section at any location on the Property. Such facilities may include one aboveground generator and associated buried fuel supply system, such generator and buried fuel supply system to be located in the space reserved for Grantee facilities north of Pump Station No. 1 that is approximately 30 feet by 50 feet. Grantee recognizes the rights of other service providers to use the Property for facilities to provide services to the Property and agrees to cooperate with any such service providers to coordinate efficient collocation of equipment and other facilities and to promptly resolve any interference issues that may arise on account of the presence of multiple operators. Grantor represents and warrants that it is the owner of the Easement Area and has the full power and authority to grant this Easement. Except for mortgages that mortgagees may hold on individual parcels of property that have been purchased by residents or on property owned by the Grantor and except for the Union Bank of Florida that has signed a consent and joinder hereto, there are no mortgages on the Easement

Area. Nothing in this Easement shall be construed to prevent Grantee from fulfilling its obligations under the Communications Act of 1934, 47 U.S.C. §§ 151 et. seq., as amended, as such obligations may relate to facilities placed by Grantee in the Easement Area.

3. Development Plan

Grantee, its successors and assigns will coordinate with Grantor or its designee to locate Grantee's facilities with and in the furtherance of the overall development plan for the Property, and to install its exterior telecommunications cable underground except for switch locations and junction boxes, such that Grantee's installation of its facilities and exercise of Grantee's easement rights hereunder will not interfere with Grantor's overall development plan for the Property, in Grantor's sole and absolute discretion. The exact location of Grantee's facilities shall be subject to the prior approval of Grantor or its designee, which is not to be unreasonably withheld or delayed. Grantor acknowledges such approval for facilities placed by Grantee prior to the date of this Easement within the Property. No such coordination or approval shall be required for placement of Grantee's drop wires (which must be underground) on individual parcels of property within the Property that have been or will be purchased by residents.

Avalon Development, LLC

By: [Signature]
Name: John C. Kumpf
Title: Vice President
Date: 8/23/2006

Witness Name: Mallory Gault Halm

Witness Name: [Signature]

Capitol Infrastructure, LLC, for the purpose of joining in this grant of Easement

By: [Signature]
Name: David E. Carlos
Title: Ex Vice President
Date: 08/22/2006

Witness Name: Jaime W. Crossen

Witness Name: John Lindsey
John Lindsey

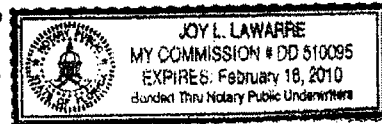
State of Florida
County of Duval

I, Joy L. Lawarre a Notary Public of the County and State aforementioned, do hereby certify that John C. Kunkel known to me to be the Vice President of Avalon Development, LLC, personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of that company. He is personally known or has produced a Florida driver's license as identification.

Witness my hand and seal this 23rd day of August, 2006.

Notary Public: Joy L. Lawarre

My Commission Expires: 02/16/2010



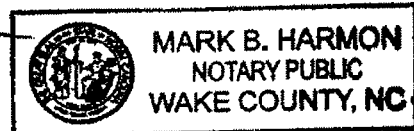
State of North Carolina
County of Wake

I, Mark B. Harmon a Notary Public of the County and State aforementioned, do hereby certify that Harold R. Bailes, known to me to be the VICE PRESIDENT of Capitol Infrastructure, LLC personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of that company. He is personally known or has produced a North Carolina driver's license as identification.

Witness my hand and seal this 22nd day of August, 2006.

Notary Public: Mark B. Harmon

My Commission Expires: July 31, 2010



CONSENT AND JOINDER OF MORTGAGEE

The undersigned, Colonial Bank, N.A. (the "Mortgagee"), the Mortgagee under that certain Mortgage and Security Agreement recorded at Official Records Book 1776, page 458, of the public records of Hernando County, Florida (the "Mortgage" and together with any and all other documents evidencing or securing the loan secured by the Mortgage, the "Mortgage Documents") hereby consents and joins in the foregoing Easement, and subordinates its lien under each of the Mortgage Documents encumbering all or any part of the Easement thereby granted.

IN WITNESS WHEREOF, this Consent and Joinder is executed by the undersigned this 24 day of August, 2006.

Witnesses:

Mortgagee:

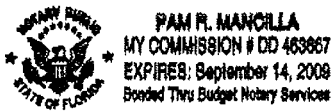
Brenda Manson
Name: BRENDA MANSON

Colonial Bank, N.A.
By: [Signature]
Name: Joe Nicolette
Title: Vice President

[Signature]
Name: Miguel Interiori Barker

STATE OF Florida
COUNTY OF Broward

The foregoing instrument was acknowledged before me this 24th day of August, 2006, by Joe Nicolette, the Vice President of Colonial Bank, N.A., on behalf of the bank. He/she either [] is personally known to me or [] has produced a _____ state driver's license as identification.



Pam R. Mancilla
Notary Public, State of FLORIDA
Printed Name: Pam R Mancilla
Commission No. 463667
My Commission Expires: 9-14-09

[NOTARIAL SEAL]

EXHIBIT A

LEGAL DESCRIPTION:

DESCRIPTION: A parcel of land lying in Section 34, Township 23 South, Range 18 East, Hernando County, Florida and being more particularly described as follows:

Commence at the Northeast corner of said Section 34, run thence along the East boundary of the Northeast 1/4 of the Northeast 1/4 of said Section 34, S.00°16'21"W., 1309.88 feet to the Northeast corner of the Southeast 1/4 of said Section 34; thence along the North boundary of said Southeast 1/4 of the Northeast 1/4 of the Northeast 1/4 of said Section 34, N.89°51'15"W., 40.00 feet to a point on the Westerly right-of-way line of ANDERSON SNOW ROAD, per Florida Department of Transportation Right-of-way Map Project No. 9080-1300, 97140-1303, said point also being the POINT OF BEGINNING; thence along said Westerly right-of-way line the following four (4) courses: 1) S.00°16'21"W., 586.40 feet; 2) N.89°43'39"W., 20.00 feet; 3) S.00°16'21"W., 95.32 feet; 4) S.38°55'58"W., 84.03 feet; thence N.00°18'21"E., 40.82 feet; thence WEST, 21.94 feet to a point of curvature; thence Westerly, 170.43 feet along the arc of a curve to the right having a radius of 830.00 feet and a central angle of 15°30'00" (chord bearing N.82°15'00"W., 189.91 feet) to a point of tangency; thence N.74°30'00"W., 130.25 feet to a point of curvature; thence Westerly, 127.15 feet along the arc of a curve to the left having a radius of 470.00 feet and a central angle of 15°30'00" (chord bearing N.82°15'00"W., 128.76 feet) to a point of tangency; thence WEST, 382.79 feet to a point of curvature; thence Westerly, 399.33 feet along the arc of a curve to the right having a radius of 880.00 feet and a central angle of 26°00'00" (chord bearing N.77°00'00"W., 395.91 feet) to a point of tangency; thence N.64°00'00"W., 134.87 feet; thence S.26°00'00"W., 47.05 feet to a point on a curve; thence Southwesterly, 101.23 feet along the arc of a curve to the left having a radius of 50.00 feet and a central angle of 116°00'00" (chord bearing S.56°00'00"W., 84.80 feet) to a point of tangency; thence SOUTH, 36.00 feet; thence WEST, 229.30 feet; thence N.61°06'34"W., 63.35 feet; thence WEST, 579.12 feet; thence S.66°36'59"W., 231.04 feet to a point of curvature; thence Southerly, 1047.95 feet along the arc of a curve to the left having a radius of 670.00 feet and a central angle of 89°36'59" (chord bearing S.21°46'29"W., 944.34 feet) to a point of tangency; thence S.23°00'00"E., 235.00 feet to a point of curvature; thence Southerly, 811.23 feet along the arc of a curve to the right having a radius of 830.00 feet and a central angle of 66°00'00" (chord bearing S.05°00'00"W., 779.32 feet) to a point of tangency; thence S.33°00'00"W., 277.39 feet to a point of curvature; thence Southerly, 414.69 feet along the arc of a curve to the left having a radius of 720.00 feet and a central angle of 33°00'00" (chord bearing S.16°30'00"W., 408.98 feet) to a point of tangency; thence SOUTH, 624.87 feet to a point on the North boundary of the additional right-of-way for COUNTY LINE ROAD, as recorded in Official Records Book 1792, Page 1826, of the Public Records of Hernando County, Florida; thence along said North boundary of the additional right-of-way for COUNTY LINE ROAD, N.89°48'14"W., 160.00 feet; thence NORTH, 325.43 feet; thence WEST, 626.73 feet to a point on the West boundary of the East 1/2 of the Southeast 1/4 of the aforesaid Section 34; thence along said West boundary of the East 1/2 of the Southwest 1/4 of Section 34, N.00°03'54"E., 2142.89 feet to the Southeast corner of the Southwest 1/4 of the Northeast 1/4 of said Section 34; thence along the South boundary of said Southwest 1/4 of the Northeast 1/4 of Section 34, S.89°57'58"W., 842.11 feet; thence N.00°22'00"E., 178.66 feet; thence N.89°38'00"W., 223.00 feet; thence N.00°22'00"E., 50.00 feet to a point on a curve; thence Northeasterly, 31.42 feet along the arc of a curve to the left having a radius of 20.00 feet and a central angle of 90°00'00" (chord bearing N.45°22'00"E., 28.28 feet) to a point of tangency; thence N.00°22'00"E., 610.00 feet; thence S.89°38'00"E., 50.00 feet to a point on a curve; thence Southeasterly, 31.42 feet along the arc of a curve to the left having a radius of 20.00 feet and a central angle of 90°00'00" (chord bearing S.44°38'00"E., 28.28 feet) to a point of tangency; thence S.89°38'00"E., 465.00 feet; thence N.00°22'00"E., 280.00 feet; thence N.89°38'00"W., 12.00 feet; thence N.00°22'00"E., 210.07 feet to a point on the North boundary of the South 1/2 of said Northwest 1/4 of Section 34, said point also being on the Southerly boundary of SPRING HILL UNIT 12, according to the plat thereof as recorded in Plat Book 8, Pages 74 through 83, inclusive, of the Public Records of Hernando County, Florida; thence along said North boundary of the South 1/2 of the Northwest 1/4 of Section 34 and said Southerly boundary of SPRING HILL UNIT 12, S.89°37'52"E., 1654.59 feet to the Southwest corner of the Northwest 1/4 of the aforesaid Northeast 1/4 of Section 34, also being the Southeast corner of said SPRING HILL UNIT 12; thence along the West boundary of said Northwest 1/4 of the Northeast 1/4 of Section 34 and the Easterly boundary of said SPRING HILL UNIT 12, N.00°19'42"E., 670.23 feet; thence S.89°40'18"E., 119.00 feet; thence S.00°19'42"W., 250.00 feet; thence S.89°40'18"E., 183.29 feet; thence N.11°00'00"E., 61.14 feet; thence S.79°00'00"E., 225.00 feet; thence N.19°27'11"E., 117.63 feet; thence N.50°00'00"E., 103.53 feet; thence N.80°00'00"E., 103.53 feet; thence S.70°00'00"E., 95.47 feet; thence S.50°00'00"E., 50.00 feet; thence N.40°00'00"E., 149.93 feet to a point of curvature; thence Easterly, 42.85 feet along the arc of a curve to the right having a radius of 25.00 feet and a central angle of 98°12'48" (chord bearing N.89°06'24"E., 37.80 feet) to a point of compound curvature; thence Southerly, 325.85 feet along the arc of a curve to the right having a radius of 375.00 feet and a central angle of 49°47'12" (chord bearing S.16°53'36"E., 315.70 feet); thence S.82°00'00"E., 232.92 feet to a point on the East boundary of said Northwest 1/4 of the Northeast 1/4 of Section 34; thence along said East boundary of the Northwest 1/4 of the Northeast 1/4 of Section 34, S.00°16'58"W., 345.35 feet to the Northeast corner of the aforesaid Southeast 1/4 of the Northeast 1/4 of Section 34; thence along the aforesaid North boundary of the Southeast 1/4 of the Northeast 1/4 of Section 34, S.89°51'15"E., 1280.13 feet to the POINT OF BEGINNING.

Containing 157.733 acres, more or less.