

Committee Substitute for  
Committee Substitute for Senate Bill No. 1972

An act relating to the leasing of private property by state agencies; amending s. 255.248, F.S.; defining terms; amending s. 255.249, F.S.; requiring the Department of Management Services to develop a strategic leasing plan; removing the expiration of provisions requiring that the department annually submit a master leasing report to the Governor and the Legislature concerning leases that are due to expire and amendments and supplements to and waivers of the terms and conditions of lease agreements; requiring state agencies to provide information concerning space needs to the Department of Management Services; requiring that the Department of Management Services adopt rules for soliciting and accepting competitive solicitations for certain leased space, for exempting the lease of care and living space or emergency space from competitive-solicitation requirements, for securing at least three quotes for a lease that is not required to be competitively solicited and for providing information regarding space needs to the Department of Management Services; removing the expiration of provisions requiring that specified clauses, which may not be amended, supplemented, or waived, be included in the terms and conditions of a lease; authorizing the Department of Management Services to contract for services in carrying out the strategic leasing plan; amending s. 255.25, F.S.; requiring state agencies to consult with the Department of Management Services concerning use of space; removing the expiration of provisions requiring that the department approve the terms of a lease by a state agency; requiring an analysis if the department approves an amendment or supplement to or waiver of a term or condition of a lease agreement; prohibiting a state agency from entering into certain leases of space in a privately owned building except upon advertisement for and receipt of competitive solicitations; providing exceptions; providing requirements for the use of invitations to bid, requests for proposals, and invitations to negotiate; providing criteria for awarding contracts; providing criteria for protesting an agency decision or intended decision pertaining to a competitive solicitation for leased space; providing criteria for the Department of Management Services to use when determining the state's best interest and when approving leases of 5,000 square feet or more; authorizing state agencies to use the services of a tenant broker under specified circumstances; authorizing the Department of Management Services to procure a state term contract for real estate consulting and brokerage services; removing the expiration of provisions providing legislative intent with respect to the use of state-owned buildings; requiring that the department create a plan for fully using such buildings before leasing private buildings; requiring an annual report to the Legislature and the Governor; providing the procedure for payment of the tenant broker for commission earned; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Section 255.248, Florida Statutes, is amended to read:

255.248 Definitions; ss. 255.249 and 255.25.—~~As The following definitions shall apply when used in ss. 255.249 and 255.25, the term:~~

(1) “Best leasing value” means the highest overall value to the state based on objective factors that include, but are not limited to, rental rate, renewal rate, operational and maintenance costs, tenant-improvement allowance, location, lease term, condition of facility, landlord responsibility, amenities, and parking.

(2) “Competitive solicitation” means an invitation to bid, a request for proposals, or an invitation to negotiate.

(3) “Department” means the Department of Management Services.

(4) “Privately owned building” means any building not owned by a governmental agency.

(5) “Responsible lessor” means a lessor who has the capability in all respects to fully perform the contract requirements and the integrity and reliability that will assure good faith performance.

(6) “Responsive bid,” “responsive proposal,” or “responsive reply” means a bid or proposal, or reply submitted by a responsive and responsible lessor, which conforms in all material respects to the solicitation.

(7) “Responsive lessor” means a lessor that has submitted a bid, proposal, or reply that conforms in all material respects to the solicitation.

~~(8)~~(1) ~~The term~~ “State-owned office building” means any building title to which is vested in the state and which is used by one or more executive agencies predominantly for administrative direction and support functions. This term excludes:

(a) District or area offices established for field operations where law enforcement, military, inspections, road operations, or tourist welcoming functions are performed.

(b) All educational facilities and institutions under the supervision of the Department of Education.

(c) All custodial facilities and institutions used primarily for the care, custody, or treatment of wards of the state.

(d) Buildings or spaces used for legislative activities.

(e) Buildings purchased or constructed from agricultural or citrus trust funds.

~~(2) The term “privately owned building” shall mean any building not owned by a governmental agency.~~

Section 2. Subsections (1), (3), (4), and (5) of section 255.249, Florida Statutes, are amended, and subsection (6) is added to that section, to read:

255.249 Department of Management Services; responsibility; department rules.—

(1) ~~The department of Management Services~~ shall have responsibility and authority for the custodial and preventive maintenance, repair, and allocation of space of all buildings in the Florida Facilities Pool and the grounds located adjacent thereto.

(3)(a) The department shall, to the extent feasible, coordinate the vacation of privately owned leased space with the expiration of the lease on that space and, when a lease is terminated before expiration of its base term, will make a reasonable effort to place another state agency in the space vacated. Any state agency may lease the space in any building that was subject to a lease terminated by a state agency for a period of time equal to the remainder of the base term without the requirement of competitive solicitation bidding.

(b) The department shall develop and implement a strategic leasing plan. The strategic leasing plan shall forecast space needs for all state agencies and identify opportunities for reducing costs through consolidation, relocation, reconfiguration, capital investment, and the building or acquisition of state-owned space.

~~(c)(b) The department shall annually publish a master leasing report that lists, by agency, all leases that are due to expire within 24 months. The annual report must include the following information for each lease: location; size of leased space; current cost per leased square foot; lease expiration date; and a determination of whether sufficient state-owned office space will be available at the expiration of the lease to house affected employees. The report must also include a list of amendments and supplements to and waivers of terms and conditions in lease agreements that have been approved pursuant to s. 255.25(2)(a) during the previous 12 months and an associated comprehensive analysis, including financial implications, showing that any amendment, supplement, or waiver is in the state's long-term best interest. The department shall furnish the master leasing this report to the Executive Office of the Governor and the Legislature by September 15 of each year which provides the following information: This paragraph expires July 1, 2007.~~

1. A list, by agency and by geographic market, of all leases that are due to expire within 24 months.

2. Details of each lease, including location, size, cost per leased square foot, lease-expiration date, and a determination of whether sufficient state-owned office space will be available at the expiration of the lease to accommodate affected employees.

3. A list of amendments and supplements to and waivers of terms and conditions in lease agreements that have been approved pursuant to s.

255.25(2)(a) during the previous 12 months and an associated comprehensive analysis, including financial implications, showing that any amendment, supplement, or waiver is in the state's long-term best interest.

4. Financial impacts to the pool rental rate due to the sale, removal, acquisition, or construction of pool facilities.

5. Changes in occupancy rate, maintenance costs, and efficiency costs of leases in the state portfolio. Changes to occupancy costs in leased space by market and changes to space consumption by agency and by market.

6. An analysis of portfolio supply and demand.

7. Cost-benefit analyses of acquisition, build, and consolidation opportunities, recommendations for strategic consolidation, and strategic recommendations for disposition, acquisition, and building.

8. The updated plan required by s. 255.25(4)(c).

(d) By June 30 of each year, each state agency shall annually provide to the department all information regarding agency programs affecting the need for or use of space by that agency, reviews of lease-expiration schedules for each geographic area, active and planned full-time equivalent data, business case analyses related to consolidation plans by an agency, and current occupancy and relocation costs, inclusive of furnishings, fixtures and equipment, data, and communications.

(4) The department shall ~~adopt~~ promulgate rules pursuant to chapter 120 providing:

(a) Methods for accomplishing the duties outlined in subsection (1).

(b) Procedures for soliciting and accepting competitive solicitations ~~proposals~~ for leased space of 5,000 square feet or more in privately owned buildings, for evaluating the proposals received, for exemption from competitive solicitations ~~bidding~~ requirements of any lease the purpose of which is the provision of care and living space for persons or emergency space needs as provided in s. 255.25(10), and for the securing of at least three documented quotes for a lease that is not required to be competitively solicited bid.

(c) A standard method for determining square footage or any other measurement used as the basis for lease payments or other charges.

(d) Methods of allocating space in both state-owned office buildings and privately owned buildings leased by the state based on use, personnel, and office equipment.

(e)1. Acceptable terms and conditions for inclusion in lease agreements.

2. Such terms and conditions shall include, at a minimum, the following clauses, which may not be amended, supplemented, or waived:

a. As provided in s. 255.2502, "The State of Florida's performance and obligation to pay under this contract is contingent upon an annual appropriation by the Legislature."

b. "The Lessee shall have the right to terminate, without penalty, this lease in the event a State-owned building becomes available to the Lessee for occupancy ~~in the County of ....., Florida, during the term of said lease for the purposes for which this space is being leased~~ upon giving 6 months' advance written notice to the Lessor by Certified Mail, Return Receipt Requested."

~~This subparagraph expires July 1, 2007.~~

(f) Maximum rental rates, by geographic areas or by county, for leasing privately owned space.

(g) A standard method for the assessment of rent to state agencies and other authorized occupants of state-owned office space, notwithstanding the source of funds.

(h) For full disclosure of the names and the extent of interest of the owners holding a 4-percent or more interest in any privately owned property leased to the state or in the entity holding title to the property, for exemption from such disclosure of any beneficial interest which is represented by stock in any corporation registered with the Securities and Exchange Commission or registered pursuant to chapter 517, which stock is for sale to the general public, and for exemption from such disclosure of any leasehold interest in property located outside the territorial boundaries of the United States.

(i) For full disclosure of the names of all public officials, agents, or employees holding any interest in any privately owned property leased to the state or in the entity holding title to the property, and the nature and extent of their interest, for exemption from such disclosure of any beneficial interest which is represented by stock in any corporation registered with the Securities and Exchange Commission or registered pursuant to chapter 517, which stock is for sale to the general public, and for exemption from such disclosure of any leasehold interest in property located outside the territorial boundaries of the United States.

(j) A method for reporting leases for nominal or no consideration.

(k) For a lease of less than 5,000 square feet, a method for certification by the agency head or the agency head's designated representative that all criteria for leasing have been fully complied with and for the filing of a copy of such lease and all supporting documents with the department for its review and approval as to technical sufficiency.

(l) A standardized format for state agency reporting of the information required by paragraph (3)(d).

(5) The department of ~~Management Services~~ shall prepare a form listing all conditions and requirements adopted pursuant to this chapter which must be met by any state agency leasing any building or part thereof. Before

executing any lease, this form shall be certified by the agency head or the agency head's designated representative and submitted to the department.

(6) The department may contract for real estate consulting or tenant brokerage services in order to carry out its duties relating to the strategic leasing plan. The contract shall be procured pursuant to s. 287.057. The vendor that is awarded the contract shall be compensated by the department, subject to the provisions of the contract, and such compensation is subject to appropriation by the Legislature. The real estate consultant or tenant broker may not receive compensation directly from a lessor for services that are rendered pursuant to the contract. Moneys paid to the real estate consultant or tenant broker are exempt from any charge imposed under s. 287.1345. Moneys paid by a lessor to the department under a facility-leasing arrangement are not subject to the charges imposed under s. 215.20.

Section 3. Subsections (1), (2), (3), (4), and (8) of section 255.25, Florida Statutes, are amended to read:

255.25 Approval required prior to construction or lease of buildings.—

(1)(a) ~~A~~ ~~No~~ state agency may not lease space in a private building that is to be constructed for state use unless prior approval of the architectural design and preliminary construction plans is first obtained from the department of ~~Management Services~~.

(b) During the term of existing leases, each agency shall consult with the department regarding opportunities for consolidation, use of state-owned space, build-to-suit space, and potential acquisitions; shall monitor market conditions; and shall initiate a competitive solicitation or, if appropriate, lease-renewal negotiations for each lease held in the private sector to effect the best overall lease terms reasonably available to that agency. Amendments to leases may be permitted to modify any lease provisions or any other terms or conditions, except to the extent specifically prohibited by this chapter. The department of ~~Management Services~~ shall serve as a mediator in ~~lease-renewal negotiations~~ lease renegotiations if the agency and the lessor are unable to reach a compromise within 6 months ~~after of renegotiation~~ and if either the agency or lessor requests ~~the Department of Management Services' intervention by~~ the department.

(c) When specifically authorized by the Appropriations Act and in accordance with s. 255.2501, if applicable, the department of ~~Management Services~~ may approve a lease-purchase, sale-leaseback, or tax-exempt leveraged lease contract or other financing technique for the acquisition, renovation, or construction of a state fixed capital outlay project when it is in the best interest of the state.

(2)(a) Except as provided in s. 255.2501, ~~a~~ ~~no~~ state agency may not lease a building or any part thereof unless prior approval of the lease conditions and of the need therefor is first obtained from the department of ~~Management Services~~. Any approved lease may include an option to purchase or an option to renew the lease, or both, upon such terms and conditions as are

established by the department subject to final approval by the head of the Department of Management Services and s. 255.2502.

(b) ~~The approval of the department of Management Services, except for technical sufficiency, need not be obtained for the lease of less than 5,000 square feet of space within a privately owned building, provided the agency head or the agency head's designated representative has certified compliance with applicable leasing criteria as may be provided pursuant to s. 255.249(4)(k) and has determined such lease to be in the best interest of the state. Such A lease that which~~ is for a term extending beyond the end of a fiscal year is subject to the provisions of ss. 216.311, 255.2502, and 255.2503.

(c) ~~The department of Management Services shall adopt as a rule uniform leasing procedures for use by each state agency other than the Department of Transportation. Each state agency shall ensure that the leasing practices of that agency are in substantial compliance with the uniform leasing rules adopted under this section and ss. 255.249, 255.2502, and 255.2503.~~

(d) Notwithstanding paragraph (a) and except as provided in ss. 255.249 and 255.2501, a state agency may not lease a building or any part thereof unless prior approval of the lease terms and conditions and of the need therefor is first obtained from the department of Management Services. The department may not approve any term or condition in a lease agreement which has been amended, supplemented, or waived unless a comprehensive analysis, including financial implications, demonstrates that such amendment, supplement, or waiver is in the state's long-term best interest. Any approved lease may include an option to purchase or an option to renew the lease, or both, upon such terms and conditions as are established by the department subject to final approval by the head of the Department of Management Services and the provisions of s. 255.2502. ~~This paragraph expires July 1, 2007.~~

(3)(a) Except as provided in subsection (10), ~~a no state agency may not~~ shall enter into a lease as lessee for the use of 5,000 square feet or more of space in a privately owned building except upon advertisement for and receipt of competitive solicitations ~~bids and award to the lowest and best bidder.~~

1.a. An invitation to bid shall be made available simultaneously to all lessors and must include a detailed description of the space sought; the time and date for the receipt of bids and of the public opening; and all contractual terms and conditions applicable to the procurement, including the criteria to be used in determining acceptability of the bid. If the agency contemplates renewal of the contract, that fact must be stated in the invitation to bid. The bid must include the price for each year for which the contract may be renewed. Evaluation of bids shall include consideration of the total cost for each year as submitted by the lessor. Criteria that were not set forth in the invitation to bid may not be used in determining acceptability of the bid.

b. The contract shall be awarded with reasonable promptness by written notice to the responsible and responsive lessor that submits the lowest

responsive bid. This bid must be determined in writing to meet the requirements and criteria set forth in the invitation to bid.

2.a. If an agency determines in writing that the use of an invitation to bid is not practicable, leased space shall be procured by competitive sealed proposals. A request for proposals shall be made available simultaneously to all lessors and must include a statement of the space sought; the time and date for the receipt of proposals and of the public opening; and all contractual terms and conditions applicable to the procurement, including the criteria, which must include, but need not be limited to, price, to be used in determining acceptability of the proposal. The relative importance of price and other evaluation criteria shall be indicated. If the agency contemplates renewal of the contract, that fact must be stated in the request for proposals. The proposal must include the price for each year for which the contract may be renewed. Evaluation of proposals shall include consideration of the total cost for each year as submitted by the lessor.

b. The contract shall be awarded to the responsible and responsive lessor whose proposal is determined in writing to be the most advantageous to the state, taking into consideration the price and the other criteria set forth in the request for proposals. The contract file must contain documentation supporting the basis on which the award is made.

3.a. If the agency determines in writing that the use of an invitation to bid or a request for proposals will not result in the best leasing value to the state, the agency may procure leased space by competitive sealed replies. The agency's written determination must specify reasons that explain why negotiation may be necessary in order for the state to achieve the best leasing value and must be approved in writing by the agency head or his or her designee prior to the advertisement of an invitation to negotiate. Cost savings related to the agency procurement process are not sufficient justification for using an invitation to negotiate. An invitation to negotiate shall be made available to all lessors simultaneously and must include a statement of the space sought; the time and date for the receipt of replies and of the public opening; and all terms and conditions applicable to the procurement, including the criteria to be used in determining the acceptability of the reply. If the agency contemplates renewal of the contract, that fact must be stated in the invitation to negotiate. The reply must include the price for each year for which the contract may be renewed.

b. The agency shall evaluate and rank responsive replies against all evaluation criteria set forth in the invitation to negotiate and shall select, based on the ranking, one or more lessors with which to commence negotiations. After negotiations are conducted, the agency shall award the contract to the responsible and responsive lessor that the agency determines will provide the best leasing value to the state. The contract file must contain a short, plain statement that explains the basis for lessor selection and sets forth the lessor's deliverables and price pursuant to the contract, and an explanation of how these deliverables and price provide the best leasing value to the state.

(b) The Department of Management Services shall have the authority to approve a lease for 5,000 square feet or more of space that covers more than

1 fiscal year, subject to the provisions of ss. 216.311, 255.2501, 255.2502, and 255.2503, if such lease is, in the judgment of the department, in the best interests of the state. In determining best interest, the department shall consider availability of state-owned space and analyses of build-to-suit and acquisition opportunities. This paragraph does not apply to buildings or facilities of any size leased for the purpose of providing care and living space for persons.

~~(c)~~<sup>(b)</sup> The department of Management Services may approve extensions of an existing lease of 5,000 square feet or more of space if such extensions are determined to be in the best interests of the state, but in no case shall the total of such extensions exceed 11 months. If at the end of the 11th month an agency still needs that space, it shall be procured by competitive bid in accordance with s. 255.249(4)(b). However, an agency that determines that it is in its best interest to remain in the space it currently occupies may negotiate a replacement lease with the lessor if an independent comparative market analysis demonstrates that the rates offered are within market rates for the space and the cost of the new lease does not exceed the cost of a comparable lease plus documented moving costs. A present-value analysis and the consumer price index shall be used in the calculation of lease costs. The term of the replacement lease may not exceed the base term of the expiring lease.

~~(d)~~<sup>(e)</sup> Any person who files an action protesting a decision or intended decision pertaining to a competitive solicitation bid for space to be leased by the agency pursuant to s. 120.57(3)(b) shall post with the state agency at the time of filing the formal written protest a bond payable to the agency in an amount equal to 1 percent of the estimated total rental of the basic lease period or \$5,000, whichever is greater, which bond shall be conditioned upon the payment of all costs ~~that~~ which may be adjudged against him or her in the administrative hearing in which the action is brought and in any subsequent appellate court proceeding. If the agency prevails after completion of the administrative hearing process and any appellate court proceedings, it shall recover all costs and charges, which shall be included in the final order or judgment, excluding attorney's fees. Upon payment of such costs and charges by the person protesting the award, the bond shall be returned to him or her. If the person protesting the award prevails, the bond shall be returned to that person and he or she shall recover from the agency all costs and charges, which shall be included in the final order of judgment, excluding attorney's fees.

~~(e)~~<sup>(d)</sup> The agency and the lessor, when entering into a lease for 5,000 or more square feet of a privately owned building, shall, before the effective date of the lease, agree upon and separately state the cost of tenant improvements which may qualify for reimbursement if the lease is terminated before the expiration of its base term. The department shall serve as mediator if the agency and the lessor are unable to agree. The amount agreed upon and stated shall, if appropriated, be amortized over the original base term of the lease on a straight-line basis.

~~(f)~~<sup>(e)</sup> The unamortized portion of tenant improvements, if appropriated, shall ~~will~~ be paid in equal monthly installments over the remaining term of

the lease. If any portion of the original leased premises is occupied after termination but during the original term by a tenant that does not require material changes to the premises, the repayment of the cost of tenant improvements applicable to the occupied but unchanged portion shall be abated during occupancy. The portion of the repayment to be abated shall be based on the ratio of leased space to unleased space.

(g) Notwithstanding s. 287.056(1), a state agency may, at the sole discretion of the agency head or his or her designee, use the services of a tenant broker to assist with a competitive solicitation undertaken by the agency. In making its determination whether to use a tenant broker, a state agency shall consult with the department. A state agency may not use the services of a tenant broker unless the tenant broker is under a term contract with the state which complies with paragraph (h). If a state agency uses the services of a tenant broker with respect to a transaction, the agency may not enter into a lease with any landlord to which the tenant broker is providing brokerage services for that transaction.

(h) The Department of Management Services may, pursuant to s. 287.042(2)(a), procure a term contract for real estate consulting and brokerage services. A state agency may not purchase services from the contract unless the contract has been procured under s. 287.057(1), (2), or (3) after March 1, 2007, and contains the following provisions or requirements:

1. Awarded brokers must maintain an office or presence in the market served. In awarding the contract, preference must be given to brokers that are licensed in this state under chapter 475 and that have 3 or more years of experience in the market served. The contract may be made with up to three tenant brokers in order to serve the marketplace in the north, central, and south areas of the state.

2. Each contracted tenant broker shall work under the direction, supervision, and authority of the state agency, subject to the rules governing lease procurements.

3. The department shall provide training for the awarded tenant brokers concerning the rules governing the procurement of leases.

4. Tenant brokers must comply with all applicable provisions of s. 475.278.

5. Real estate consultants and tenant brokers shall be compensated by the state agency, subject to the provisions of the term contract, and such compensation is subject to appropriation by the Legislature. A real estate consultant or tenant broker may not receive compensation directly from a lessor for services that are rendered under the term contract. Moneys paid to a real estate consultant or tenant broker are exempt from any charge imposed under s. 287.1345. Moneys paid by a lessor to the state agency under a facility leasing arrangement are not subject to the charges imposed under s. 215.20. All terms relating to the compensation of the real estate consultant or tenant broker shall be specified in the term contract and may not be supplemented or modified by the state agency using the contract.

6. The department shall conduct periodic customer-satisfaction surveys.

7. Each state agency shall report the following information to the department:

a. The number of leases that adhere to the goal of the workspace-management initiative of 180 square feet per FTE.

b. The quality of space leased and the adequacy of tenant-improvement funds.

c. The timeliness of lease procurement, measured from the date of the agency's request to the finalization of the lease.

d. Whether cost-benefit analyses were performed before execution of the lease in order to ensure that the lease is in the best interest of the state.

e. The lease costs compared to market rates for similar types and classifications of space according to the official classifications of the Building Owners and Managers Association.

(4)(a) ~~The department of Management Services shall not authorize any state agency to enter into a lease agreement for space in a privately owned building when suitable space is available in a state-owned building located in the same geographic region, except upon presentation to the department of sufficient written justification, acceptable to the department, that a separate space is required in order to fulfill the statutory duties of the agency making such request. The term "state-owned building" as used in this subsection means any state-owned facility regardless of use or control.~~

(b) State agencies shall cooperate with local governmental units by using suitable, existing publicly owned facilities, subject to the provisions of ss. 255.2501, 255.2502, and 255.2503. Agencies may utilize unexpended funds appropriated for lease payments to:

1. Pay their proportion of operating costs.
2. Renovate applicable spaces.

(c) ~~Because the state has a substantial financial investment in state-owned buildings, it is legislative policy and intent that when state-owned buildings meet the needs of state agencies, agencies must fully use such buildings before leasing privately owned buildings. By September 15, 2006, the Department of Management Services shall create a 5-year plan for implementing this policy. The department shall update this plan annually, detailing proposed departmental actions to meet the plan's goals, and shall furnish this plan annually as part of the master leasing report. The department shall furnish this plan to the President of the Senate, the Speaker of the House of Representatives, and the Executive Office of the Governor by September 15 of each year. This paragraph expires July 1, 2007.~~

(8) ~~An No agency may not shall enter into more than one lease for space in the same privately owned facility or complex within any 12-month period except upon competitive the solicitation of competitive bids.~~

Section 4. Recognizing that a term contract consistent with the requirements of ss. 255.25(3) and 255.249(6), Florida Statutes, cannot be competitively established prior to July 1, 2007, and notwithstanding any provision of law to the contrary, between July 1, 2007 and October 15, 2007, with the prior written approval of the Department of Management Services, an agency may use the services of a tenant broker currently under contract with the department notwithstanding that such contract was procured prior to March 1, 2007. After July 1, 2007, funds generated through the payment of commissions by third-party landlords shall be deposited into a trust fund of the Department of Management Services and distributed to the tenant broker through the appropriations process provided for in s. 255.249(6), Florida Statutes, or other provision of law. This section shall not be construed to abrogate any existing contract between the department and a tenant broker, and is intended to clarify the procedure for payment to the tenant broker, for commissions earned through successfully completed transactions under a contract procured prior to March 1, 2007.

Section 5. This act shall take effect July 1, 2007.

Approved by the Governor June 26, 2007.

Filed in Office Secretary of State June 26, 2007.