

## Amendment No. 65

**CO-TENANCY AGREEMENT  
BETWEEN  
THE MINNESOTA STATE RETIREMENT SYSTEM,  
THE PUBLIC EMPLOYEES RETIREMENT ASSOCIATION AND,  
THE TEACHERS RETIREMENT ASSOCIATION**

The Board of Directors of the Minnesota State Retirement System ("MSRS"), the Board of Trustees of the Public Employees Retirement Association ("PERA"), and the Board of Trustees of the Teachers Retirement Association ("TRA"), represented herein by their Executive Directors, enter into THIS AGREEMENT in order to formulate and adopt a written working agreement setting forth the retirement systems' collective and individual ownership interests, duties, and responsibilities relating to the construction and management of the Public Pension Facilities authorized under Laws of Minnesota 1999, Chapter 222, Article 22, Sections 1 through 6. ("1999 Law").

WHEREAS, the 1999 Law authorizes the Commissioner of Administration to provide, through lease, acquisition or construction, a building and related facilities to be jointly occupied by the Boards for the administration of their public pension systems;

WHEREAS, the Commissioner has purchased real property in Ramsey County, legally described as Lots 2 and 3, Block 2, Empire Builder Industrial Park, Ramsey County, upon which Public Pension Facilities are constructed;

WHEREAS, at their regularly scheduled public board meetings, the Boards adopted resolutions approving the acquisition of the land and the financing for, and construction of, Public Pension Facilities on that property and further, authorized the Facility Construction Committee established under this agreement to enter into a separate Interagency Agreement with the Department of Administration setting forth their respective responsibilities relating to the design, construction, and management of the Public Pension Facilities;

WHEREAS, the 1999 law requires any land, building, or facilities leased, constructed, or acquired under its provisions to be held in trust for the three retirement systems as tenants in common and further requires each retirement system to consider its interest as a fixed asset of its pension fund in accordance with governmental accounting standards;

WHEREAS, the 1999 Law requires the Pension Boards to:

[A]dopt a written working agreement that sets forth the nature of each retirement System's ownership interest, the duties and obligations of each system toward the construction, operation, and maintenance costs of its facilities, and identifies one retirement system to serve as manager for operations and maintenance purposes;

WHEREAS, the Boards have previously entered into an Interagency Agreement dated October 20, 1999, regarding the payment and reimbursement of costs associated with the real estate acquisition and preparation and for the consulting services for designing and constructing the Public Pension Facilities under which the Public Employees Retirement Association serves as the "providing agency" with reimbursements to be made to it by the other two retirement systems if revenue bonds are not subsequently issued;

WHEREAS, the Boards agree that the creation of a Facilities Management Committee, consisting of representatives from all three Boards, to oversee the management of the Public Pension Facilities by the retirement system selected under this agreement to serve as "Manager" will most effectively and efficiently direct the operations of the Public Pension Facilities while at the same time assuring that the Boards continue to exercise an appropriate and reasonable degree of fiduciary oversight and control over the operations and management of the Public Pension Facilities;

WHEREAS, each of the retirement systems intends to utilize and occupy an agreed upon percentage of the Public Pension Facilities and the Boards agree that costs, expenses, revenues, pledges of assets for the payment of any revenue bonds issued under the 1999 Law, and any realized or recognized increases and/or decreases in the value of the Public Pension Facilities should be apportioned, shared, and/or recognized by each retirement system based upon each system's percentage of use and occupancy of the Public Pension facilities;

WHEREAS, Public Pension Facilities providing office space for all retirement systems in the same building serves the best interest of the Boards, the pension fund members they represent, Minnesota's public employers and Minnesota's taxpayers since it will prove to be more cost effective over the life of the facilities than would the retirement systems' continued rental of private properties and buildings;

WHEREAS, the Boards are each empowered to enter into interagency agreements pursuant to Minnesota Statutes Section 471.59, subdivision 10 and the 1999 law directs that they do so for purposes of managing and operating Public Pension Facilities;

WHEREAS, the Boards mutually designate Minnesota State Retirement System to serve as Facilities Manager and agree and understand that MSRS will delegate the day to day responsibility of managing the operations and maintenance of the Facilities to its Chief Financial Officer who will serve as "Facilities Manager" on behalf of MSRS and will be subject to the direction and control of the Facilities Management Committee;

WHEREAS, this Amendment No. 65 incorporates all changes previously agreed to by the parties in signed amendments and incorporates for reference the original AGREEMENT available for viewing at 60 Empire Drive, Suite 300, St. Paul, MN 55103;

NOW, THEREFORE, the Boards agree as follows:

#### **SECTION 1. PURPOSE.**

The Purpose of this Agreement is to adopt a written working agreement setting forth the nature of each retirement system's ownership interest in the Public Pension Facilities, the duties and obligations of each system toward the construction, operation, maintenance and debt service costs of the facilities, and the designation of one retirement system to serve as manager for operating and maintenance purposes, all as required under the 1999 Law. This agreement is also intended to set forth the steps and procedures to be followed in order to resolve disputes or uncertainties amongst the Boards relating to their collective and individual duties and responsibilities relating to the operation and management of the Public Pension Facilities.

#### **SECTION 2. TERM OF AGREEMENT.**

This Agreement shall be effective as of the date of the last signature hereto and shall remain in force and effect from year to year subject to amendment and shall not terminate in total unless there is a legislatively authorized sale of the Public Pension Facilities or divestiture of the Boards' interests therein.

### SECTION 3. BINDING AGREEMENT.

This Agreement shall continue in full force and effect from year to year and shall be binding upon the Boards and their successors in interest, subject to amendment upon mutual agreement of the Boards. The duties and obligations under this agreement shall not be subject to termination or avoidance based upon a claim of breach of the agreement's provisions, material or otherwise, upon a claim of breach of one Board's respective duties and responsibilities, or for any other cause, and the duties and responsibilities of each Board may be specifically enforced through the dispute resolution provisions of Section 15 herein.

### SECTION 4. DEFINITIONS.

- a. "Administrative Expenses" means the ongoing expenses related to managing, maintaining and operating the Facilities, including, but not limited to janitorial services, snow removal, lawn services, general building liability insurance that is not specific to anyone retirement system's liability coverage, maintenance of the heating and cooling systems, general security of the Facilities, Capital Expenditures approved by the Facilities Management Committee and non-capital costs of the Facilities. Administrative Expenses also include any rebate payments imposed by the federal government related to the revenue bonds, if applicable, but does not mean the principal and interest payments required to be paid to the Pension Building Debt Service fund by each Board as defined in the Joint Payment and Pledge Agreement.
- b. "Assets" means the cash, short-term investments and long-term investments of all the defined benefit plans administered by the Retirement Funds.
- c. "Boards" refers collectively to the board of directors of the Minnesota State Retirement System, the board of trustees of the Public Employees Retirement Association, and the board of trustees of the Teachers Retirement Association.
- d. "Bonds" means the revenue bonds authorized by the 1999 Law to be issued by the Commissioner of Finance to finance the purchase and construction of the Public Pension Facilities, and the refunding bonds issued in 2012.
- e. "Capital Expenditures" means any expenditure properly chargeable to a capital account under generally accepted accounting principles, including additions, improvements, repairs or replacements to the Public Pension Facilities [approved by the Facilities Management Committee.](#)
- f. "Commissioner" means the Commissioner of Administration.
- g. "Public Pension Facilities" and/or "facilities" refers collectively to the land, buildings and related facilities which are purchased and/or constructed under the authority of the 1999 Law and held in trust by the state for the three retirement systems as tenants in common.
- h. "Facilities Management Committee" means the committee of six consisting of two representatives appointed by each Board, which will be responsible under this Agreement for making decisions on the ongoing operation and maintenance of the Facilities.
- i. "Facilities Manager" means the retirement system and its identified representative(s), designated to serve as manager of the Facilities for operations and maintenance purposes under Section 11 of this agreement.
- j. "Joint Payment and Pledge Agreement" means the Joint Payment and Pledge Agreement among the Department of Finance (now Minnesota Management and Budget) and the Boards dated as of August 9, 2012, providing for payment of the principal and interest on the refunding Bonds issued in 2012.
- k. "Land" means that parcel of land legally described as: Lots 2 and 3, Block 2, Empire Builder Industrial Park, Ramsey County.

- l. "Pension Building Fund" means the fund established by the Department of Finance (now the Minnesota Department of Management and Budget) pursuant to the 1999 Law into which the proceeds of the Series 2000 revenue bonds were deposited.
- m. "Pension Building Debt Service Fund" means the fund established by the Department of Finance (now the Minnesota Department of Management and Budget) pursuant to the 1999 Law, to which the Boards will transfer funds sufficient to pay principal and interest payments due on the Bonds issued under the 1999 Law.
- n. "Pension Building Operating Fund" means the fund to be established by the Department of Finance (now the Minnesota Department of Management and Budget) on behalf of the Boards which will receive any rental income and parking receipts and any additional transfers of funds by the Boards. The Fund will be used to pay all ongoing Administrative Expenses of the Public Pension Facilities.
- o. "Rental Income" means any income received through the lease of rental space to other governmental subdivisions, any income received through the lease of rental space to other state agencies under Section 16B.24, and any income from any rent paid by the Board(s) for the use of rental space which is in excess of the space initially allocated under Section 5 of this Agreement.
- p. "Rental Space" means any portion of the Public Pension Facilities which is not required for the Retirement Systems' direct use and is available for lease to other state agencies or political subdivisions.
- q. "Retirement Systems" refers collectively to the Minnesota State Retirement System "MSRS", the Public Employees Retirement Association "PERA" and the Teachers Retirement Association "TRA."

**SECTION 5. THE RETIREMENT SYSTEMS' OWNERSHIP AND ADMINISTRATIVE INTERESTS IN THE PUBLIC PENSION FACILITIES**

The Boards estimate that approximately ~~73~~78~~2~~2~~percent~~ of the Public Pension Facilities useable square feet will be used or occupied exclusively by the Retirement Systems. The remaining ~~27~~21~~8~~ percent of the Public Pension facilities' space will not be directly occupied or utilized by any of the Retirement Systems and will constitute Rental Space, with ~~7~~1~~7~~ percent of that Rental Space expected to be leased to the State Board of Investment and ~~20~~1 percent of that Rental Space expected to be leased to other state agencies or governmental subdivisions.

a. OWNERSHIP INTEREST is based upon the Retirement System's share of the total amount of bond payments when the bonds issued under the 1999 Law are fully repaid. Those percentages are:

Minnesota State Retirement System: 27.5%  
Public Employees Retirement Association: 36.5%  
Teachers Retirement Association: 36.0%

These percentages represent each Retirement System's OWNERSHIP INTEREST and will remain constant unless one Retirement System transfers a portion of its ownership to one or both of the other Retirement Systems as set forth in section 'f' of this section.

a.b. ADMINISTRATIVE INTEREST is based upon the amounts of space each retirement system intends to use and occupy, the Boards have determined and have agreed to the percentage amounts which represent each Retirement System's proportionate share of the total space intended to be used exclusively by the Retirement Systems on the date of occupancy of the facilities. Those percentages are:

Minnesota State Retirement System: ~~27.5~~37.1%  
Public Employees Retirement Association: ~~36.5~~28.9%

Teachers Retirement Association: ~~36.034.0%~~

These percentages represent each Retirement System's ADMINISTRATIVE INTEREST, OWNERSHIP INTEREST ~~or proportion of Rental Income and; Administrative Expenses and Capital Expenditures~~ in the Public Pension Facilities as of July 1, 2025.

Included in the percentage amounts allocated to each Retirement System's ADMINISTRATIVE INTEREST ~~interest~~ are portions of common areas of the Facilities which will be shared or used by one or more of the retirement systems. Common areas are allocated to, and included in each Retirement System's ownership interest based upon the following agreements as to how shared space will be allocated to each Retirement System's ownership interest:

1. The Boardroom is shared equally ~~and; one-third of the total Boardroom space and its use is~~ allocated to the ADMINISTRATIVE INTEREST of each Retirement System.
- 1.2. ~~The Training Room is shared equally and; one-third of the total Training Room space and its use is allocated to the ADMINISTRATIVE INTEREST ownership interest of each Retirement System.~~
- 2.3. ~~The Training Center is shared equally.~~ The Computer Training Room is allocated entirely to TRA. ~~These allocations will be used when determining ownership ADMINISTRATIVE INTERESTS interests.~~ MSRS and PERA will rent space in the Computer Training Room on an as-needed basis.
- 3.4. General Storage space is allocated to the Retirement System's ADMINISTRATIVE INTERESTS ~~ownership interests~~ based upon the actual square footage requested to be used by each:

Minnesota State Retirement System: ~~129555~~ square feet

Public Employees Retirement Association: ~~980554~~ square feet

Teachers Retirement Association: 765 square feet

All other common areas and space used by all three Retirement Systems is allocated on the basis of the percentages set forth in paragraph ~~'a'-'b'~~ of this section.

b-c. The ADMINISTRATIVE INTEREST ownership interests will remain constant throughout the ownership of the Public Pension Facilities unless the amounts of space each retirement system intends to use and occupy changes ~~one Retirement System purchases all or a part of an ownership interest in the facilities from one or more of the other Retirement Systems~~ or unless future legislation requires a change. The use or rental of any of the Rental Space will not change the Retirement Systems' ADMINISTRATIVE INTEREST percentage ~~OWNERSHIP INTERESTS ownership interests and will.~~

e-d. The percentages set forth for each Retirement System's ADMINISTRATIVE INTEREST ownership interest shall:

1. Determine each Retirement System's share of the total amount, if any, required to be contributed by the Retirement Systems to the Pension Building Operating Fund for Administrative Expenses;
2. ~~Determine each Retirement System's share of the cost of any future capital expenditures;~~
- ~~3.1. Determine each Retirement System's share of the total amount of assets which must be pledged and appropriated to the Pension Building Debt Service Fund in order to pay when due, the principal and interest on the bonds issued under the 1999 Law.~~
- ~~4.1. Determine the fixed asset value of each Retirement System's ownership interest in the Public Pension Facilities to be used for financial accounting, reporting and disclosure purposes;~~

e. The percentages set forth for each Retirement System's OWNERSHIP INTEREST shall:

1. Determine the percentage amounts each Retirement System will receive from proceeds derived from the sale or exchange of the Public Pension Facilities.
2. Determine each Retirement System's share of the total amount of assets which must be pledged and appropriated to the Pension Building Debt Service Fund in order to pay when due, the principal and interest on the bonds issued under the 1999 Law.
3. Determine the fixed asset value of each Retirement System's ownership interest in the Public Pension Facilities to be used for financial accounting, reporting and disclosure purposes;  
1.4.
- f. One Retirement System may ~~sell and~~ transfer a portion or all of its ownership interest to one or both of the other Retirement Systems. ~~The Facilities Management Committee All the Boards~~ must approve the ~~transfer sale and, in the event a sale is contemplated, the Boards will request the assistance of the Commissioner in determining the fair market value of the interest proposed to be sold.~~ The percentages that represent each retirement system's ownership interest and participation on the Facilities Management Committee shall be adjusted to correctly reflect the new ownership interests and shall be set forth in an amendment to this Agreement.
- d.g. ~~If a Retirement System has ceded a portion of the space it used and occupied to another Retirement System or for Rental Space the Retirement System may reclaim that space upon reasonable written notice and, if necessary, consistent with the terms of the lease agreement to the occupying Retirement System or Lessee. If a Retirement System has ceded a portion of the space it used and occupied to another Retirement System or for Rental Space, that Retirement System has priority over the other Retirement Systems to reclaim the space if it later becomes available.~~

#### SECTION 6. FINANCING.

- a. Pursuant to the Joint Payment and Pledge Agreement, the Boards will periodically deposit into the Pension Building Debt Service Fund their percentage of the total payments required to assure payment of the interest and principal amounts due on the Bonds. Once the Bonds are retired, the Boards will discontinue depositing payments into the Pension Building Debt Service Fund, but will continue to pay their proportionate share of the amounts required to be paid to the Pension Building Operating Fund for the cost of operating and maintaining the Facilities.
- b. A separate account is established as the Pension Building Fund into which the Department of Finance (now Minnesota Management and Budget) deposited the proceeds of the sale of the Series 2000 revenue bonds. These funds are to be used to pay the costs of issuance of the bonds and costs related to the acquisition and construction of the Public Pension Facilities, including, but not limited to, land acquisition, consulting services, construction, and relocation of the retirement systems to the Facilities when completed.
- c. Rental Income will be deposited into the Pension Building Operating Fund and all ongoing Administrative Expenses will be paid from this account. The Facilities Manager must carry forward any income accruing from Rental Income over and above the annual amount needed to offset ongoing Administrative Expenses to be utilized for future Administrative Expenses. The Facilities Manager is not authorized to expend any funds in the Pension Building Operating Fund above those approved and must administer the budget within the polices and standards adopted by the Facilities Management Committee.
- d. In the event of a shortfall in the Pension Building Operating Fund needed to pay -Administrative Expenses, the Retirement Systems shall pay their proportionate share of the shortfall in accordance

with the ~~ownership interest~~Administrative Interest percentages set forth in Section 5. Each Retirement System's share of the additional Administrative Expenses must be transferred within a reasonable time to the Pension Building Operating Fund upon notice from the Facilities Manager that the additional funds are needed to cover the shortfall. The Facilities Manager will set and enforce through the provisions of Section 15 if necessary, the time period within which payments must be made.

- e. If a Retirement System decides to occupy space in excess of its ~~initial~~ occupancy space through lease rather than ~~transfer~~purchase, the additional space will be leased at the rate for Rental Space set and approved by the Facilities Management Committee. The lease payments will be deposited in the Pension Building Operating Fund.

#### **SECTION 7. FACILITIES CONSTRUCTION COMMITTEE.**

- a. A Facilities Construction Committee ("Construction Committee") consisting of the Executive Directors of each Retirement System is hereby established. If an Executive Director cannot attend a meeting and a decision must be made at that meeting, the Chief Financial Officers of MSRS, PERA, and TRA shall attend and vote (the "Designated Replacements"). Major decisions regarding construction of the Facilities must be agreed to unanimously. If all three Executive Directors or their "Designated Replacements" are not present at a meeting when a major decision is to be made, and the major decision can be delayed without adversely affecting the construction budget or schedule, the decision shall be postponed.
- b. The Facilities Construction Committee is authorized to make all necessary decisions regarding all aspects of construction of the Facilities, except for approval of the final design, which must be presented to the Boards for approval. Upon completion of the Facilities and the resolution of all issues concerned with construction of the Facilities and upon the Retirement Systems occupancy of the Facilities, the Committee will cease to exist.
- c. In connection with issuance of the refunding Bonds in 2012, the Boards have entered into an updated Joint Payment and Pledge Agreement that supersedes the agreement entered into at the time of issuance of the Series 2000 Bonds.

#### **SECTION 8. DUTIES OF THE FACILITIES CONSTRUCTION COMMITTEE.**

The Facilities Construction Committee shall meet as necessary with the Commissioner and consultants until final occupancy of the Facilities in order to:

- a. Enter into an Interagency Agreement with the Department of Administration regarding construction of the Facilities.
- b. Review legal and covenant issues regarding limitations on the Land.
- c. Prepare and issue a Request for Qualification (RFQ) to obtain a list of interested design/build teams.
- d. Review RFQ responses and select the most qualified candidates based upon experience, technical competence, past performance, capability to perform and other appropriate facts to be requested to respond to a Request for Proposal (RFP).
- e. Prepare and issue an RFP specifying standards and parameters for the design, layout, floor plans and construction of the new Facilities.
- f. Review RFP responses, evaluate proposals, and select design/build team based upon design, cost, quality, aesthetics and the best overall value to the state pension funds.
- g. Recommend and present the final design of the Facilities to all boards for their approval at a joint meeting of the Boards.

- h. Monitor progress on the project in accordance with the schedule and standards set in the construction proposal and agreement and jointly approve any change orders to the original specifications.
- i. Plan the moving of the three retirement systems to the Facilities in accordance with its completion.

#### SECTION 9. FACILITIES MANAGEMENT COMMITTEE.

A "Facilities Management Committee" is hereby created to be responsible for assuring the performance of the terms of this Agreement and for the overall operation and maintenance of the Facilities. The Facilities Management Committee shall have such powers as specified herein and as necessary to carry forth the terms and intentions of this Agreement.

##### a. Membership

The Facilities Management Committee will be comprised of two representatives from each Board. These representatives shall be appointed by each Board at a regularly scheduled public Board meeting and shall be appointed by motion.

##### b. Meetings of the Facilities Management Committee

The Facilities Management Committee shall hold its first meeting within 30 days of the effective date of this agreement and at least once each year and from time to time as necessary for it to carry out its duties and responsibilities. Additional meetings can be requested by any of the members of the Facility Management Committee as well as by the Facility Manager. Meeting dates shall be set at times all representatives can meet. In the event a representative designated by a Board cannot attend the meeting, that Board's Executive Director shall attend the meeting in the designee's absence and have full voting rights. Representatives shall report the results of each meeting to their Boards at their next regularly scheduled meeting.

##### c. Voting

1. Each representative shall have one vote.
2. For decisions regarding maintenance and operation of the Facilities a quorum of six is required and a decision may be made by a majority vote.

##### d. Improvements to the Facilities/Remodeling

1. Before any Capital Expenditure can be made for the Facilities, the Facilities Management Committee, based upon a quorum of six, must unanimously agree to the recommended expenditures. Capital Expenditures are additions, replacements, major repairs, and reinstallations or rearrangements of the Facility with a cost of \$300,000 or greater. Expenditures for additions, replacements, repairs, and reinstallations or rearrangements of the Facility with a cost of less than \$300,000 will be approved by a majority vote. The Facilities Manager will notify the Commissioner of proposed Capital Expenditures and the Committee's authorization for any repairs or improvements to the Facilities.
2. Any remodeling or reconfiguration within the office space of each Retirement System is at the discretion of the individual system and its Board of Trustees and does not need approval by the Committee or the Commissioner.
3. The Retirement System remodeling or reconfiguring its office space is responsible for paying all costs related to the remodeling or reconfiguration from its own operating expenses. No costs for a Retirement System's remodeling or reconfiguration will be paid for from the Pension Building Operating Fund except as follows: If a Board believes the remodeling or reconfiguration should be included in Administrative Expenses paid for out

of the Pension Building Operating Fund, the Facilities Manager must present the project to the Facilities Management Committee for consideration and approval.

4. The Retirement Systems must notify the Facilities Manager in writing of any proposed remodeling or reconfiguration of their occupied space, whether leased or owned, within 60 days prior to allowing the work to begin. If the Facilities Manager determines the proposed work could adversely affect the value, structural integrity, utility, mechanical/electrical, or communication functions of the Facilities, the proposed project must be presented to the Facilities Management Committee for approval before work is initiated. Approval must be based upon a majority vote with a quorum of six.
5. Notwithstanding the above, no improvements, remodeling or reconfiguration that might adversely affect the value, structural integrity, utility, mechanical/electrical, or communication functions of the Facilities may be undertaken unless the action has been jointly approved by the Facilities Management Committee and the Commissioner of the Department of Administration.

e. Facilities Maintenance

Pursuant to the 1999 law, the Facilities Management Committee may negotiate with the Department of Administration to utilize the services of its Plant-Facilities Management Division for maintenance, or may contract for services with independent third parties.

f. Sale of the Facilities

1. So long as the Bonds are outstanding, one or more of the Retirement Systems must continue to own a total of 100 percent equitable interest in the Public Pension Facilities and the Boards must assure that the Commissioner continues to hold full legal interest in the facilities in trust for one or more of the Retirement Systems.
2. Upon any legislatively authorized sale of the Facilities, proceeds from the sale are to be allocated exclusively to the Retirement Systems in accordance with their respective ownership interests as defined by the percentages set forth in Section 5 of this Agreement.

#### **SECTION 10. DUTIES OF THE FACILITIES MANAGEMENT COMMITTEE.**

The Facilities Management Committee shall:

- a. Set standards and responsibilities for the use and operation of the Facilities not otherwise addressed in this Agreement.
- ~~b. Approve selection of contract proposals for any work.~~
- ~~e.b.~~ Establish an annual budget for ongoing operation and maintenance of the Facilities. The total annual budget cannot be exceeded unless approved by the Facility Management Committee.
- ~~d.c.~~ Set standards and policies for administering the approved budget.
- ~~e.d.~~ Approve all Capital Expenditures that will be paid out of the Pension Building Operating Fund and all projects undertaken by a retirement system or tenant that might adversely affect the value, structural integrity, utility, mechanical, electrical, or communication functions of the Facilities.
- ~~f.e.~~ Select the entities to provide maintenance-related activities, services, and supplies. The Facilities Management Committee may decide to contract with independent third parties for such services or may use the services of the Department of Administration, Plant Management.
- ~~g.f.~~ If additional rental space is available for lease within the Facilities, the Facilities Management Committee shall first inform the Boards of its availability and determine the feasibility of one or more of the Retirement Systems leasing that space before the rental space is made available to

other governmental entities. The committee shall notify the Commissioner of Administration if one or more retirement systems intend to lease additional space before any of the rental space is offered to other governmental agencies.

~~h.g.~~ Notify the Commissioner of the approval or rejection of any governmental entity proposed as a tenant by the Commissioner.

~~i.h.~~ Set ~~written~~ policies and procedures regarding parking and the payment for parking at the Facilities.

~~j.i.~~ If found to be desirable, separately contract with public or private providers for the establishment and operation of lunchroom and/or vending services.

~~k.j.~~ Oversee the operations of the Facilities Manager.

#### **SECTION 11. FACILITIES MANAGER.**

The Boards designate the Minnesota State Retirement System to serve as Facilities Manager and agree and understand that MSRS will delegate the day to day responsibility of managing the operations and maintenance of the Facilities to its Chief Financial Officer who will serve as "Facilities Manager" on behalf of MSRS and will be subject to the direction and control of the Facilities Management Committee;

a. The Facilities Manager shall remain an employee of MSRS and MSRS shall continue to pay the Facilities Manager the salary established for ~~his/her~~ their MSRS position. The Facilities Management Committee shall determine the value of the services provided by the Facilities Manager and the amount so determined shall be paid ~~from the Pension Building Operating Fund~~ to MSRS from PERA and TRA as reimbursement for salary paid by MSRS while its employee performed the duties of Facilities Manager.

~~b.~~ If the Facility Management Committee decides at any time to contract for management services for the Facilities rather than using the designated Facilities Manager, all expenses related to the contracted management services constitute Administrative Expenses that must be paid from the Pension Building Operating Fund.

~~b.—~~

~~c.—~~ Each Retirement System shall authorize ~~in writing three staff~~ personnel who may contact the Facilities Manager, on behalf of one or more retirement system employees or tenants with complaints and suggestions regarding the Facilities.

#### **SECTION 12. DUTIES OF THE FACILITIES MANAGER.**

The Facilities Manager shall:

- a. Coordinate the yearly budget preparation and present the budget recommendation to the Facilities Management Committee for refinement and approval as set forth in Section 14.
- b. Maintain separate accounting for the Pension Building Operating Fund. Prepare annual and "upon-request" financial operating statements for the Facility Management Committee, the legislative auditor, and each of the Boards.
- c. Reconcile the Pension Building Operating Fund on a regular basis, ensuring that Rental Income is appropriately received and that expenses are paid.
- d. Ensure that all billings received accurately represent the work completed under the terms of agreements and/or contracts. Issue payments to vendors when valid billings are received.
- e. When Rental Income does not cover expected Administrative Expenses for the Facilities, calculate the portion owed by each retirement system based upon their percentage ownership interests and submit an invoice to each retirement system.

- f. Prepare Requests for Proposals for services when needed and present vendor recommendations to the Facilities Management Committee ~~for approval, and -When approved,~~ prepare contracts accordingly.
- g. Act as liaison between all of the Facilities' tenants and service vendors, relaying requests and monitoring vendor performance.
- h. Authorize expenditures within the budget established by the Facility Management Committee.
- i. Perform other duties as requested by the Facility Management Committee.
- j. Manage the day-to-day operations and maintenance of the Facilities.

### SECTION 13. DUTIES OF THE RETIREMENT SYSTEMS.

Each Retirement System shall:

- a. Arrange their system's telephone communications services and pay all charges for installation and ~~telephone~~-usage directly to the ~~telephone~~-company following initial occupancy of the Facilities;
- b. Maintain the premises occupied by their system in a reasonably clean and sanitary condition;
- c. Assume all responsibility for security against theft, vandalism or accidental loss of any kind whatsoever in the spaces solely occupied by their system;
- d. Share responsibility for security against theft, vandalism, or accidental loss of any kind whatsoever in the shared-ownership areas of the Facilities through the purchase of general liability insurance to be paid from the annual budget established for operating and maintaining the Facilities;
- e. Comply with all applicable municipal, county and state laws, ordinances and regulations, and obtain and pay for all licenses and permits (and special use permits, if applicable) as may be required for their use of the Facilities;
- e-f.
- ~~f. — Agree that it will not discriminate by segregation or otherwise against any person or persons because of race, color, creed, sex or national origin in furnishing, or by refusing to furnish, to such person or persons the use of any facility including any and all services, privileges and activities provided therein or violate any provision of the Minnesota Human Rights Act or any other applicable law or rule. Agree that they will not discriminate against any person or persons because of race, color, creed, sex or national origin in furnishing, or by refusing to furnish, to such person or persons the use of any Facilities including any and all services, privileges and activities therein;~~
- g. Maintain in good repair and condition the space in the Facilities occupied solely by their retirement system and that space shared jointly by their respective agencies including any and all equipment, fixtures or appurtenances;
- h. Agree not to use the Facilities in any way which, in the judgment of the Facility Management Committee, poses a hazard to occupants of the Facilities, or to the Facilities per se, in part or whole, and agree not to use the Facilities so as to cause damage, annoyance, nuisance or inconvenience to other occupants, tenants or business invitees of the Facilities.
- i. Provide heating and air-conditioning consistent with the policies and standards established by the Facilities Management Committee.

### SECTION 14. ESTABLISHING THE ANNUAL BUDGET.

- a. The Facilities Manager must meet with the financial management representatives of the PERA and TRA to establish the appropriate annual budget for operating and maintaining the Facilities. This group will jointly determine the appropriate level of funding required to operate the Facilities. In the event of disagreement among these representatives, the Facilities Manager is to make the final decision regarding the budget to recommend to the Facilities Management Committee.

- b. ~~In~~ Prior to April 15 of each year, the Facilities Manager shall submit the recommended budget for the next new fiscal year of July 1 through June 30 to the Facilities Management Committee. The budget will consist of three components:
  1. Capital Expenditures as defined in Section 4 must be separately presented for consideration. Costs will be shared by the Retirement Systems in accordance with the percentage ownership interests defined in Section 5 and paid from the Pension Building Operating Fund, ~~or as agreed to by the Facilities Management Committee.~~
  2. Operational Budget - Expenses related to operating and maintaining the Public Pension Facilities to be paid from the Pension Building Operating Fund. The Facilities Manager will bill each Retirement System when it is determined that the Pension Building Operating Fund does not have sufficient revenue to cover the Administrative Expenses.
  3. ~~Parking Fund - As~~ Separate accounts shall exist to manage the operation of the parking structure related to the Public Pension Facilities. ~~Any revenue from the leasing of parking spaces will be remitted to the Facility Manager and used to offset depreciation and operating expenses of the parking facility. Any excess will be accounted for separately and must be carried forward to be used specifically to offset expenses related to the parking structure.~~
- c. The members of the Facilities Management Committee must report to their respective Retirement Systems the amount of funding, if any, which is required to be included in each Retirement System's administrative budget to augment the funds available from the Pension Building Operating Fund in order to meet the operational budget needs of the Facilities.

#### **SECTION 15. DISPUTE RESOLUTION.**

Any dispute among the Boards, or the Retirement Systems' representatives regarding their respective duties and obligations under this agreement and any dispute regarding the operation, maintenance or improvement of the Public Pension Facilities, whether specifically addressed in this agreement or not, shall first be presented to the full Facilities Management Committee for resolution pursuant to the procedures set forth under Section 9 of this Agreement.

- a. A dispute shall be presented to the Committee by submitting a written request to the Facilities Manager, with notice to each Retirement Systems' Executive Directors, which shall set forth the nature of the dispute and the resolution requested.
- b. The Facilities Manager shall convene a special meeting of the Committee to be held within 30 days following receipt by the Manager of the written request.
- c. The Committee may resolve disputes regarding operations and maintenance of the Public Pension Facilities by majority vote of the full committee.
  1. If the Committee cannot agree on a decision regarding operations or maintenance, the Committee shall, in accordance with the 1999 Law, request the Commissioner to appoint a representative from the Department of Administration's Real Estate ~~Management Services~~ Division to serve as arbitrator of the dispute with the authority to issue a written resolution which shall be binding on the Committee, the Manager and the retirement systems.
  2. In the event a Board, Retirement System or their representatives refuse to abide by a decision properly falling under the authority of the Commissioner, enforcement of the terms of the decision may be pursued in the appropriate judicial forum without resort to further mediation or arbitration

- d. Any dispute regarding a Board's or retirement system's individual duties and responsibilities under the terms of this agreement or the 1999 Law shall be subject to the mediation and arbitration provisions of Section 16 of this Agreement.

#### **SECTION 16. BREACH OF AGREEMENT.**

If a Board, Retirement System or their representatives believe that another Board, Retirement system or their representatives have not fulfilled their duties and obligations under this agreement or the 1999 Law:

- a. A written claim of breach may be served by that Board's Executive Director upon the other Retirement Systems' Executive Directors and upon the Facilities Manager.
- b. The Facility Manager shall confer with the Commissioner or the Commissioner's designated representative or legal counsel, to determine if the claim is a breach or should be subject to the Dispute Resolution processes defined under Section 15 of this Agreement.
  - 1. If the Facilities Manager and the Commissioner believe that a breach has occurred, the steps defined in this section are to be followed.
  - 2. If it is determined that no breach has occurred, the steps for resolving a dispute, as defined in Section 15 are to be followed.
- c. The Facilities Manager shall promptly serve notice on the Executive Director of the Retirement System against which a breach is alleged demanding that within 30 days, either:
  - 1. The claimed breach be remedied, or
  - 2. A written statement be served on the Facilities Manager and the Executive Directors of the other Retirement Systems setting forth the reason and facts upon which it is claimed that a breach has not occurred.
- d. A breach may be remedied by:
  - 1. Mediation - any Board or Retirement System, acting through its Executive Director, may elect to initiate mediation proceedings in an attempt to resolve the dispute. Mediation shall be initiated within 15 days following receipt of a written response submitted pursuant to paragraph 3(b)(c) herein and shall be conducted by an independent third party, duly qualified as neutral and listed on the Minnesota State Court ADR Roster, and agreeable to all participating Retirement Systems. Costs of the mediator shall be shared equally by the Retirement Systems which all agree to participate in any mediation so initiated and will inform their representatives of the extent of their authority and upon which terms they would have the authority to commit the Retirement System to a mediated settlement; or
  - 2. Arbitration - if not resolved following the first scheduled mediation session, any alleged breach of the terms of this Agreement shall be subject to binding arbitration. Arbitration shall not be initiated until 15 days have passed following the first mediation session. If mediation has not been initiated within 15 days of the receipt of a response issued under paragraph 3(b)(c) herein, and then arbitration may be initiated by a Retirement System following the expiration of that 15-day time period. Arbitration shall be before a neutral arbitrator agreeable to all Retirement Systems. If they cannot agree upon an arbitrator, then the dispute shall be submitted to an arbitration panel consisting of three persons, one chosen by the Retirement System alleged to be in breach, one chosen by the Retirement System claiming breach, and the third chosen by the Facilities Manager. Cost of the arbitration panel shall be shared equally by the participating Retirement Systems. Arbitration shall be held at the Public Pension Facilities and shall be considered to be subject to the Open Meeting Law. It shall be conducted pursuant to the provisions of Minn. Stat. Chapter 572 and any decision rendered by the arbitrator or the arbitration panel shall

be binding upon the boards and retirement systems in accordance with Minn. Stat. Chapter 572.

- e. If the arbitration process establishes a breach, the retirement system responsible for the breach shall be liable to reimburse any expenses incurred by the other retirement systems participating in the arbitration and any damages incurred by the breach. If no breach is determined, costs shall be shared equally by the participating Retirement Systems.

#### **SECTION 17. AMENDMENTS TO AGREEMENT.**

Amendments to this Agreement may be proposed by any of the Boards or their Executive Directors or by the Facilities Management Committee. Any amendment proposed must be ~~unanimously~~ approved by majority vote of the Facilities Management Committee before presentation to the Boards for consideration. Each Board must adopt the proposed amendment before it can be signed and become effective. Any amendments so approved shall be in writing, and shall be executed by the appropriate representatives of all three Retirement Systems.

#### **SECTION 18. ASSIGNMENT.**

No Retirement System shall assign or transfer any rights or obligations under this Agreement without the prior written consent of the other retirement systems and no assignment may be made except to the extent permitted under the Joint Payment and Pledge Agreement.

#### **SECTION 19. INSURANCE; LIABILITY.**

- a. It shall be the duty of each Retirement System to maintain insurance or self-insurance, at their sole option, on their own fixtures and personal and office property. If a Retirement System does not purchase insurance, the other Retirement Systems do not assume any liability or responsibility to compensate for any loss or damage.
- b. Each Retirement System will be responsible for its own acts and the results thereof, to the extent responsibility is fixed or authorized by law, and shall not be responsible for the acts of the other Retirement Systems or tenants.
- c. The Facilities Management Committee, in consultation with the Department of Administration's Risk Management Division, shall determine the appropriate level of general liability and property insurance coverage needed to protect the total ownership interest in the Facilities. Premium costs incurred for appropriate level of insurance are to be paid for from the Pension Building Operating Fund as part of Administrative Expenses.

#### **SECTION 20. AUDIT.**

The books, records, documents, and accounting procedures and practices of the Retirement Systems relating to the maintenance and operation of the Public Pension Facilities are subject to examination by the Legislative Auditor.

#### **SECTION 21. RECITALS.**

The Recitals constitute an integral part of this Agreement and are incorporated into the body of this Agreement hereby.

#### **SECTION 22. CONFLICT.**

In the event of a conflict between the terms of this agreement and the Joint Payment and Pledge Agreement, the terms of the Joint Payment and Pledge Agreement shall control.

**SECTION 23. HEADINGS.**

All headings are for informational purposes only and are not to be used in construing or interpreting this Agreement.

**SECTION 24. EXECUTION AND COUNTERPARTS.**

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

**SECTION 25. CARE OF THE PREMISES.**

The Retirement Systems shall occupy the Facilities, maintain the premises in good condition making such improvements as may be required to do so and shall not commit or suffer to be committed any waste upon or within the Facilities. No alterations shall be made without the written consent of the Facilities Management Committee.

IN WITNESS WHEREOF, the Boards, through their authorized and empowered Executive Directors, this Agreement to be duly executed with the intent to bind their respective Retirement Systems to its terms and conditions.

**MINNESOTA STATE RETIREMENT SYSTEM**

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

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**TEACHERS RETIREMENT ASSOCIATION**

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

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**PUBLIC EMPLOYEES RETIREMENT SYSTEM**

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

Title: \_\_\_\_\_

Date: \_\_\_\_\_

# Amendment No. 6

**CO-TENANCY AGREEMENT  
BETWEEN  
THE MINNESOTA STATE RETIREMENT SYSTEM,  
THE PUBLIC EMPLOYEES RETIREMENT ASSOCIATION AND,  
THE TEACHERS RETIREMENT ASSOCIATION**

The Board of Directors of the Minnesota State Retirement System ("MSRS"), the Board of Trustees of the Public Employees Retirement Association ("PERA"), and the Board of Trustees of the Teachers Retirement Association ("TRA"), represented herein by their Executive Directors, enter into THIS AGREEMENT in order to formulate and adopt a written working agreement setting forth the retirement systems' collective and individual ownership interests, duties, and responsibilities relating to the construction and management of the Public Pension Facilities authorized under Laws of Minnesota 1999, Chapter 222, Article 22, Sections 1 through 6. ("1999 Law").

WHEREAS, the 1999 Law authorizes the Commissioner of Administration to provide, through lease, acquisition or construction, a building and related facilities to be jointly occupied by the Boards for the administration of their public pension systems;

WHEREAS, the Commissioner has purchased real property in Ramsey County, legally described as Lots 2 and 3, Block 2, Empire Builder Industrial Park, Ramsey County, upon which Public Pension Facilities are constructed;

WHEREAS, at their regularly scheduled public board meetings, the Boards adopted resolutions approving the acquisition of the land and the financing for, and construction of, Public Pension Facilities on that property and further, authorized the Facility Construction Committee established under this agreement to enter into a separate Interagency Agreement with the Department of Administration setting forth their respective responsibilities relating to the design, construction, and management of the Public Pension Facilities;

WHEREAS, the 1999 law requires any land, building, or facilities leased, constructed, or acquired under its provisions to be held in trust for the three retirement systems as tenants in common and further requires each retirement system to consider its interest as a fixed asset of its pension fund in accordance with governmental accounting standards;

WHEREAS, the 1999 Law requires the Pension Boards to:

[A]dopt a written working agreement that sets forth the nature of each retirement System's ownership interest, the duties and obligations of each system toward the construction, operation, and maintenance costs of its facilities, and identifies one retirement system to serve as manager for operations and maintenance purposes;

WHEREAS, the Boards have previously entered into an Interagency Agreement dated October 20, 1999, regarding the payment and reimbursement of costs associated with the real estate acquisition and preparation and for the consulting services for designing and constructing the Public Pension Facilities under which the Public Employees Retirement Association serves as the "providing agency" with reimbursements to be made to it by the other two retirement systems if revenue bonds are not subsequently issued;

WHEREAS, the Boards agree that the creation of a Facilities Management Committee, consisting of representatives from all three Boards, to oversee the management of the Public Pension Facilities by the retirement system selected under this agreement to serve as "Manager" will most effectively and efficiently direct the operations of the Public Pension Facilities while at the same time assuring that the Boards continue to exercise an appropriate and reasonable degree of fiduciary oversight and control over the operations and management of the Public Pension Facilities;

WHEREAS, each of the retirement systems intends to utilize and occupy an agreed upon percentage of the Public Pension Facilities and the Boards agree that costs, expenses, revenues, pledges of assets for the payment of any revenue bonds issued under the 1999 Law, and any realized or recognized increases and/or decreases in the value of the Public Pension Facilities should be apportioned, shared, and/or recognized by each retirement system based upon each system's percentage of use and occupancy of the Public Pension facilities;

WHEREAS, Public Pension Facilities providing office space for all retirement systems in the same building serves the best interest of the Boards, the pension fund members they represent, Minnesota's public employers and Minnesota's taxpayers since it will prove to be more cost effective over the life of the facilities than would the retirement systems' continued rental of private properties and buildings;

WHEREAS, the Boards are each empowered to enter into interagency agreements pursuant to Minnesota Statutes Section 471.59, subdivision 10 and the 1999 law directs that they do so for purposes of managing and operating Public Pension Facilities;

WHEREAS, the Boards mutually designate Minnesota State Retirement System to serve as Facilities Manager and agree and understand that MSRS will delegate the day-to-day responsibility of managing the operations and maintenance of the Facilities to its Chief Financial Officer who will serve as "Facilities Manager" on behalf of MSRS and will be subject to the direction and control of the Facilities Management Committee;

WHEREAS, this Amendment No. 6 incorporates all changes previously agreed to by the parties in signed amendments and incorporates for reference the original AGREEMENT available for viewing at 60 Empire Drive, Suite 300, St. Paul, MN 55103;

NOW, THEREFORE, the Boards agree as follows:

#### **SECTION 1. PURPOSE.**

The Purpose of this Agreement is to adopt a written working agreement setting forth the nature of each retirement system's ownership interest in the Public Pension Facilities, the duties and obligations of each system toward the construction, operation, maintenance and debt service costs of the facilities, and the designation of one retirement system to serve as manager for operating and maintenance purposes, all as required under the 1999 Law. This agreement is also intended to set forth the steps and procedures to be followed in order to resolve disputes or uncertainties amongst the Boards relating to their collective and individual duties and responsibilities relating to the operation and management of the Public Pension Facilities.

#### **SECTION 2. TERM OF AGREEMENT.**

This Agreement shall be effective as of the date of the last signature hereto and shall remain in force and effect from year to year subject to amendment and shall not terminate in total unless there is a legislatively authorized sale of the Public Pension Facilities or divestiture of the Boards' interests therein.

### **SECTION 3. BINDING AGREEMENT.**

This Agreement shall continue in full force and effect from year to year and shall be binding upon the Boards and their successors in interest, subject to amendment upon mutual agreement of the Boards. The duties and obligations under this agreement shall not be subject to termination or avoidance based upon a claim of breach of the agreement's provisions, material or otherwise, upon a claim of breach of one Board's respective duties and responsibilities, or for any other cause, and the duties and responsibilities of each Board may be specifically enforced through the dispute resolution provisions of Section 15 herein.

### **SECTION 4. DEFINITIONS.**

- a. "Administrative Expenses" means the ongoing expenses related to managing, maintaining and operating the Facilities, including, but not limited to janitorial services, snow removal, lawn services, general building liability insurance that is not specific to anyone retirement system's liability coverage, maintenance of the heating and cooling systems, general security of the Facilities, Capital Expenditures approved by the Facilities Management Committee and non-capital costs of the Facilities. Administrative Expenses also include any rebate payments imposed by the federal government related to the revenue bonds, if applicable, but does not mean the principal and interest payments required to be paid to the Pension Building Debt Service fund by each Board as defined in the Joint Payment and Pledge Agreement.
- b. "Assets" means the cash, short-term investments and long-term investments of all the defined benefit plans administered by the Retirement Funds.
- c. "Boards" refers collectively to the board of directors of the Minnesota State Retirement System, the board of trustees of the Public Employees Retirement Association, and the board of trustees of the Teachers Retirement Association.
- d. "Bonds" means the revenue bonds authorized by the 1999 Law to be issued by the Commissioner of Finance to finance the purchase and construction of the Public Pension Facilities, and the refunding bonds issued in 2012.
- e. "Capital Expenditures" means any expenditure properly chargeable to a capital account under generally accepted accounting principles, including additions, improvements, repairs or replacements to the Public Pension Facilities approved by the Facilities Management Committee.
- f. "Commissioner" means the Commissioner of Administration.
- g. "Public Pension Facilities" and/or "facilities" refers collectively to the land, buildings and related facilities which are purchased and/or constructed under the authority of the 1999 Law and held in trust by the state for the three retirement systems as tenants in common.
- h. "Facilities Management Committee" means the committee of six consisting of two representatives appointed by each Board, which will be responsible under this Agreement for making decisions on the ongoing operation and maintenance of the Facilities.
- i. "Facilities Manager" means the retirement system and its identified representative(s), designated to serve as manager of the Facilities for operations and maintenance purposes under Section 11 of this agreement.
- j. "Joint Payment and Pledge Agreement" means the Joint Payment and Pledge Agreement among the Department of Finance (now Minnesota Management and Budget) and the Boards dated as of August 9, 2012, providing for payment of the principal and interest on the refunding Bonds issued in 2012.
- k. "Land" means that parcel of land legally described as: Lots 2 and 3, Block 2, Empire Builder Industrial Park, Ramsey County.

- l. "Pension Building Fund" means the fund established by the Department of Finance (now the Minnesota Department of Management and Budget) pursuant to the 1999 Law into which the proceeds of the Series 2000 revenue bonds were deposited.
- m. "Pension Building Debt Service Fund" means the fund established by the Department of Finance (now the Minnesota Department of Management and Budget) pursuant to the 1999 Law, to which the Boards will transfer funds sufficient to pay principal and interest payments due on the Bonds issued under the 1999 Law.
- n. "Pension Building Operating Fund" means the fund to be established by the Department of Finance (now the Minnesota Department of Management and Budget) on behalf of the Boards which will receive any rental income and parking receipts and any additional transfers of funds by the Boards. The Fund will be used to pay all ongoing Administrative Expenses of the Public Pension Facilities.
- o. "Rental Income" means any income received through the lease of rental space to other governmental subdivisions, any income received through the lease of rental space to other state agencies under Section 16B.24, and any income from any rent paid by the Board(s) for the use of rental space which is in excess of the space initially allocated under Section 5 of this Agreement.
- p. "Rental Space" means any portion of the Public Pension Facilities which is not required for the Retirement Systems' direct use and is available for lease to other state agencies or political subdivisions.
- q. "Retirement Systems" refers collectively to the Minnesota State Retirement System "MSRS", the Public Employees Retirement Association "PERA" and the Teachers Retirement Association "TRA."

**SECTION 5. THE RETIREMENT SYSTEMS' OWNERSHIP AND ADMINISTRATIVE INTERESTS IN THE PUBLIC PENSION FACILITIES**

The Boards estimate that approximately 82 percent of the Public Pension Facilities useable square feet will be used or occupied exclusively by the Retirement Systems. The remaining 18 percent of the Public Pension facilities' space will not be directly occupied or utilized by any of the Retirement Systems and will constitute Rental Space, with 17 percent of that Rental Space expected to be leased to the State Board of Investment and 1 percent of that Rental Space expected to be leased to other state agencies or governmental subdivisions.

- a. OWNERSHIP INTEREST is based upon the Retirement System's share of the total amount of bond payments when the bonds issued under the 1999 Law are fully repaid. Those percentages are:

Minnesota State Retirement System: 27.5%  
 Public Employees Retirement Association: 36.5%  
 Teachers Retirement Association: 36.0%

These percentages represent each Retirement System's OWNERSHIP INTEREST and will remain constant unless one Retirement System transfers a portion of its ownership to one or both of the other Retirement Systems as set forth in section 'f' of this section.

- b. ADMINISTRATIVE INTEREST is based upon the amounts of space each retirement system intends to use and occupy, the Boards have determined and have agreed to the percentage amounts which represent each Retirement System's proportionate share of the total space intended to be used exclusively by the Retirement Systems. Those percentages are:

Minnesota State Retirement System: 37.1%  
 Public Employees Retirement Association: 28.9%  
 Teachers Retirement Association: 34.0%

These percentages represent each Retirement System's ADMINISTRATIVE INTEREST, or proportion of Rental Income and Administrative Expenses and Capital Expenditures in the Public Pension Facilities as of July 1, 2025.

Included in the percentage amounts allocated to each Retirement System's ADMINISTRATIVE INTEREST are portions of common areas of the Facilities which will be shared or used by one or more of the retirement systems. Common areas are allocated to, and included in each Retirement System's ownership interest based upon the following agreements as to how shared space will be allocated to each Retirement System's ownership interest:

1. The Boardroom is shared equally and is allocated to the ADMINISTRATIVE INTEREST of each Retirement System.
2. The Training Room is shared equally and is allocated to the ADMINISTRATIVE INTEREST of each Retirement System.
3. The Computer Training Room is allocated entirely to TRA. MSRS and PERA will rent space in the Computer Training Room on an as-needed basis.
4. General Storage space is allocated to the Retirement System's ADMINISTRATIVE INTERESTS based upon the actual square footage requested to be used by each:

Minnesota State Retirement System: 555 square feet

Public Employees Retirement Association: 554 square feet

Teachers Retirement Association: 765 square feet

All other common areas and space used by all three Retirement Systems is allocated on the basis of the percentages set forth in paragraph 'b' of this section.

- c. The ADMINISTRATIVE INTEREST will remain constant throughout the ownership of the Public Pension Facilities unless the amounts of space each retirement system intends to use and occupy changes or unless future legislation requires a change. The use or rental of any of the Rental Space will not change the Retirement Systems' ADMINISTRATIVE INTEREST percentage.
- d. The percentages set forth for each Retirement System's ADMINISTRATIVE INTEREST shall:
  1. Determine each Retirement System's share of the total amount, if any, required to be contributed by the Retirement Systems to the Pension Building Operating Fund for Administrative Expenses.
- e. The percentages set forth for each Retirement System's OWNERSHIP INTEREST shall:
  1. Determine the percentage amounts each Retirement System will receive from proceeds derived from the sale or exchange of the Public Pension Facilities;
  2. Determine each Retirement System's share of the total amount of assets which must be pledged and appropriated to the Pension Building Debt Service Fund in order to pay when due, the principal and interest on the bonds issued under the 1999 Law;
  3. Determine the fixed asset value of each Retirement System's ownership interest in the Public Pension Facilities to be used for financial accounting, reporting and disclosure purposes.
- f. One Retirement System may transfer a portion or all of its ownership interest to one or both of the other Retirement Systems. The Facilities Management Committee must approve the transfer. The percentages that represent each retirement system's ownership interest and participation on the Facilities Management Committee shall be adjusted to correctly reflect the new ownership interests and shall be set forth in an amendment to this Agreement.
- g. If a Retirement System has ceded a portion of the space it used and occupied to another Retirement System or for Rental Space the Retirement System may reclaim that space upon

reasonable written notice and, if necessary, consistent with the terms of the lease agreement to the occupying Retirement System or Lessee.

#### **SECTION 6. FINANCING.**

- a. Pursuant to the Joint Payment and Pledge Agreement, the Boards will periodically deposit into the Pension Building Debt Service Fund their percentage of the total payments required to assure payment of the interest and principal amounts due on the Bonds. Once the Bonds are retired, the Boards will discontinue depositing payments into the Pension Building Debt Service Fund, but will continue to pay their proportionate share of the amounts required to be paid to the Pension Building Operating Fund for the cost of operating and maintaining the Facilities.
- b. A separate account is established as the Pension Building Fund into which the Department of Finance (now Minnesota Management and Budget) deposited the proceeds of the sale of the Series 2000 revenue bonds. These funds are to be used to pay the costs of issuance of the bonds and costs related to the acquisition and construction of the Public Pension Facilities, including, but not limited to, land acquisition, consulting services, construction, and relocation of the retirement systems to the Facilities when completed.
- c. Rental Income will be deposited into the Pension Building Operating Fund and all ongoing Administrative Expenses will be paid from this account. The Facilities Manager must carry forward any income accruing from Rental Income over and above the annual amount needed to offset ongoing Administrative Expenses to be utilized for future Administrative Expenses. The Facilities Manager is not authorized to expend any funds in the Pension Building Operating Fund above those approved and must administer the budget within the polices and standards adopted by the Facilities Management Committee.
- d. In the event of a shortfall in the Pension Building Operating Fund needed to pay Administrative Expenses, the Retirement Systems shall pay their proportionate share of the shortfall in accordance with the Administrative Interest percentages set forth in Section 5. Each Retirement System's share of the additional Administrative Expenses must be transferred within a reasonable time to the Pension Building Operating Fund upon notice from the Facilities Manager that the additional funds are needed to cover the shortfall. The Facilities Manager will set and enforce through the provisions of Section 15, if necessary, the time period within which payments must be made.
- e. If a Retirement System decides to occupy space in excess of its occupancy space through lease rather than transfer, the additional space will be leased at the rate for Rental Space set and approved by the Facilities Management Committee. The lease payments will be deposited in the Pension Building Operating Fund.

#### **SECTION 7. FACILITIES CONSTRUCTION COMMITTEE.**

- a. A Facilities Construction Committee ("Construction Committee") consisting of the Executive Directors of each Retirement System is hereby established. If an Executive Director cannot attend a meeting and a decision must be made at that meeting, the Chief Financial Officers of MSRS, PERA, and TRA shall attend and vote (the "Designated Replacements"). Major decisions regarding construction of the Facilities must be agreed to unanimously. If all three Executive Directors or their "Designated Replacements" are not present at a meeting when a major decision is to be made, and the major decision can be delayed without adversely affecting the construction budget or schedule, the decision shall be postponed.
- b. The Facilities Construction Committee is authorized to make all necessary decisions regarding all aspects of construction of the Facilities, except for approval of the final design, which must be

presented to the Boards for approval. Upon completion of the Facilities and the resolution of all issues concerned with construction of the Facilities and upon the Retirement Systems occupancy of the Facilities, the Committee will cease to exist.

- c. In connection with issuance of the refunding Bonds in 2012, the Boards have entered into an updated Joint Payment and Pledge Agreement that supersedes the agreement entered into at the time of issuance of the Series 2000 Bonds.

#### **SECTION 8. DUTIES OF THE FACILITIES CONSTRUCTION COMMITTEE.**

The Facilities Construction Committee shall meet as necessary with the Commissioner and consultants until final occupancy of the Facilities in order to:

- a. Enter into an Interagency Agreement with the Department of Administration regarding construction of the Facilities.
- b. Review legal and covenant issues regarding limitations on the Land.
- c. Prepare and issue a Request for Qualification (RFQ) to obtain a list of interested design/build teams.
- d. Review RFQ responses and select the most qualified candidates based upon experience, technical competence, past performance, capability to perform and other appropriate facts to be requested to respond to a Request for Proposal (RFP).
- e. Prepare and issue an RFP specifying standards and parameters for the design, layout, floor plans and construction of the new Facilities.
- f. Review RFP responses, evaluate proposals, and select design/build team based upon design, cost, quality, aesthetics and the best overall value to the state pension funds.
- g. Recommend and present the final design of the Facilities to all boards for their approval at a joint meeting of the Boards.
- h. Monitor progress on the project in accordance with the schedule and standards set in the construction proposal and agreement and jointly approve any change orders to the original specifications.
- i. Plan the moving of the three retirement systems to the Facilities in accordance with its completion.

#### **SECTION 9. FACILITIES MANAGEMENT COMMITTEE.**

A "Facilities Management Committee" is hereby created to be responsible for assuring the performance of the terms of this Agreement and for the overall operation and maintenance of the Facilities. The Facilities Management Committee shall have such powers as specified herein and as necessary to carry forth the terms and intentions of this Agreement.

- a. Membership

The Facilities Management Committee will be comprised of two representatives from each Board. These representatives shall be appointed by each Board at a regularly scheduled public Board meeting and shall be appointed by motion.

- b. Meetings of the Facilities Management Committee

The Facilities Management Committee shall hold its first meeting within 30 days of the effective date of this agreement and at least once each year and from time to time as necessary for it to carry out its duties and responsibilities. Additional meetings can be requested by any of the members of the Facility Management Committee as well as by the Facility Manager. Meeting dates shall be set at times all representatives can meet. In the event a representative designated by a

Board cannot attend the meeting, that Board's Executive Director shall attend the meeting in the designee's absence and have full voting rights. Representatives shall report the results of each meeting to their Boards at their next regularly scheduled meeting.

c. Voting

1. Each representative shall have one vote.
2. For decisions regarding maintenance and operation of the Facilities a quorum of six is required and a decision may be made by a majority vote.

d. Improvements to the Facilities/Remodeling

1. Before any Capital Expenditure can be made for the Facilities, the Facilities Management Committee, based upon a quorum of six, must unanimously agree to the recommended expenditures. Capital Expenditures are additions, replacements, major repairs, and reinstallations or rearrangements of the Facility with a cost of \$300,000 or greater. Expenditures for additions, replacements, repairs, and reinstallations or rearrangements of the Facility with a cost of less than \$300,000 will be approved by a majority vote. The Facilities Manager will notify the Commissioner of proposed Capital Expenditures and the Committee's authorization for any repairs or improvements to the Facilities.
2. Any remodeling or reconfiguration within the office space of each Retirement System is at the discretion of the individual system and its Board of Trustees and does not need approval by the Committee or the Commissioner.
3. The Retirement System remodeling or reconfiguring its office space is responsible for paying all costs related to the remodeling or reconfiguration from its own operating expenses. No costs for a Retirement System's remodeling or reconfiguration will be paid for from the Pension Building Operating Fund except as follows: If a Board believes the remodeling or reconfiguration should be included in Administrative Expenses paid for out of the Pension Building Operating Fund, the Facilities Manager must present the project to the Facilities Management Committee for consideration and approval.
4. The Retirement Systems must notify the Facilities Manager in writing of any proposed remodeling or reconfiguration of their occupied space, whether leased or owned, within 60 days prior to allowing the work to begin. If the Facilities Manager determines the proposed work could adversely affect the value, structural integrity, utility, mechanical/electrical, or communication functions of the Facilities, the proposed project must be presented to the Facilities Management Committee for approval before work is initiated. Approval must be based upon a majority vote with a quorum of six.
5. Notwithstanding the above, no improvements, remodeling or reconfiguration that might adversely affect the value, structural integrity, utility, mechanical/electrical, or communication functions of the Facilities may be undertaken unless the action has been jointly approved by the Facilities Management Committee and the Commissioner of the Department of Administration.

e. Facilities Maintenance

Pursuant to the 1999 law, the Facilities Management Committee may negotiate with the Department of Administration to utilize the services of its Facilities Management Division for maintenance, or may contract for services with independent third parties.

- f. Sale of the Facilities
  1. So long as the Bonds are outstanding, one or more of the Retirement Systems must continue to own a total of 100 percent equitable interest in the Public Pension Facilities and the Boards must assure that the Commissioner continues to hold full legal interest in the facilities in trust for one or more of the Retirement Systems.
  2. Upon any legislatively authorized sale of the Facilities, proceeds from the sale are to be allocated exclusively to the Retirement Systems in accordance with their respective ownership interests as defined by the percentages set forth in Section 5 of this Agreement.

#### **SECTION 10. DUTIES OF THE FACILITIES MANAGEMENT COMMITTEE.**

The Facilities Management Committee shall:

- a. Set standards and responsibilities for the use and operation of the Facilities not otherwise addressed in this Agreement.
- b. Establish an annual budget for ongoing operation and maintenance of the Facilities. The total annual budget cannot be exceeded unless approved by the Facility Management Committee.
- c. Set standards and policies for administering the approved budget.
- d. Approve all Capital Expenditures that will be paid out of the Pension Building Operating Fund and all projects undertaken by a retirement system or tenant that might adversely affect the value, structural integrity, utility, mechanical, electrical, or communication functions of the Facilities.
- e. Select the entities to provide maintenance-related activities, services, and supplies. The Facilities Management Committee may decide to contract with independent third parties for such services or may use the services of the Department of Administration, Plant Management.
- f. If additional rental space is available for lease within the Facilities, the Facilities Management Committee shall first inform the Boards of its availability and determine the feasibility of one or more of the Retirement Systems leasing that space before the rental space is made available to other governmental entities. The committee shall notify the Commissioner of Administration if one or more retirement systems intend to lease additional space before any of the rental space is offered to other governmental agencies.
- g. Notify the Commissioner of the approval or rejection of any governmental entity proposed as a tenant by the Commissioner.
- h. Set policies and procedures regarding parking and the payment for parking at the Facilities.
- i. If found to be desirable, separately contract with public or private providers for the establishment and operation of lunchroom and/or vending services.
- j. Oversee the operations of the Facilities Manager.

#### **SECTION 11. FACILITIES MANAGER.**

The Boards designate the Minnesota State Retirement System to serve as Facilities Manager and agree and understand that MSRS will delegate the day-to-day responsibility of managing the operations and maintenance of the Facilities to its Chief Financial Officer who will serve as "Facilities Manager" on behalf of MSRS and will be subject to the direction and control of the Facilities Management Committee;

- a. The Facilities Manager shall remain an employee of MSRS and MSRS shall continue to pay the Facilities Manager the salary established for their MSRS position. The Facilities Management Committee shall determine the value of the services provided by the Facilities Manager and the amount so determined shall be paid to MSRS from PERA and TRA as reimbursement for salary paid by MSRS while its employee performed the duties of Facilities Manager.

- b. If the Facility Management Committee decides at any time to contract for management services for the Facilities rather than using the designated Facilities Manager, all expenses related to the contracted management services constitute Administrative Expenses that must be paid from the Pension Building Operating Fund.
- c. Each Retirement System shall authorize personnel who may contact the Facilities Manager, on behalf of one or more retirement system employees or tenants with complaints and suggestions regarding the Facilities.

#### **SECTION 12. DUTIES OF THE FACILITIES MANAGER.**

The Facilities Manager shall:

- a. Coordinate the yearly budget preparation and present the budget recommendation to the Facilities Management Committee for refinement and approval as set forth in Section 14.
- b. Maintain separate accounting for the Pension Building Operating Fund. Prepare annual and "upon-request" financial operating statements for the Facility Management Committee, the legislative auditor, and each of the Boards.
- c. Reconcile the Pension Building Operating Fund on a regular basis, ensuring that Rental Income is appropriately received and that expenses are paid.
- d. Ensure that all billings received accurately represent the work completed under the terms of agreements and/or contracts. Issue payments to vendors when valid billings are received.
- e. When Rental Income does not cover expected Administrative Expenses for the Facilities, calculate the portion owed by each retirement system based upon their percentage ownership interests and submit an invoice to each retirement system.
- f. Prepare Requests for Proposals for services when needed and present vendor recommendations to the Facilities Management Committee, and prepare contracts accordingly.
- g. Act as liaison between all of the Facilities' tenants and service vendors, relaying requests and monitoring vendor performance.
- h. Authorize expenditures within the budget established by the Facility Management Committee.
- i. Perform other duties as requested by the Facility Management Committee.
- j. Manage the day-to-day operations and maintenance of the Facilities.

#### **SECTION 13. DUTIES OF THE RETIREMENT SYSTEMS.**

Each Retirement System shall:

- a. Arrange their system's communications services and pay all charges for installation and usage directly to the company following initial occupancy of the Facilities;
- b. Maintain the premises occupied by their system in a reasonably clean and sanitary condition;
- c. Assume all responsibility for security against theft, vandalism or accidental loss of any kind whatsoever in the spaces solely occupied by their system;
- d. Share responsibility for security against theft, vandalism, or accidental loss of any kind whatsoever in the shared-ownership areas of the Facilities through the purchase of general liability insurance to be paid from the annual budget established for operating and maintaining the Facilities;
- e. Comply with all applicable municipal, county and state laws, ordinances and regulations, and obtain and pay for all licenses and permits (and special use permits, if applicable) as may be required for their use of the Facilities;
- f. Agree that it will not discriminate by segregation or otherwise against any person or persons because of race, color, creed, sex or national origin in furnishing, or by refusing to furnish, to such person or persons the use of any facility including any and all services, privileges and activities

provided therein or violate any provision of the Minnesota Human Rights Act or any other applicable law or rule.

- g. Maintain in good repair and condition the space in the Facilities occupied solely by their retirement system and that space shared jointly by their respective agencies including any and all equipment, fixtures or appurtenances;
- h. Agree not to use the Facilities in any way which, in the judgment of the Facility Management Committee, poses a hazard to occupants of the Facilities, or to the Facilities per se, in part or whole, and agree not to use the Facilities so as to cause damage, annoyance, nuisance or inconvenience to other occupants, tenants or business invitees of the Facilities.
- i. Provide heating and air-conditioning consistent with the policies and standards established by the Facilities Management Committee.

#### **SECTION 14. ESTABLISHING THE ANNUAL BUDGET.**

- a. The Facilities Manager must meet with the financial management representatives of the PERA and TRA to establish the appropriate annual budget for operating and maintaining the Facilities. This group will jointly determine the appropriate level of funding required to operate the Facilities. In the event of disagreement among these representatives, the Facilities Manager is to make the final decision regarding the budget to recommend to the Facilities Management Committee.
- b. Prior to April 15 of each year, the Facilities Manager shall submit the recommended budget for the next new fiscal year of July 1 through June 30 to the Facilities Management Committee. The budget will consist of three components:
  - 1. Capital Expenditures as defined in Section 4 must be separately presented for consideration. Costs will be shared by the Retirement Systems in accordance with the percentage ownership interests defined in Section 5 and paid from the Pension Building Operating Fund, or as agreed to by the Facilities Management Committee.
  - 2. Operational Budget - Expenses related to operating and maintaining the Public Pension Facilities to be paid from the Pension Building Operating Fund. The Facilities Manager will bill each Retirement System when it is determined that the Pension Building Operating Fund does not have sufficient revenue to cover the Administrative Expenses.
  - 3. Parking - Separate accounts shall exist to manage the operation of the parking structure related to the Public Pension Facilities.
- c. The members of the Facilities Management Committee must report to their respective Retirement Systems the amount of funding, if any, which is required to be included in each Retirement System's administrative budget to augment the funds available from the Pension Building Operating Fund in order to meet the operational budget needs of the Facilities.

#### **SECTION 15. DISPUTE RESOLUTION.**

Any dispute among the Boards, or the Retirement Systems' representatives regarding their respective duties and obligations under this agreement and any dispute regarding the operation, maintenance or improvement of the Public Pension Facilities, whether specifically addressed in this agreement or not, shall first be presented to the full Facilities Management Committee for resolution pursuant to the procedures set forth under Section 9 of this Agreement.

- a. A dispute shall be presented to the Committee by submitting a written request to the Facilities Manager, with notice to each Retirement Systems' Executive Directors, which shall set forth the nature of the dispute and the resolution requested.

- b. The Facilities Manager shall convene a special meeting of the Committee to be held within 30 days following receipt by the Manager of the written request.
- c. The Committee may resolve disputes regarding operations and maintenance of the Public Pension Facilities by majority vote of the full committee.
  - 1. If the Committee cannot agree on a decision regarding operations or maintenance, the Committee shall, in accordance with the 1999 Law, request the Commissioner to appoint a representative from the Department of Administration's Real Estate Services Division to serve as arbitrator of the dispute with the authority to issue a written resolution which shall be binding on the Committee, the Manager and the retirement systems.
  - 2. In the event a Board, Retirement System or their representatives refuse to abide by a decision properly falling under the authority of the Commissioner, enforcement of the terms of the decision may be pursued in the appropriate judicial forum without resort to further mediation or arbitration
- d. Any dispute regarding a Board's or retirement system's individual duties and responsibilities under the terms of this agreement or the 1999 Law shall be subject to the mediation and arbitration provisions of Section 16 of this Agreement.

#### **SECTION 16. BREACH OF AGREEMENT.**

If a Board, Retirement System or their representatives believe that another Board, Retirement system or their representatives have not fulfilled their duties and obligations under this agreement or the 1999 Law:

- a. A written claim of breach may be served by that Board's Executive Director upon the other Retirement Systems' Executive Directors and upon the Facilities Manager.
- b. The Facility Manager shall confer with the Commissioner or the Commissioner's designated representative or legal counsel, to determine if the claim is a breach or should be subject to the Dispute Resolution processes defined under Section 15 of this Agreement.
  - 1. If the Facilities Manager and the Commissioner believe that a breach has occurred, the steps defined in this section are to be followed.
  - 2. If it is determined that no breach has occurred, the steps for resolving a dispute, as defined in Section 15 are to be followed.
- c. The Facilities Manager shall promptly serve notice on the Executive Director of the Retirement System against which a breach is alleged demanding that within 30 days, either:
  - 1. The claimed breach be remedied, or
  - 2. A written statement be served on the Facilities Manager and the Executive Directors of the other Retirement Systems setting forth the reason and facts upon which it is claimed that a breach has not occurred.
- d. A breach may be remedied by:
  - 1. Mediation - any Board or Retirement System, acting through its Executive Director, may elect to initiate mediation proceedings in an attempt to resolve the dispute. Mediation shall be initiated within 15 days following receipt of a written response submitted pursuant to paragraph 3(c) herein and shall be conducted by an independent third party, duly qualified as neutral and listed on the Minnesota State Court ADR Roster, and agreeable to all participating Retirement Systems. Costs of the mediator shall be shared equally by the Retirement Systems which all agree to participate in any mediation so initiated and will inform their representatives of the extent of their authority and upon which terms they would have the authority to commit the Retirement System to a mediated settlement; or

2. Arbitration - if not resolved following the first scheduled mediation session, any alleged breach of the terms of this Agreement shall be subject to binding arbitration. Arbitration shall not be initiated until 15 days have passed following the first mediation session. If mediation has not been initiated within 15 days of the receipt of a response issued under paragraph 3(c) herein, and then arbitration may be initiated by a Retirement System following the expiration of that 15-day time period. Arbitration shall be before a neutral arbitrator agreeable to all Retirement Systems. If they cannot agree upon an arbitrator, then the dispute shall be submitted to an arbitration panel consisting of three persons, one chosen by the Retirement System alleged to be in breach, one chosen by the Retirement System claiming breach, and the third chosen by the Facilities Manager. Cost of the arbitration panel shall be shared equally by the participating Retirement Systems. Arbitration shall be held at the Public Pension Facilities and shall be considered to be subject to the Open Meeting Law. It shall be conducted pursuant to the provisions of Minn. Stat. Chapter 572 and any decision rendered by the arbitrator or the arbitration panel shall be binding upon the boards and retirement systems in accordance with Minn. Stat. Chapter 572.
- e. If the arbitration process establishes a breach, the retirement system responsible for the breach shall be liable to reimburse any expenses incurred by the other retirement systems participating in the arbitration and any damages incurred by the breach. If no breach is determined, costs shall be shared equally by the participating Retirement Systems.

#### **SECTION 17. AMENDMENTS TO AGREEMENT.**

Amendments to this Agreement may be proposed by any of the Boards or their Executive Directors or by the Facilities Management Committee. Any amendment proposed must be approved by majority vote of the Facilities Management Committee before presentation to the Boards for consideration. Each Board must adopt the proposed amendment before it can be signed and become effective. Any amendments so approved shall be in writing, and shall be executed by the appropriate representatives of all three Retirement Systems.

#### **SECTION 18. ASSIGNMENT.**

No Retirement System shall assign or transfer any rights or obligations under this Agreement without the prior written consent of the other retirement systems and no assignment may be made except to the extent permitted under the Joint Payment and Pledge Agreement.

#### **SECTION 19. INSURANCE; LIABILITY.**

- a. It shall be the duty of each Retirement System to maintain insurance or self-insurance, at their sole option, on their own fixtures and personal and office property. If a Retirement System does not purchase insurance, the other Retirement Systems do not assume any liability or responsibility to compensate for any loss or damage.
- b. Each Retirement System will be responsible for its own acts and the results thereof, to the extent responsibility is fixed or authorized by law, and shall not be responsible for the acts of the other Retirement Systems or tenants.
- c. The Facilities Management Committee, in consultation with the Department of Administration's Risk Management Division, shall determine the appropriate level of general liability and property insurance coverage needed to protect the total ownership interest in the Facilities. Premium costs incurred for appropriate level of insurance are to be paid for from the Pension Building Operating Fund as part of Administrative Expenses.

**SECTION 20. AUDIT.**

The books, records, documents, and accounting procedures and practices of the Retirement Systems relating to the maintenance and operation of the Public Pension Facilities are subject to examination by the Legislative Auditor.

**SECTION 21. RECITALS.**

The Recitals constitute an integral part of this Agreement and are incorporated into the body of this Agreement hereby.

**SECTION 22. CONFLICT.**

In the event of a conflict between the terms of this agreement and the Joint Payment and Pledge Agreement, the terms of the Joint Payment and Pledge Agreement shall control.

**SECTION 23. HEADINGS.**

All headings are for informational purposes only and are not to be used in construing or interpreting this Agreement.

**SECTION 24. EXECUTION AND COUNTERPARTS.**

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

**SECTION 25. CARE OF THE PREMISES.**

The Retirement Systems shall occupy the Facilities, maintain the premises in good condition making such improvements as may be required to do so and shall not commit or suffer to be committed any waste upon or within the Facilities. No alterations shall be made without the written consent of the Facilities Management Committee.

IN WITNESS WHEREOF, the Boards, through their authorized and empowered Executive Directors, this Agreement to be duly executed with the intent to bind their respective Retirement Systems to its terms and conditions.

**MINNESOTA STATE RETIREMENT SYSTEM**

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

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**TEACHERS RETIREMENT ASSOCIATION**

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

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**PUBLIC EMPLOYEES RETIREMENT SYSTEM**

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

Title: \_\_\_\_\_

Date: \_\_\_\_\_