

AZTEC SHOPS, Ltd.
Minutes of the Meeting of the Board of Directors
December 6th 2024

Members present: Carl Winston (Chair), Leilani Anderson, Katarina Hernandez, Vincent Lin, Tyler Morgan, Rylie Ridpath, Brittany Santos-Derieg, Elliot Scott, Sabrina Simon, Nikhil Varaiya, Agnes Wong Nickerson

Members absent: Christopher Manning

Others present: Rehza Baraichi, Kathy Brown, Iana Castro, Benjamin Eisenstein, Julie Goggins, Eric Hansen, Heather Hawkins, Jahan Jamshidi, Jennifer Lakin, Robert (Bob) Schulz, Todd Summer, Janelle Temnick

I. Call to Order

Carl Winston, Chair, welcomed everyone and called the meeting to order at 12:18 p.m.

II. Approval of September 20, 2024 Board Meeting Minutes

Tyler Morgan moved to approve the September 20, 2024 Board Meeting Minutes, Leilani Anderson seconded the motion, and the motion passed (10-0-1; Nikhil Varaiya abstained).

III. Public Comment

Carl Winston opened the meeting for public comment. There was no public comment.

IV. Evolve Project Resolution

Todd Summer gave an overview of the multiphase Evolve Student Housing Project, which was also discussed in the September board meeting. Todd explained all four (4) phases of the project, highlighting Phase 1A, which will include 600+ beds and an amenities building to include dining and community spaces on the 55th Street peninsula, and Phase 1B, which will add 700+ beds to the University Towers property. Todd also disclosed that a Memorandum of Understanding with SDSU is in place wherein the University will master lease space in phases 1A and 1B. The proposed resolution authorizes Aztec Shops to borrow up to \$330,000,000 for Phases 1A and 1B of the project. Bob Hansen and Bob Shultz answered questions about the timing of debt service, parking, and safety. Elliot Scott moved to approve the resolution, Tyler Morgan seconded, and the motion passed unanimously (11-0-0).

V. Campus Stores Course Materials Resolution

Kathy Brown, Director of Campus Stores, provided background on University Senate concerns that were raised last year regarding the listing of study aids on student booklists. The concern was raised specifically about BarCharts populating under “course listing” for certain courses. The Bookstore Advisory Committee discussed this issue multiple times during the 2023-2024 academic year and presented updates to the University Senate Executive Committee in November, 2023 and the University Senate in December, 2023. The Senate recommended the Bookstore ask faculty if they would like to be excluded from including study aids for their courses. Todd Summer subsequently submitted a letter to the University Senate stating Aztec Shops (the Bookstore) would follow the recommendation and ask faculty if they would like Aztec Shops to exclude study aids from their course listings starting in Summer 2024. Aztec Shops has followed this principle since the letter was delivered to the University Senate on Dec 12, 2023

and also lists study aid items approved for publication in student booklists under “additional items you may like.”

The University Senate has since recommended updating the Senate Policy File to state the Bookstore will ask Faculty if they would like to be excluded from including study aids for their courses. Kathy introduced Iana Castro, Chair of the Bookstore Advisory Committee, for an update on this recommendation. Iana shared that while the Bookstore Advisory Committee was agreeable, Aztec Shops is a separate legal entity and is not specifically under the governance structure of the University Senate and has its own Board of Directors. As something in the University Policy File might not be enforceable, and to align with Aztec Shops governance structure and allay faculty concerns, Iana asked the Board to approve a resolution supporting the statement: “The Bookstore does not recommend materials for a course unless instructed to do so by the faculty member teaching that course” to be adopted as a Bookstore Course Materials operational policy. Nikhil Varaiya moved to approve the resolution, Vincent Lin seconded, and the motion passed unanimously (11-0-0).

VI. Management Discussion

- A. Balance Sheet** - Heather Hawkins stated the cash balance is unusually high at October 31. This is primarily due to the timing of Day1Ready payments.
- B. Corporate Update** - Todd Summer mentioned that overall Aztec Shops is well ahead of budget in net contribution due to expense savings of \$600K in payroll categories and savings in various other categories. Todd mentioned that, although the operating statement looks robust and is trending ahead of budget, that on a cash basis SHOPS expects a net zero gain in cash position due to obligations with principal payments on properties and capital expenditures for property improvements and equipment for the full fiscal year.
- C. Campus Stores** - Kathy Brown noted the Campus Stores Division is exceeding budget. Kathy also mentioned there was increased participation in the Day1Ready course materials program (formerly Equitable Access) and there was a very successful launch of the lululemon | SDSU collection, with sales exceeding \$100,000 in the first weekend.
- D. Dining & Hospitality** - Heather Hawkins is currently overseeing dining until the new director arrives and noted the division net from operations is higher than budgeted primarily due to cost containments, including lower stadium rent.
- E. Real Estate & Business Development** - Todd Summer shared he will serve as acting Division Director as the previous Director has resigned. Todd stated depreciation is \$2.1M which is generally in line with the budget, and \$400K more than LY due to acquisition of Sunset Plaza last December. The increase in net from operations is primarily due to strong performance in July and Aug in the Conference Services department.

VII. DEI Update

Jennifer Lakin, Director of Human Resources, introduced Rehza Baraichi, Aztec Shops DEI Manager, who reported on accomplishments in Diversity, Equity, & Inclusion over the past year. Rehza highlighted the main goals of the Aztec Shops DEI Strategic Plan (to be updated and shared in 2025) and completed activities to meet these goals as follows:

Goal 1: Workforce Diversity - Creation of the DEI committee; development of an inclusivity statement included in all job descriptions; required training in Microaggression, Identifying Ableist Language, and Bias Awareness.

Goal 2: Workplace Inclusion - Hosted focus groups, Town Hall Meetings, and Office Hours to provide a space for employees to share their concerns, hopes and suggestions.

Golas 3: Equitable and Ethical Culture - Events and communications regarding cultural months; division-customized course catalogs.

Goal 4: External Engagement Outreach - Expanded information collection from vendors to form a baseline of information on ownership diversity among vendors and created a Vendor Diversity Subcommittee.

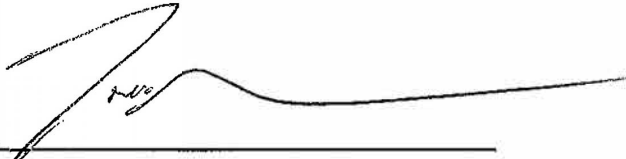
Rehza also stated the annual Board of Directors survey will be shared with the Board in January and encouraged participation as the previous participation rates were low and the analysis is not yet meaningful. Rehza added that he has worked with each Division Director to develop specific and actionable Divisional DEI Plans, highlighting divisional goals like IT's web accessibility project, which reviews Aztec Shops websites for screen orientation, color, contrast, and order of information for those who use assistive technologies and Financial Services' Vendor Diversity recording and tracking.

VIII. Conflict of Interest

Todd Summer asked Board members to review and sign the conflict of interest declaration form by the end of January 2024. Julie Goggins will send the form for electronic signature to all Board members.

IX. Adjournment

The meeting was adjourned at 1:22 p.m.

A handwritten signature in dark ink, appearing to read 'Todd Summer', is written over a horizontal line.

Todd Summer
Chief Executive Officer