

AZTEC SHOPS, Ltd.
Minutes of the Meeting of the Board of Directors
April 18th 2025

Members present: Carl Winston (Chair), Katarina Hernandez (Vice Chair), Agnes Wong Nickerson (Secretary/Treasurer), Leilani Anderson, Vincent Lin, Christopher Manning, Tyler Morgan (Audit Committee Chair), Rylie Ridpath, Sabrina Simon, Nikhil Varaiya

Members absent: Brittany Santos-Derieg, Elliot Scott

Others present: Kathy Brown, Ben Eisenstein, Julie Goggins, Heather Hawkins, Jahan Jamshidi, Jennifer Lakin, Iain Robertson, Todd Summer, Janelle Temnick

I. Call to Order

Carl Winston, Chair, welcomed everyone and called the meeting to order at 12:16 p.m.

II. Sustainable Lunch

Board member and Green Love Commissioner Rylie Ridpath highlighted the sustainable lunch menu and presented on the importance of sustainable food options at SDSU. Chef Ben Casteneda discussed the specific items on the menu and that they were all fresh and locally sourced.

III. Public Comment

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

IV. Approval of the December 6, 2024 & February 24, 2025 Board Meeting Minutes

Leilani Anderson moved to approve the December 6, 2024 & February 24, 2025 Board Meeting Minutes, Nikhil Varaiya seconded the motion, and the motion passed unanimously (10-0-0).

V. Conflict of Interest Report

Todd Summer reported the Conflict of Interest Policy Statement was sent to all board members. Each board member returned a signed form acknowledging no conflicts of interest.

VI. Retirement Plans Updates

Heather Hawkins shared that Form 5500 for the Defined Benefit Pension Plan to satisfy annual reporting requirements under Title I and Title IV of ERISA and under the Internal Revenue Code have been completed and filed. Heather also shared the audits for the Defined Benefit Pension Plan and 403(b) Retirement Plan have been completed with no findings.

VII. Audit Committee Nominations: Vincent Lin & Kirk Cabacungan

Heather Hawkins mentioned that due to Leilani's graduation, her slot on the Audit Committee will need to be filled and that Vincent Lin is being put forward to replace her. Heather also shared that Audit Committee member Mayra Villatla has new responsibilities on campus and that Kirk Cabacungan, who will take on the role of Audit Manager for campus, is being put forward to replace her role on the Audit Committee. Katarina Hernandez moved to approve the nomination of Vincent Lin, with a term to start on September 1, 2025, and Kirk Cabacungan, with a term to start on July 1, 2025 to the

Audit Committee, Tyler Morgan seconded the motion, and the motion passed unanimously (10-0-0).

VIII. Audit Committee Report & 990 Approval

Heather Hawkins shared that Aztec Shops prepared the working papers and Grant Thornton used the working papers to prepare the Tax Form 990. Tyler Morgan, Audit Committee Chair, highlighted that the 990 was reviewed and approved at the Audit Committee meeting earlier in the month. Nikhil Varaiya moved to accept the Audit Committee's approval of the 990, Vincent Lin seconded the motion, and the motion passed unanimously (10-0-0).

IX. Resolution for Signatories for Banking and Investments

Heather Hawkins shared that Aztec Shops Financial Services division has hired Iain Robertson as Associate Director of Financial Services. Iain introduced himself to the Board and provided information on his background and previous work experience. Heather explained that the proposed resolution would authorize Iain to be a signatory for necessary documents related to banking and investments. Tyler Morgan moved to approve the resolution as presented for signatories for banking and investments, Vincent Lin seconded the motion, and the motion passed unanimously (10-0-0).

X. Management Discussion

- A. Balance Sheet** - Heather Hawkins stated the balance sheet reflected about \$28 million in Cash and Investments, noting that it has remained fairly stable. She explained that this cash position is essential for SHOPS to be able to execute its capital improvement obligations. Heather also shared the administrative expense overhead allocations that should be applied to each revenue producing division, and explained the Dining & Hospitality allocation is higher than Campus Stores or Real Estate & Business Development due to the size of staff, required trainings, and contract executions.
- B. Corporate Update** - Todd Summer shared the company is ahead of budget significantly with some savings being due to controlling costs and being more efficient in operations and some savings due to some costs being overstated in the budget including utilities expense not being as much as expected.
- C. Campus Stores** - Kathy Brown shared the Campus Stores division has strong apparel sales this year and expenses are tracking flat to budget. Kathy reported on two recent events with strong attendance and sales: GradFest and SDSU Explore. Kathy also updated the Board on the Bookstore renovations on the second floor, mentioning that construction was delayed several months due to permitting and expecting work to be done in August.
- D. Dining & Hospitality** - Heather Hawkins noted for the Dining & Hospitality Division that net from operations is better than budgeted, with the main driver being expense reduction. Heather highlighted that Snapdragon Stadium had its first \$1 million revenue day with San Diego Football Club on March 1. She also shared some praise the Snapdragon Stadium culinary team has received for creative menu offerings at the stadium.
- E. Real Estate & Business Development** - Todd Summer reported the Real Estate & Business Development division is ahead of budget, with depreciation to date

sitting at \$4.4 million. He noted that expense savings is coming from over-budgeting utilities for the year.

XI. Capital Expenditure Budget Fiscal 2026

Heather Hawkins presented the proposed Capital Expenditure Budget for FY 2026. She highlighted large projects including Bookstore POS system replacement, Dining Services equipment improvements, phase three of renovations at University Towers (UT), other student housing improvements, and IT hardware and infrastructure updates. Todd added that renovations at UT include replacing showers, windows, piping, flooring, and preparing lay down space for Evolve Phase 1B. Heather also mentioned there are contingency/emergency funds included in the capital budget to provide cushion for possible impacts from tariffs. Nikhil Varaiya moved to approve the \$10,976,476 capital expenditure budget for fiscal year 2026, Riley Ridpath seconded the motion, and the motion passed (9-0-0; Tyler Morgan absent for vote).

XII. Proposed Corporate Goals Fiscal 2026

Todd Summer presented updates for the 2024-2025 corporate priority goals and discussed proposed corporate priority goals for FY 2026. No changes were recommended.

XIII. Farewell to Outgoing Board Members

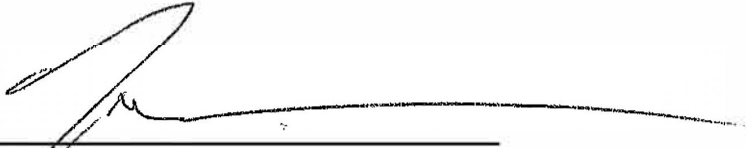
Todd Summer thanked Leilani Anderson, Katarina Hernandez, Sabrina Simon, and Nikhil Varaiya for their service on the Aztec Shops Board of Directors. Leilani, Katarina, Sabrina, and Nikhil all thanked the board and Aztec Shops leadership staff for the opportunity to serve on the board and they are excited for their future endeavors. Katarina's term officially ends with the new A.S. President being sworn in with the other terms ending on June 30, 2025.

XIV. Closed Session - Legal Matter

Carl Winston announced that while the Education Code requires auxiliary board meetings to be in open session, discussions related to investments, litigation, a specific individual personnel matter, or collective bargaining may be held in closed session. Carl asked for a motion to move into closed session for a discussion on a legal matter. Nikhil Varaiya made the motion, Tyler Morgan seconded, and the motion passed (10-0-0). The meeting moved into closed session at 1:17 p.m.

XV. Adjournment

Carl Winston adjourned the meeting at 1:26 p.m.



Todd Summer
Chief Executive Officer