AZTEC SHOPS, Ltd.
Minutes of the Meeting of the Board of Directors
June 5th 2026

Members present: Carl Winston (Chair), Milan Rawls (Vice Chair), Agnes Wong Nickerson (Secretary/Treasurer), David DeBoskey, Vincent Lin, Christopher Manning, Tyler Morgan, Brittany Santos-Derieg, Elliot Scott, Noah Stuart

Members absent: Adi Juarez, Rylie Ridpath

Others present: Rehza Baraichi, Kathy Brown, Julie Goggins, Susan Hawke, Heather Hawkins, Robert Isner, Jennifer Lakin, Alyssa Longeuay, Iain Robertson, Todd Summer, Dawn Stoebe, Janelle Temnick

I. Call to Order

Carl Winston, Chair, welcomed everyone and called the meeting to order at 12:13 p.m.

II. Public Comment

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

III. Approval of April 17, 2026 Board Meeting Minutes

Vincent Lin moved to approve the April 17, 2026 Board Meeting Minutes as presented, Elliot Scott seconded, and the motion passed unanimously (10-0-0).

IV. Welcome - Milan Rawls

Carl Winston welcomed 2026-2027 A. S. President, Milan Rawls, to the Board. Milan shared she has had a smooth transition from her role as Executive Vice President last year, and is excited to take part in the Aztec Shops Board of Directors.

V. Board Nomination

Milan Rawls renominated Tyler Morgan to the Board of Directors for an additional one year term. Agnes Wong Nickerson moved to approve the renomination of Tyler Morgan for a one year term beginning July 1, 2026 and ending June 30, 2027, Christopher Manning seconded, and the motion passed unanimously (10-0-0).

VI. Annual Meeting Election of Officers

A. Chair: Carl Winston - July 1, 2026 - June 30, 2027
B. Vice Chair: Milan Rawls - through end of A.S Presidential term
C. Secretary/Treasurer: Agnes Wong Nickerson (per by-laws)

Todd Summer stated that the June Board meeting serves as the official Aztec Shops Annual Meeting and, therefore, officers must be elected for the upcoming year. Todd noted that the Secretary/Treasurer position is designated as the SDSU Vice President of Business & Financial Affairs by the governing bylaws. Todd recommended Carl Winston to serve another year as Chair and Milan Rawls to serve as Vice Chair. Vincent Lin moved to elect Carl Winston as Chair and Milan Rawls as Vice Chair for the upcoming year. Tyler Morgan seconded the motion, and it passed unanimously, with Carl Winston and Milan Rawls abstaining (8-0-2).

VII. **Community Success Plan Committee Update**

Rehza Baraichi, Human Resources Associate Director, shared that the ad hoc committee established at the April Board meeting has met and provided feedback on the draft Community Success Plan. Rehza reiterated that the plan was developed in consultation with campus divisions and will be refined to ensure Aztec Shops' approach to community success is driven by measurable data. Insights from the employee climate survey, launched June 1, will be incorporated into the plan, and additional climate survey feedback may be used to further refine the plan in the future. The plan will include key milestones to guide implementation, measure progress, and support future reporting to the Board. Christopher Manning thanked the team for their work and flexibility in incorporating new strategies, measurements, and milestones into the plan. Further plan details will be reported at a future Board meeting.

VIII. **Financials**

A. **Balance Sheet** - Heather Hawkins reported a cash position of approximately $32.2 million.

B. **Corporate Update -** Todd Summer presented the corporate update, noting that the organization is currently ahead of budget by approximately $1 million. However, due to an unbudgeted strategic plan payment expected to be made to campus, Aztec Shops anticipates being in line with budgeted net from operations at year-end. During discussion, Todd and Heather noted that a significant downward change to net from operations from the prior year is in meal plan revenue and is due to an intentional change in first year plans. This change is resulting in fewer student missed meals, which was noted as a positive outcome for student well-being.

C. **Campus Stores** - Kathy Brown reported that Campus Stores is ahead of budget. She noted that participation in the Day1Ready textbook program has reached and possibly plateaued at approximately 85%, contributing to a slowed increase in top-line revenue. Kathy also shared that hardware sales from both individual and institutional customers are below budget. Expenses are higher than the prior year due to the Bookstore remodel and associated depreciation. She also noted that SD Wave sales are down, primarily due to attendance. Kathy shared that the new bookstore POS system is scheduled to go live on July 1.

D. **Campus Dining & Hospitality** - Robert Isner reported that four new self-operated units remain on schedule to open in the fall: The Market at Plaza del Sol, Sho Kitchen at Plaza del Sol, Mesa Fresh at Sanctuary Suites, and the Aztec Nutrition Center (the Athletic Training Table) at Sunset Plaza. Robert added that budgeted pre-opening expenses for these projects have added to year to date costs and are partially responsible for year of year expense increases. Robert also shared that The Garden will be closed for the coming year due to continued underperformance. During the closure, Aztec Shops will engage with students to explore and develop new concepts for the space. As a temporary alternative, food trucks will operate in the area and will accept meal swipes. The group discussed the importance of engaging with students through multiple avenues to ensure dining needs are representative of the campus population. Campus space needs will also be considered as part of future planning.

E. **Snapdragon Stadium Hospitality** - Susan Hawke noted that the Snapdragon F&B team is looking forward to the upcoming SDSU football season, which includes home dates against PAC-12 teams Texas State, Fresno State, Washington State, and Utah State. Susan also shared the operations team continues to pursue non-event catering opportunities. Susan added that per cap spending at SDFC events is approximately $29 and per cap spending for Wave games, which tend to have more families in attendance and lower alcohol sales, is approximately $24.

F. **Real Estate & Business Development** - Alyssa Longueay reported that the opening of Evolve Phase 1 remains on schedule for the fall. Phase 1 includes the Texcoco Residence Hall, the Plaza del Sol Amenities Building with The Market, BCB, Sho Kitchen, The UPS Store, and programming space. Alyssa also noted that depreciation across all buildings is significant due to the number of current and recently completed capital projects.

IX. New Job Classification

Todd Summer shared that, due to the scale at which Aztec Shops has grown and now operates, there is an emerging need for support on the Aztec Shops leadership team. Todd presented the job summary for a new Chief Operating Officer position. The position would oversee day-to-day operations of the revenue-producing divisions and provide additional executive leadership capacity. The Chief Operating Officer would work closely with the Chief Executive Officer to align operational execution with organizational strategy, while allowing the Chief Executive Officer to continue focusing on corporate strategy, growth initiatives, governance, partnerships, and community engagement.

Todd noted that since 2017 Aztec Shops has grown from approximately $68 million to over $140 million in revenue. He added that full-time headcount was approximately 150-160 prior to COVID and will now increase to a projected 225 for the upcoming budget year.

Todd shared that the anticipated process would be to post the position the following week. Jennifer Lakin noted that the organization hopes to fill the position internally. There was a suggestion to incorporate the stated interview assessment process into the onboarding process for the position.

Tyler Morgan moved to approve the addition of the Chief Operating Officer position with the proposed salary range and to approve a slight adjustment to the Chief Financial Officer salary range. Elliot Scott seconded, and the motion passed unanimously (10-0-0).

X. Approval of 2026/2027 Operating Budget

Heather Hawkins thanked Board members who attended the budget workshop where the budget was reviewed in detail. Heather then discussed budget assumptions for benefits, utilities, insurance, and other items.

Todd Summer discussed several risks to which Aztec Shops may be vulnerable, including meal plan assumptions and interest rates. He further stated that sticky interest rates could impact Mission Valley retail quoting information from various resources including Coldwell Bankers Richard Ellis (CBRE), the National Restaurant Association (NRA), and Colliers.

Todd reviewed the overall proposed budget, noting that projected net from operations is significantly lower than the prior year. He explained that depreciation is a major factor, along with additional interest expenses associated with new buildings and projects. Heather Hawkins noted that at the beginning of major projects, depreciation and interest expenses are higher than the combined interest and principal payments for debt service, impacting operating results. Todd added that for fiscal year 2026/2027, depreciation is projected at approximately $14.9 million.

Iain Robertson provided an overview of the support departments and overhead allocation methodology, explaining that overhead is allocated across the divisions. He noted that operating expenses are projected to increase by more than $2 million, primarily due to payroll and benefits associated with new positions.

In Campus Stores, Kathy Brown noted that overhead allocation is the primary factor in increased expenses and that there is also added cost with the implementation of NetSuite POS. Participation in the Day1Ready program is projected to be steady and the budget is also conservative in projecting imprinted apparel and gift sales due to uncertainty around sports team performance.

For Campus Dining and Hospitality, revenue is projected to increase significantly. Robert Isner shared that the second-year meal plan is expected to take effect next year offsetting the financial impact of fewer missed meals for first year students, as previously discussed. Also previously discussed is the opening of four new locations. A significant increase in overhead allocation has impacted expenses.

For Snapdragon Stadium, Susan Hawke shared that certain operating expenses are fixed and occur regardless of the number of events held and attendance at those events. Unfortunately, for next year, there will be fewer events primarily because of a change in the MLS schedule and attendance has been trending down for both SDFC and the Wave. Susan added that the stadium operator continues to book events, and there is potential for additional events to be added throughout the year.

For Real Estate & Business Development, Alyssa Longueay noted increased depreciation and interest expense due to Phase 1 of Evolve coming online.

Heather then reviewed cash flow, noting beginning and ending cash amounts and confirming that all obligations are expected to be met. The cash flow projection included expected operating gain, depreciation, principal payments/property, and capital expenditures.

Tyler Morgan moved to approve the 2026/2027 operating budget, including salary increases for full-time personnel, with an initial estimate of 3%, as determined and approved by the Board Chair and Board Secretary/Treasurer, with any additional increase likewise subject to their approval, and with the full Board informed of such actions. Vincent Lin seconded and the motion passed unanimously (10-0-0).

XI. Capital Budget Augmentation

Heather Hawkins presented a proposed capital budget augmentation of approximately $819,750 for additional needs. She explained that already approved contingency funds are expected to be used for additional mitigation and compliance costs for the Bell Pavilion roof repair and upgrading flooring at The Row after accounting for insurance proceeds related to the Oct 31, 2025 flood.

Heather reviewed proposed enhancement items, including fire panel upgrades at certain properties, replacement furniture for The Row due to its change to graduate housing, and the Mesa Fresh remodel.

It was noted that approximately $800,000 of the already approved Starbucks remodel would not yet be used. Elliot Scott moved to generally reallocate the Starbucks funds for the new needs, Vicent Lin seconded, and the motion passed unanimously (10-0-0).

XII. Resolution Establishing 2026-2027 Schedule of Meetings

Julie Goggins presented the proposed schedule of meetings for 2026-2027. Milan Rawls moved to establish the Board of Directors schedule of meetings, David DeBoskey seconded, and the motion passed unanimously (10-0-0).

XIII. Thank You Outgoing Board Member

Carl Winston thanked Vincent Lin for his service to the Board of Directors, noting he graduated from SDSU in May and his term expires June 30th. Vicent Lin thanked the Board and Aztec Shops for the opportunity, saying that he's excited to see where his degree will take him.

Closed Session

Carl Winston announced that while the Education Code requires auxiliary board meetings to be in open session, discussions related to investments, legal matters, 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 and the CEO review. Elliot Scott moved to enter into closed session, Noah Stuart seconded, the motion passed unanimously and the meeting entered closed session at 1:37 p.m.

XIV. Closed Session - Legal & CEO Review

XV. Adjournment

Carl Winston adjourned the meeting at 2:41 p.m.

Todd Summer
Chief Executive Officer