

AZTEC SHOPS, Ltd.
Minutes of the Meeting of the
Board of Directors
February 26, 2021

Members present: Carl Winston (Chair), Bianca Shaw, Christian Holt, Luke Wood, Agnes Wong Nickerson, Tom Donnelly, Brittany Santos-Derieg, Edward Pierzak, Tyler Morgan

Members absent: Steven Plante, Tyree Baker, Chris Thomas

Others present: Todd Summer, Kathy Brown, Heather Hawkins, Jahan Jamshidi, Jennifer Lakin, Paul Melchior, R.D. Williams, and Susan Hawke (Guest)

I. Call to Order

Carl Winston, Chair, called the meeting to order at 12:05 p.m. Carl welcomed everyone.

II. Approval of the December 2, 2020 Board Meeting Minutes

Brittany Santos-Derieg moved to approve the minutes of the Board of Directors meeting of December 2, 2020. Christian Holt seconded the motion. Motion was approved 8-0-0 (Luke Wood not present for vote).

III. Public Comment

Carl Winston opened the meeting for public comment. Todd Summer said he did not receive any emails requesting internet access. There was no public comment at the meeting.

IV. Nomination for Audit Committee

Tyler Morgan discussed Crystal Little's nomination of Mayra Vallalta for the audit committee. Agnes Wong Nickerson commented Mayra Vallalta is an excellent auditor from the chancellor's office and has performed some audits on campus. Tyler Morgan moved to approve Mayra Vallalta for the audit committee. Ed Pierzak seconded the motion. Motion was approved 8-0-0 (Luke Wood not present for vote).

V. Conflict of Interest Report

Carl Winston reported that all board members had turned in their conflict of interest forms.

VI. Resolution for Certificate of Corporate Authority and Signatories for Banking and Investment Transactions

Heather Hawkins said Tom McCarron and Donna Martens are being removed as signatories since they have retired, and Aztec Shops is requesting Meg Powell, senior manager in Aztec Shops' accounting department, be added. Meg has a lot of experience as an auditor and is extremely qualified. Tom Donnelly moved to approve adding Meg Powell. Agnes Wong Nickerson seconded. Motion was approved 8-0-0 (Luke Wood not present for vote).

VII. Paycheck Protection Program Loan Update

Heather Hawkins provided an update on the paycheck protection program. The loan program helps businesses to fund payroll (60% must be used for payroll and 40% can be used for other items such as rent). Aztec Shops qualifies because it now has fewer than 500 employees. Aztec Shops is awaiting a decision on its request for a \$3.1M loan as there is a second round of review for loan requests over \$2M which slows the process. A portion of the loan would be forgivable. Loans are processed first come, first serve and Aztec Shops applied early. The interest rate is 1% and the term is five years. Aztec Shops didn't qualify initially last year because the company had greater than 500 employees. Assuming approval, there are no known hurdles to accept the loan. Agnes Wong Nickerson thanked Heather Hawkins for her efforts and explained the initial loan application process last spring was very confusing as the guidelines were changed frequently.

VIII. Management Discussion

a. Balance Sheet - Heather Hawkins said the cash position at the end of January was \$12M and is currently at \$11M. Accounts Payable is at \$4.8M which is a \$3M increase from last year. The company owes affiliates, including SDSU and Associated Students, \$3M and is timing payments based on cash flow.

b. Consolidated Operating Statement - Todd welcomed Luke Wood, thanked Nance Lakdawala for taking minutes, and welcomed Susan Hawke as a guest. Todd presented the consolidated operating statement. To date there is a \$1.5M loss with an expected loss of up to \$5M for the year. Expenses are \$9M below last year.

c. Year-end projection and next year – Possible expected loss of up to \$5M for the year. The company will be flexible for fall and hopes the county will be in the yellow tier. The company will have a lot of capital outlay for Aztec Stadium/Mission Valley. The company is starting the budgeting process soon and will report out to the board in April and June on expectations and budget. Luke Wood said Todd Summer and his team have done an incredible job keeping Aztec Shops afloat during this difficult time. Todd Summer said the company appreciated the partnership with campus. Agnes Wong Nickerson commented Aztec Shops also continues to look ahead on what can benefit campus in the future.

IX. Mission Valley F&B

Paul Melchior stated the company conducted a national search for a skilled operating manager of Aztec Stadium and Susan Hawke was selected to be Executive General Manager of Food & Beverage at Aztec Stadium. Susan Hawke provided her background stating she is a native of San Diego and an SDSU alumna with a BA in speech communications and BA of Science in nutrition. Susan was also a student athlete on the tennis team. She worked many years in hospitality: five years at San Diego convention center, five years at Qualcomm stadium as the Director of Food and Beverage, and then five years at Petco Park as General Manager of Food and Beverage. Susan participated in three SuperBowls, several All-Star games, and World Baseball Classic events. Susan is excited to create a first-rate hospitality experience for our football games, concerts, and events. Paul Melchior said Susan has been introduced to the stakeholders, is working on a milestone calendar, and is negotiating with local restaurants on concepts for the stadium. Tom Donnelly asked who the stakeholders Susan has met were and Paul responded Athletics, Spectra,

builders and architects, and sponsorship and marketing partners. Todd Summer thanked the dining team and others who have been involved in stadium planning and stated Aztec Stadium is a unique opportunity to grow and support students and the university further. Agnes Wong Nickerson added that Aztec Shops will be managing the retail portion of Mission Valley space as well. They will create a great experience for visitors and residents.

X. Diversity, Equity & Inclusion Update

Jennifer Lakin earlier provided the DEI draft plan to three of the board members for review (Brittany Santos-Derieg, Bianca Shaw and Christian Holt). There was discussion on data, the climate survey, succession planning and other items. Jennifer Lakin stated Aztec Shops is in the process of hiring someone that will champion DEI on a daily basis. The three board members will send recommended edits to Jennifer Lakin and then next step will be full board review. Jennifer also provided a draft to Jennifer Imazeki in Student Affairs and Campus Diversity for review.

XI. Closed Session

Carl Winston relayed that the education code requires auxiliary board meetings to be in open session. Discussions related to real estate, legal matters, or an individual's performance or compensation may be held in closed session. At this time, Carl asked for a motion to move into closed session to discuss a legal matter. Luke Wood motioned to move into closed session. Agnes Wong Nickerson seconded the motion. The motion passed 9-0-0.

An item was discussed in closed session which commenced at 12:53 p.m.

XII. Adjournment

Luke Wood motioned to move out of closed session and adjourn. Ed Pierzak seconded the motion. Motion passed 9-0-0. The meeting was adjourned at 1:05 p.m.



Todd Summer
Chief Executive Officer