

AZTEC SHOPS, Ltd.
Minutes of the Meeting of the Board of Directors
September 19th 2025

Members present: Carl Winston (Chair), Kareen Holstrom (Vice Chair), Agnes Wong Nickerson (Secretary/Treasurer), David DeBoskey, Adi Juarez, Vincent Lin, Christopher Manning, Tyler Morgan, Brittany Santos-Derieg, Noah Stuart

Members absent: Rylie Ridpath, Elliot Scott

Others present: Kathy Brown, Ben Eisenstein, Julie Goggins, Heather Hawkins, Robert Isner, Jennifer Lakin, Alyssa Longeauy, Todd Summer, Dawn Stoebe, Janelle Temnick

I. Call to Order

Carl Winston, Chair, welcomed everyone and called the meeting to order at 12:22 p.m.

II. Public Comment

Carl Winston opened the meeting for public comment, and there was one member of the public present. There was no public comment.

III. Approval of the June 6, 2025 Board Meeting Minutes

Agnes Wong Nickerson moved to approve the June 6, 2025 Board Meeting Minutes, Brittany Santos-Derieg seconded the motion, and the motion passed unanimously (8-0-0; Noah Stuart and Adi Juarez not yet voting members).

IV. Board Nominations

A. Adi Juarez - term ending June 30, 2027

B. Noah Stuart - term ending June 30, 2027

Kareen Holstrom shared excitement about two student nominations to the Board of Directors. Adi Juarez introduced himself and shared that they are a third-year student leader in Associated Students majoring in Finance and are looking forward to learning more about Aztec Shops. Noah Stuart introduced himself and shared that they are a third-year Political Science major as well as an Associated Students Board member and are excited to participate in the Aztec Shops Board of Directors. Tyler Morgan moved to approve both nominations, Kareen Holstrom seconded, and the motions passed unanimously (8-0-0; Noah Stuart and Adi Juarez not yet voting members).

V. CalPERS Health Benefit Employer Contribution Resolution

Jennifer Lakin presented updates to the annual CalPERS Health Benefit Employer Contribution. Jennifer explained Aztec Shops pays seventy percent of the Kaiser rate for exempt employees and provides employees alternative plans paying the 70% of the base Kaiser rate only if an alternative plan is more expensive. The new rates will become effective January 2026. The Board discussed health benefit comparisons to campus employees, noting that rates for Aztec Shops employees in these plans have increased by 14%. David DeBoskey moved to approve the CalPERS Health Benefit Resolution for calendar year 2026, Brittany Santos-Derieg seconded the motion, and the motion passed unanimously (10-0-0).

VI. Audit Committee Meeting Report

Tyler Morgan (Chair, Audit Committee) shared that the Aztec Shops Audit Committee met on September 9, 2025 to discuss the audit with audit partner Grant Thorton. Tyler

highlighted that, in all material respects, the audit had no findings and was a clean audit. The Audit Committee approved the audited financial statements and report. Heather Hawkins highlighted the year end operating results against the budget, noting that each division was ahead of budget. Non-operating items included demolition and disposition of real estate assets to facilitate new construction and an actuarial adjustment to CalPERS medical obligations. Agnes Wong Nickerson moved to accept the Audit Committee's approval of the 2025 Fiscal Audit, Vincent Lin seconded the motion, and the motion passed unanimously (10-0-0).

VII. Management Discussion

- A. Balance Sheet** - Heather Hawkins reported the cash position of the company is sufficient to meet its current capital expenditure obligations and also noted timing of payments from the university impacts accrued liabilities.
- B. 10 year historical numbers** - Heather Hawkins shared historical numbers from 2016 to present, noting strong growth in revenue, net from operations, and net assets while also discussing the quick ratio. Revenue growth has been due to the addition of food & beverage and merchandise sales at Snapdragon Stadium, growth in Aztec Shops' residential real estate portfolio, and increased enrollment. This revenue growth has led to growth in net from operations over the same period and an increase in net assets. The quick ratio showed Aztec Shops ability to cover its obligations. Chris Manning asked when Aztec Shops might be expecting a plateau in growth. Heather answered that the Evolve housing project will continue revenue growth in the next few years but that the intent was to not necessarily increase net from operations and allow Aztec Shops's housing partner on these projects, the Office of Housing Administration, to keep student housing prices down. Heather also mentioned that the change in the Flex 5 and Flex 7 meal plans, from daily balances to weekly balances, has, thus far, cut missed meals in those plans by approximately half to 6% to 8% in the three full weeks of data available.
- C. 2024-2025 Internal Promotions** - Jennifer Lakin highlighted that in the last fiscal year Aztec Shops proudly promoted 22 employees into open full-time roles. There are currently 187 full-time positions at the company. Jennifer highlighted that these promotions represent a solid foundation to align with Aztec Shops' succession planning initiative.
- D. Bookstore Remodel** - Kathy Brown reported that the SDSU Bookstore mezzanine remodel, including upgrading some selling/service space and adding office space, is now complete. Kathy noted that the purpose of the remodel was to return academic space in the Education building back to campus by moving Aztec Shops personnel out of that academic space.
- E. Healthy Eating** - Robert Isner shared SDSU Dining added a Dietitian, Amanda Nazario, over the past year and that Amanda recently earned a master's degree in Sports Nutrition. Amanda is actively supporting the campus community and has met with over 100 individuals with special dietary needs including student athletes, meal plan holders, and staff. Amanda also works directly with campus

chefs to ensure allergens are properly labeled and highlighted. Ben Eisenstein highlighted the launch of NutriSlice, a new website where patrons can view nutritional information for Aztec Shops' operated facilities. Ben also highlighted the Aztec Aware menu for healthy options at University Towers Kitchen, to which Amanda contributed greatly.

- F. Evolve Phase I Progress** - Alyssa Longeauy highlighted the progress of Phase IA of the Evolve student housing project, noting the foundation has been laid for the amenities building that will house a restaurant concept, market, coffee shop, UPS Store, and additional conference room and activity space. Alyssa noted Phase IB will begin in December or January.

VIII. Evolve Phase II Preview & Expected Funding

Alyssa Longeauy provided additional updates for the Evolve student housing project, highlighting that the campus is currently in the design and planning stage of Phase II. The group aims to seek Board of Trustees approval in March for Phase II funding. Alyssa noted Aztec Shops will likely have an agenda item at December's Board meeting for funding approval of Phase II to align with Memorial Day construction timelines.

IX. Investment Committee

Todd Summer discussed the Investment Committee charter and the need for the committee to meet once per year. Per the charter, the Board must elect a Chair and there is an additional slot open on the committee. Todd opened the item up for Board discussion and interest in joining the committee. Heather Hawkins explained that current money market investments are monitored on a weekly basis. After some discussion, Kareen Holstrom moved to nominate Adi Juarez to the Investment Committee, Noah Stuart seconded, and the motion passed unanimously (10-0-0). After discussion, Kareen Holstrom moved to nominate Adi Juarez as Chair of the Investment Committee, Noah Stuart seconded, and the motion passed unanimously (10-0-0).

X. Budget Discussion

Todd Summer shared that Aztec Shops is requesting a change to the FY26 Budget approved in June due to 14% increases in employee out-of-pocket medical insurance payments. Todd noted that the Aztec Shops medical benefits are not as robust as those on campus and that the out-of-pocket portion employees would be responsible for would be significant. While salary increases were not approved in the budget, Todd requested a 2.5% hourly increase for non-exempt employees only, retroactive to July 1, 2025. Todd added that the increase would amount to a \$187,500 increase in payroll expenses for the year but that Aztec Shops had beaten its payroll budget in July, the first month of the fiscal year, by \$150,000. Aztec Shops feels the current budget for payroll would cover the increase requested. Tyler Morgan moved to provide a 2.5% hourly rate increase for non-exempt employees, retroactive to July 1, 2025, Vincenet Lin seconded the motion, and the motion passed unanimously (10-0-0).

XI. 2024-2025 Incentive Plan Recommendation

Todd Summer presented the 2024-2025 incentive plan recommendation noting that, even after discounting some positive performance due to enrollment gains and some light budgeting in two specific expense lines, that there was still significant positive

performance due to, primarily, containing expenses of the company overall in FY25. Todd recommended a 125% payout for the Associate Directors and Other levels of employees, a 110% payout for Directors, and a 100% payout for C-Suite. Tyler Morgan provided additional context that the incentive plan had been amended during his board tenure so that proper pro-rating was ensured. There was some discussion regarding the marketplace and competitive compensation. Tyler Morgan moved to approve the recommended incentive plan payout and to include all full-time employees, noting that although not clear in the incentive plan applicable to the 2024-2025 fiscal year, the intent was to allow for different percentages to be awarded to Directors and C-Suite (CEO and CFO) levels and that the ambiguity in the applicable plan had been corrected in the plan approved at the June, 2025 board meeting, effective for the 2025-2026 fiscal year. Noah Stuart seconded the motion and the motion passed unanimously (9-0-0; Brittany Santos-Derieg not present for vote).

XII. Capital Budget Enhancement

Alyssa Longeuay presented a capital budget enhancement item for consideration. Alyssa noted that Sunset Plaza has an underutilized restaurant space that Athletics would like to convert to a training table space for student athletes. Alyssa highlighted that a training table space would be an added benefit and tool in recruiting student athletes. Alyssa noted an estimated expense of up to \$1.75M to renovate the restaurant at Sunset Plaza for Athletics Training Table use, stating that Athletics may raise money to re-pay part or all of this expenditure in the future, which, if and when it occurs, would be reported to the board. David DeBoskey moved to approve up to a \$1.75M expenditure for this use, Adi Juarez seconded the motion, and the motion passed unanimously (10-0-0).

Closed Session

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 real estate item and the CEO review. Agnes Wong Nickerson made the motion, Vincent Lin seconded, and the motion passed unanimously (10-0-0). The meeting moved into closed session at 1:45 p.m.

XIII. Closed Session - Real Estate Item

XIV. Closed Session - CEO Review

XV. Adjournment

Kareen Holstrom moved to move back into open session and adjourn the meeting, Noah Stuart seconded, and the motion passed unanimously (9-0-0; Christopher Manning not present for vote). Carl Winston adjourned the meeting at 2:20 p.m.



Todd Summer
Chief Executive Officer