

**Sandia Heights Homeowners Association (SHHA)**

**Schedule of Long-Term Obligations**

**December 2025**

Sandia Heights Homeowners Association defines long-term obligations as financial debts, contracts, leases and other commitments that are due for payment for more than one year in the future. Such obligations may not appear in the financial statements of the association. The purpose of this schedule is to disclose two long-term obligations of the association.

**Office lease at 12700 San Rafael Avenue, NE Suite 3 with Sandia Heights 12700, LLC**

SHHA entered a five-year office lease dated January 1, 2020. Effective February 1, 2025, SHHA entered into a Supplemental Lease Agreement with Sandia Heights 12700, LLC (landlord) for a term of February 1, 2025 to February 28, 2030. SHHA occupies 1,317 square feet (8.8%) of the 14,485 square foot commercial shopping center. The lease calls for a base rent plus additional rent amounting to a pro-rata share “Net” of all expenses associated with the operation of the Shopping Center”.

Rents are as follows:

<b>Year</b>	<b>Base Rent</b>	<b>Additional Rent</b>
Year 1	\$26,998.56 or \$20.50 per foot	\$3.90 per foot
Year 2	\$28,078.44 or \$21.32 per foot	\$4.67 per foot
Year 3	\$29,201.52 or \$22.17 per foot	To be determined based on shopping center expenses incurred
Year 4	\$30,369.60 or \$23.06 per foot	To be determined based on shopping center expenses incurred
Year 5	\$31,584.48 or \$23.98 per foot	To be determined based on shopping center expenses incurred

**Service Agreement with Sandia Peak Utility Company (SPUC) for the collection of dues from members.**

On July 1, 2025, SHHA entered into a five-year agreement with SPUC to bill SHHA members monthly for membership dues. SPUC reconciles billing and payments before the 25<sup>th</sup> of each month and submits an automated clearing deposit to SHHA’s bank account for collected dues. SPUC provides monthly reporting to SHHA. The initial monthly cost of the service was \$2,119.10 plus New Mexico gross receipts tax. On the anniversary date of the contract, the cost shall increase based on the change in the Consumer Price Index for All Urban Consumers (CPI-U) using the 12-month period January to January. An increase will not exceed 5% per year. SPUC deducts the monthly fee from the dues collected from members. Either party can end the service agreement by giving the other party sixty days' written notice of their intent to terminate.

**Other Information**

SHHA has operating leases for office equipment without gaining ownership rights. These leases are not considered long-term obligations. No other long-term obligations have been identified.