

Sandia Heights Homeowners Association Policy, Revised for Implementation of the Dispute Resolution Policy Involving Lot Owners

Approved BoD December 10, 2025

1. Purpose and Intent

It is the policy of the Sandia Heights Homeowners Association ("Association") to resolve disputes with lot owners through the least contentious, most constructive, and most cost-effective means reasonably available. The following methods are presented in a preferred sequence, but the Board of Directors ("Board") may modify the order as circumstances reasonably warrant.

2. Dispute-Resolution Methods

The Association will generally utilize the following methods to attempt to resolve disputes with lot owners:

1. **Informal Discussions** – Direct communication aimed at clarifying issues and encouraging voluntary resolution.
2. **Mediation** – A voluntary, facilitated negotiation conducted by a neutral third party.
3. **Binding Arbitration** – A voluntary process, available only if both parties agree in writing, in which a neutral arbitrator renders a final, binding decision.
4. **Litigation** – Initiated only in extraordinary circumstances and only by formal Board resolution when judicial intervention is necessary.

3. Advisory Notices to Lot Owners

In addition to the dispute-resolution methods described above, the Association may communicate with lot owners regarding unresolved covenant concerns through advisory notices, such as a Notice of Non-Compliance.

These notices:

- Are not enforcement actions,
- Impose no penalties or liens,
- Serve solely as written advisories intended to encourage voluntary compliance, and
- May be recorded with the Bernalillo County Clerk, at the Board's discretion, when the severity, duration, or impact of the issue warrants public disclosure.

Such advisory notices support transparency and provide a clear record of the Association's good-faith communication efforts but do not alter or replace the Association's dispute-resolution process or enforcement authority.

4. Lot Owner Litigation

Lot owners retain the right to initiate litigation. The Association encourages owners to consider informal discussions, mediation, or arbitration before resorting to legal action.

5. Preservation of Authority

Nothing in this Policy waives the Association's legal rights or enforcement authority or limits its committees or representatives from performing their duties in good faith.