

Sample Dispute Resolution Clause

For Construction Subcontractor Agreement

Dispute Resolution. In the event of any dispute, claim, or controversy arising out of or relating to this Subcontract, including its interpretation, performance, or termination, the Parties agree to attempt to resolve the matter promptly and in good faith.

- **Negotiation:** The Parties shall first attempt in good faith to resolve any dispute by informal negotiations. Such negotiations shall begin upon written notice from one Party to the other.
- **Mediation:** If the dispute cannot be settled through negotiation within fifteen (15) days, the Parties agree to submit the dispute to non-binding mediation under the rules of the American Arbitration Association or another mutually agreed-upon mediator. The costs of mediation shall be shared equally.
- **Arbitration:** If the dispute is not resolved by mediation within thirty (30) days of initiation, the Parties agree that the dispute shall be resolved by binding arbitration in accordance with the rules of the American Arbitration Association. The decision of the arbitrator(s) shall be final and binding. Judgment on the arbitrator's award may be entered in any court having jurisdiction.
- **Venue and Governing Law:** The mediation and arbitration proceedings shall take place in the state and county where the Project is located, and this Agreement shall be governed by the laws of that state.

Nothing in this clause shall prevent either Party from seeking injunctive or equitable relief in a court of competent jurisdiction if necessary to prevent irreparable harm.