

Dispute Resolution Clause Sample

For Subcontractor Contracts

1. Good Faith Negotiation

In the event of any dispute, controversy, or claim arising out of or relating to this Subcontractor Contract, or the breach, termination, or validity thereof (â€œDisputeâ€), the parties shall first attempt in good faith to resolve the Dispute through negotiations between senior representatives of each party who have authority to settle the Dispute.

2. Mediation

If the Dispute has not been resolved by negotiation within fifteen (15) days from the date either party provides notice of the Dispute to the other party, the parties agree to submit the Dispute to mediation, to be conducted in accordance with the then-current rules of [mediation body, e.g., American Arbitration Association] or another mediator mutually agreed upon by the parties. Each party shall bear its own costs and share equally the fees and expenses of the mediator.

3. Arbitration

If the Dispute is not resolved within thirty (30) days after commencement of mediation, the Dispute shall be finally resolved by binding arbitration in accordance with the rules of [arbitration body, e.g., American Arbitration Association]. The arbitration shall take place in [City, State], and the language of arbitration shall be English. Judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

4. Exceptions

Notwithstanding the above, either party may seek temporary or preliminary injunctive relief from any court of competent jurisdiction when necessary to protect its rights during the pendency of any negotiation, mediation, or arbitration.

5. Continuation of Work

During any Dispute or arbitration, unless otherwise agreed in writing, the Subcontractor shall continue to perform its obligations under this Contract, and the General Contractor shall continue to make payments as due, pending final resolution of the Dispute.