

CREATIVE DISPUTE RESOLUTIONS, LLC

ADR CONTRACT CLAUSES

Given the numerous benefits associated with alternative dispute resolution processes, it is often beneficial for contracting parties to agree in advance that they will seek to resolve any future disputes through mediation and/or arbitration. The sample clauses below seek to accomplish this purpose and may be inserted along with other relevant terms into construction, vendor, employment, or other business-related contracts.

Mediation Clause:

To the extent that a claim or dispute arises out of, or in relation to, the terms, construction, interpretation, performance, termination, breach, or enforceability of this contract, the parties hereby agree that they shall attempt to settle the claim or dispute through mediation. The parties agree that they shall mutually select a qualified mediator from the panel offered by Creative Dispute Resolutions, LLC. The parties further agree that the costs of the mediation shall be divided equally between them.

Arbitration Clause:

To the extent that a claim or dispute arises out of, or in relation to, the terms, construction, interpretation, performance, termination, breach, or enforceability of this contract, the parties hereby agree that the claim or dispute shall be settled by binding arbitration. The parties agree that they shall mutually select an arbitrator, or a panel of three arbitrators, from the group of individuals offered by Creative Dispute Resolutions, LLC. The arbitrator(s) shall base the award on applicable law, and judgment on the award may be entered in any court having jurisdiction. The parties further agree that the costs of the arbitration shall be divided equally between them. [The clause may also include references to applicable arbitration rules and stipulations and must be tailored to ensure enforceability in the applicable jurisdiction.]

The two clauses above also may be combined to create a two-step, hybrid approach to resolving disputes.