

Basic Arbitration/Mediation Clause

Arbitration Required/Mediation First Option. Any dispute or claim that arises out of or that relates to this agreement, or to the interpretation or breach thereof, or to the existence, scope, or validity of this agreement or the arbitration agreement, shall be resolved by arbitration in accordance with the then effective arbitration rules of (and by filing a claim with) Arbitration Service of Portland, Inc., and judgment upon the award rendered pursuant to such arbitration may be entered in any court having jurisdiction thereof. The parties acknowledge that mediation helps parties settle their dispute and any party may propose mediation whenever appropriate through Arbitration Service of Portland or any mediator selected by the parties.

(Note on arbitration's interface with mediation. Mediation is a very effective dispute resolution mechanism, but inherently it is a voluntary and cooperative settlement process that cannot be forced upon any party. A dispute resolution clause should avoid language that seeks to mandate mediation and that (arguably) could be construed as a legal condition precedent to arbitration or litigation (because a defendant in bad faith could use a "mediation first" requirement as a delay tactic).)

(Note: Any existing attorney fees clause in the contract should be modified to include an arbitration proceeding. [Click to Attorney Fees Provision.](#))