

Add Dispute Resolution Language to Lease

Here's an example of how you can incorporate mediation language into your commercial lease. Drafted by attorney Jerry Slusky, the following lease amendment is from a lease between a tenants' association and an owner. Show this language to your attorney before adapting it for use in your leases.

DISPUTE RESOLUTION AND LIMITATION ON LITIGATION

- 1. Claims.** The Association and its directors and committee members, and the Owner subject to this Amendment agree that it is in the best interest of all concerned to encourage the amicable resolution of disputes involving the Association without the emotional and financial costs of litigation. Accordingly, each of the above named parties agrees not to file suit in any court with respect to a Claim described below, unless it has first submitted such Claim to the Board of Directors to negotiate a resolution. If a resolution cannot be achieved through negotiation with the Board of Directors, the Claim shall be submitted to Mediation as set forth below. As used in this Article, the term "Claim" shall refer to:

 - a. Any claim, grievance, or dispute arising out of or relating to the interpretation, application, or enforcement of the Amendment, Bylaws, or Rules of the Association; or
 - b. The rights, obligations, and duties of the Association, its directors and committee members, and the Owner; or
 - c. Any attempt or intention of the Association to collect Assessments or other amounts due from the Owner; or
 - d. Any attempt or intention by the Association to obtain a temporary restraining order.

- 2. Mediation.** If the parties to a Claim are not able to resolve said Claim after a reasonable period of time through negotiation, the Claim shall be submitted to mediation with an independent agency providing dispute resolution services in the *[insert jurisdiction, e.g., Omaha, Nebraska]* area, as agreed upon by the parties. If the parties cannot agree on a dispute resolution provider, the parties shall each designate a dispute resolution services provider, and those two providers shall select a third provider to mediate the dispute.

Each party shall bear its own costs of the mediation, including attorney's fees, and each party shall share equally all fees charged by the mediator.

In the event the parties do not achieve a settlement of the Claim in mediation, the parties retain the right to pursue any and all legal remedies available.