

**ADDENDUM "A" TO
GENERAL CONDITIONS OF THE CONTRACT FOR CONSTRUCTION
AIA Document A201 - 2007 Edition**

ALTERNATIVE DISPUTE RESOLUTION

This ADDENDUM ("Addendum") is attached to and incorporated in that certain document entitled "General Conditions of the Contract for Construction, AIA Document A201-20097" ("General Conditions") and forms a part of the Contract for Construction between _____ ("Owner") and _____ ("Contractor"). In the event of any conflict, inconsistency or ambiguity between the terms and provisions of this Addendum and those of the General Conditions, this Addendum shall govern. The terms and provisions of the General Conditions are hereby modified as set forth below.

1. Dispute Resolution. All disputes shall be subject to the dispute resolution procedures described below.

1.1 Mediation. If a dispute arises out of or relating to this Contract or a breach thereof and if the dispute cannot be settled as set forth in Section 4.4 of the General Conditions, the parties agree to first try in good faith to settle the dispute by mediation administered by the Judicial Arbitration and Mediation Services ("**JAMS**") under its Commercial Mediation Rules, before resorting to arbitration, litigation, or another dispute resolution procedure. If mediation fails, any claim, controversy or dispute of any kind among the Parties, now existing or arising in the future, whether relating to the interpretation of any provision of this Contract, the rights and obligations of the Parties under this Contract, any other agreement relating to, or arising from, the business of Owner or the Work, shall be submitted to binding arbitration under the Federal Arbitration Act, 9 U.S.C. 1 et seq. regardless of any other choice of law provision in any underlying contract or this Contract.

1.2 Binding Arbitration. All disputes shall be subject to binding arbitration conducted by JAMS, in accordance with the JAMS rules ("**JAMS Rules**") then applicable to the claims presented, as supplemented by this Addendum. The following supplemental rules shall apply to all arbitration proceedings and shall govern in the event of a conflict between the rules set forth below and the rules of JAMS Rules.

1.2.1 Agreement to Arbitrate. Owner and Contractor shall resolve disputes exclusively through binding arbitration in the county in which the Project is located. This arbitration provision shall apply to disputes of any kind or nature regardless of the nature of the relief sought.

1.2.2 Waiver of Trial by Judge or Jury. By agreeing to resolve all disputes through binding arbitration, Owner and Contractor each give up the right to have their respective claims and defenses decided by a judge or a jury. All claims and defenses shall instead be decided by the arbitrator.

1.2.3 Participation by Other Parties. Owner and Contractor may have all necessary and appropriate parties included as parties to the arbitration. Contractor agrees to

participate in and be bound by any arbitration proceeding between Owner and any third party relating to the Work. Notwithstanding any provision in this Addendum to the contrary, Owner shall be entitled to terminate this Contract in whole or in part, if any dispute arises between Contractor and Owner, whereupon Owner shall also be entitled to exercise any and all remedies, deductions, and offsets authorized pursuant to this Contract. Notwithstanding any other provision of this paragraph, if a subcontractor or material supplier of Contractor, or any other necessary third party, cannot be forced to mediate or arbitrate, Owner may elect to unilaterally waive mediation and arbitration.

1.2.4 Rules of Law. The arbitrator must follow California substantive law, including statutes of limitations, but strict conformity with the rules of evidence is not required, except that the arbitrator shall apply applicable law relating to privilege and work product. The arbitrator shall be authorized to provide all recognized remedies available at law or equity for any cause of action.

1.2.5 Attorneys' Fees and Costs. Should legal action or arbitration be necessary to enforce or interpret any of the provisions of this Contract, the prevailing party in such action or arbitration shall be entitled to all costs and reasonable attorneys' fees incurred therein.

1.3 Final and Binding Award. The decision of the arbitrator shall be final and binding. A petition to confirm, vacate, modify or correct an award may be filed in any court of competent jurisdiction in the county in which the Project is located, but the award may be vacated, modified or corrected only as permitted by the Federal Arbitration Act.

1.4 Severability. In addition to and without limiting the effect of any general severability provisions of this Contract, if the arbitrator or any court determines that any provision of this Addendum is unenforceable for any reason, that provision shall be severed, and proceedings agreed to in this Addendum shall be conducted under the remaining enforceable terms of this Addendum.