

NOTE TO THE CUSTOMER

**THIS SERVICE CONTRACT IS NOT VALID UNLESS A COMPLETED
REGISTRATION PAGE ACCOMPANIES THIS CONTRACT BOOK**

Thank You.

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TERMS AND CONDITIONS

THIS VEHICLE SERVICE CONTRACT, hereinafter referred to as **Contract**, is between the owner, hereinafter referred to as **you**, and **your**, and **Protective Administrative Services, Inc.**, hereinafter referred to as **WE, US, OUR** and **PROVIDER. OUR** administrative address is 51 Mill Street, Haver, MA 02339.

We have contracted with Royal Administration Services, Inc., hereinafter referred to as **Administrator** to administer this **Contract**. All inquiries should be directed to the **Administrator**. Toll-free assistance is available at (800) 871-0467.

The **Administrator** will reimburse **you** for reasonable costs to repair or replace any of the covered parts listed in this **Contract** if required due to a mechanical breakdown, hereafter referred to as a loss. A "loss" is defined as the failure of a defective covered part or faulty workmanship of a covered part as originally supplied by the manufacturer. **It does not include gradual reduction in operating performance due to wear and tear. Damaged parts may be replaced, depending upon availability, with like quality, used, rebuilt, remanufactured, or new parts.** When the cost of a repair for both parts and labor exceeds the cost of replacing the damaged unit with a used, rebuilt, or remanufactured unit, the **Administrator** reserves the right to select the method of repair. Dollar amount of authorization will be based on selected method of repair. Administrator at all times reserves the right to inspect your vehicle before providing any authorization in accordance herewith.

If **your** vehicle breaks down, **you must pay, to the repairing facility, the deductible stated in the Declaration Section per visit.**

Labor: Labor costs for authorized repairs will be based on the average costs for similar repairs, or as nationally published. Labor time-capsules will be determined by a current nationally published flat-rate manual.

In order to receive the full coverage of this **Contract**, **you must, at your expense, maintain the vehicle in accordance with the manufacturer's recommendations.** In the event of a claim under certain circumstances, evidence of proper service may be required.

Keep receipts from all routine maintenance work performed. You are entitled to make a direct claim against the insurance company if the Administrator fails to pay any claim, within sixty (60) days after proof of loss has been filed with **Administrator**. This **CONTRACT** is backed by Lyndon Property Insurance Company, 14755 N. Outer Forty Road, Suite 400, St. Louis, Missouri 63017.

SERVICE CONTRACT VALIDATION PERIOD

This SERVICE CONTRACT is subject to a validation period of time and mileage from THE SERVICE CONTRACT PURCHASE DATE. The length of the validation period for the coverage plan **YOU** have purchased is listed with **YOUR** plan and term information on the registration page of this contract. There is no coverage during the validation period. Coverage will commence upon the expiration of the validation period. The SERVICE CONTRACT will expire according to the time and mileage of the plan that **YOU** have selected. The additional time and mileage contained in the validation period will be added to the plan's term.

EXPIRATION

This contract expires by time or mileage, whichever occurs first. Mileage: The contract expiration is measured from the odometer mileage of the vehicle on the contract purchase date. Time: the contract expiration is measured from the contract purchase date of the vehicle.

WHAT IS COVERED (See Declaration for the coverage you selected.)

POWERTRAIN COVERAGE

Components 1 through 4 are covered.

1. Engine: Crankshaft and bearings, oil pump, internal timing gears, timing chain, camshaft, camshaft bearings, valve lifters, rocker arm assemblies and push rods, pistons and rings, wrist pins, cylinders, connecting rods, distributor drive gear, all internal components of engine block and cylinder heads, if damage is caused by mechanical failure of an internally lubricated part. Gaskets and external seals will be covered if their replacement is necessary to complete an otherwise authorized repair. **Cracked engine block, cylinder heads, and piston cylinders are not covered.** Broken crankshaft is covered if break is caused by either bearings or piston failure. Valve guides are covered only when guide sleeves have not slipped below original Position.

2. Transmission/Transaxle: The internal components of the automatic transmission or manual transmission. Drive chain gears, carrier bearings, and internal transaxle seal. The manual transmission case and automatic transmission case and torque converter, transfer case, drive gears, forks, bearing thrust washer, bushing, washer, and housing are covered, if damaged by the failure of internally lubricated parts.

3. Differential Assembly Components (2 & 4 wheel drive): (Front & rear) differential housing including pinion bearings, side carrier bearings, ring and pinion gears, carrier assembly, washers, axles, axle bearings.

4. Towing: Up to \$25.00 per occurrence if the vehicle is disabled due to a covered breakdown and needs to be towed.

Optional Coverage

Air Conditioning: Compressor, however if the damaged or malfunctioning compressor causes damage to the expansion valve, or receiver dryer, the damaged component(s) will be replaced. **Coverage applies to factory installed, non-retrofitted units only.**

Surcharge Coverage

Turbo Charger/Supercharger: All internally lubricated parts due to mechanical failure.
1 Ton Vehicle

CLASSIC COVERAGE: Includes covered components 1 through 4 listed for Powertrain Coverage plus components 5 through 14.

5. Timing Belt: If contract holder has followed manufacturer's recommended maintenance intervals for replacement.

6. CV Joints: CV boots must not be torn at the time of failure. Lubricated joint failure only. **Universal Joint (U Joint) is not included.**

7. Steering: Internally lubricated parts contained within the steering box and pump housing, including rack and pinion, control valves, internal oil control seals, bearings, and shafts, steering box and pump housings if damaged by the failure of internally lubricated parts.

8. Electrical: Alternator, starter motor, front wiper motor, cooling fan motor, heater blower motor, electric horn, clock, switches for the following; neutral safety, overdrive, reverse indicator, power windows, power door locks.

9. Seals and Gaskets: Head gasket and intake manifold gaskets are covered for coolant leaks only on vehicles with up to 125,000 miles at the time of failure.

10. Air Conditioning: Compressor, however if the damaged or malfunctioning compressor causes damage to the expansion valve, or receiver dryer, the damaged component(s) will be replaced. **Coverage applies to factory installed, non-retrofitted units only.**

11. Cooling System: Water pump, thermostat, mixture control valve, overflow reservoir.

12. Fuel System: Fuel pump, pressure regulator, fuel injector.

13. **Substitute Transportation:** Up to \$30.00 per 8-hour labor charge (\$90 maximum per claim).

14. **24 Hour Roadside Assistance:** Includes, but is not limited to: lock out service, battery assist, tow service and road assistance. Coverage is available up to ten times over the term of this contract.

This coverage voids any other towing coverage included in this contract. Towing coverage provides up to \$50.00 per occurrence, other benefits provide up to \$25.00 per occurrence. **Benefits do not include the cost of any parts, fluids or fuels.**

Surcharge Coverage

Turbo Charger/Supercharger: All internally lubricated parts due to mechanical failure.
1 Ton Vehicle

PREMIER COVERAGE

Includes covered components 1 through 14 listed above for Powertrain and Classic coverages plus 15 through 25.

15. **Seals & Gaskets:** All seals and gaskets are covered for premature failure on vehicles with up to 125,000 miles at the time of failure. **Seepage of seals and gaskets is considered normal wear and tear and is not covered under this contract. Any damage due to loss of fluid is not covered.**

16. **Hi-Tech Electrical:** Alternator, starter motor, front and rear wiper motor, cooling fan motor, fuel gauge, cooling sender, neutral safety switch, overdrive switch, reverse indicator switch, voltage regulator, distributor, ignition module, ignition coil, starter solenoid, wiring harness, power window switches, door lock switches, cruise control module, power window motors, power seat motors, power door lock actuator and switch, power sunroof motor, mileage computer, electronic instrument cluster, distributor ignition coil, automatic climate control electronic control module, head light switch, convertible top motor, clock, electric horn.

17. **Cooling System Plus:** Blower motor, heater core, electric radiator fan motor, fan clutch, fan blade.

18. **Suspension:** Control arms, control arm shafts, bearings and bushings, radius arm and bushing, wheel bearings, stabilizer bar, stabilizer link, stabilizer bushing, spindle, torsion bars, mode selector switch, height sensor computer, control module, actuator.

19. **Fuel System Plus:** Mechanical fuel pump, electric fuel pump, vacuum pump, metal fuel delivery lines, fuel tank, fuel sender, pressure regulator, fuel injectors.

20. **Brake System:** Master cylinder, wheel cylinders, disc brake calipers, ABS master cylinder, vacuum booster, hydraulic lines and fittings, pressure modulator valve, isolation dump valve, accumulator, wheel speed sensors.

21. **Turbo Charger/Supercharger:** All internally lubricated parts due to mechanical failure.

22. **Air Conditioner:** Condenser, compressor, evaporator, accumulator, compressor clutch, idler pulley, idler pulley bearing, hi/low compressor cutoff switch, pressure cycling switch, cooling fan motors. **Coverage applies to factory installed, non-retrofitted units only.**

23. **Fluids:** Engine oil, power steering fluid, antifreeze, and transmission fluid are all covered items when required during the authorized repair process.

24. **Substitute Transportation Plus:** Up to \$40.00 per 4-hour labor charge (\$200 maximum per claim)

25. **Trip Interruption Intervention:** The **Administrator** will, in the event of mechanical failure of a warranted vehicle component, reimburse **you** \$75.00 per day for a maximum of \$300.00 for meals and lodging providing the failure occurs 100 or more road miles from the home of record. This includes expenses incurred between the breakdown time and time the repairs are completed.

WHAT IS NOT COVERED

ANY REPAIR OR REPLACEMENT MADE WITHOUT PRIOR AUTHORIZATION FROM THE ADMINISTRATOR.

1. Any parts not listed under covered parts. Examples of parts not covered are: battery, brake drums, disc brake rotors, brake linings and disc brake caliper pads, shock absorbers, bolts, nuts, fasteners, standard transmission clutch assembly, and manual and hydraulic linkages. Passive or active safety and restraint systems and any sensors/components related to the operations of these systems.
2. Any breakdown caused by collision, fire, theft, vandalism, riot, explosion, lightning, earthquake, overheating, freezing, rust or corrosion, windstorm, hail, water, or flood.
3. Any breakdown caused by misuse, abuse, negligence, lack of normal maintenance (adjustments, alignments, tune-ups, etc.), failure to protect your vehicle from further damage when a breakdown has occurred, failure to maintain proper levels of lubricants and/or coolants, or if your vehicle has been used for racing or any other forms of competitive driving, plowing snow, or for towing a trailer weighing in excess of 2,000 pounds or any vehicle or object unless your vehicle is equipped with a factory-installed or authorized tow package.
4. The repair of valves and/or rings, if the purpose of such is simply to raise the engine's compression when a mechanical breakdown caused by the failure of a covered part has not occurred. This is considered normal wear and tear, and not a mechanical breakdown. Also, no benefit is provided for a condition which already existed when you purchased your Contract or for a mechanical breakdown which occurred before you purchased your Contract. Repair or replacement of any covered part if a breakdown has not occurred.
5. Any alterations which have been made to your vehicle, or you are using or have used your vehicle in a manner which is not recommended by the manufacturer, including the failure of any custom or add-on part.
6. **INELIGIBLE VEHICLES:** Any vehicle not expressly listed on the current contract rate card or classification list: Vehicles with True Mileage Unknown (TMU); Vehicles over 1 ton classification, taxis, buses, and city and state owned vehicles; vehicles used for commercial purposes, racing competition, time trials or rallies; vehicles modified from manufacturer's specifications; vehicles not purchased/authorized through a licensed authorized agent; vehicles with fifth wheel or a snow plow attachment; and vehicles purchased by a minor. Any vehicle that has been assigned a salvage title as a result of flood or fire damage.
7. Prior repairs which are the subject of any third party warranty or any prior repairs where there is demonstrable negligence or failure in workmanship; Repairs for which the responsibility is covered by any warranty of the manufacturer such as extended drive train coverage, or a repairer's guarantee. Further, coverage under this Contract is similarly limited in the event of a breakdown if the manufacturer has announced its responsibility through any means including public recalls and factory service bulletins.
8. Any breakdown caused by contamination of fluids, fuels, coolants, or lubricants, or rust or corrosion.
9. Liability for damage to property, or for injury to or death arising out of the operation, maintenance or use of your vehicle described in this Contract, whether or not related to the part covered.
10. Any loss caused by a lack of proper and necessary amount of coolants or lubricants.
11. Maintenance services and Parts described in your vehicle's owner's manual as supplied by the manufacturer. These include, but are not limited to: filters, lubricants, coolants, fluids, refrigerants, alignments, tune-ups, spark plugs, hoses, belts, brake pads, wiper blades, light bulbs, exhaust systems, trim moldings, upholstery, carpet and paint.

LIMIT OF LIABILITY

Our liability shall in no event exceed the limits stated below:

Coverage Type	Limit of Liability	
	Per Claim	Life of Contract
Powertrain		
3 Month/3,000 Mile	\$1,000	\$1,500
6 Month/6,000 Miles	\$1,000	\$2,500
All Other Powertrain Plans	\$1,500	\$3,000
Classic		
All Plans	Actual Cash Value	Actual Cash Value
Premier		
All Plans	Actual Cash Value	Actual Cash Value

Our liability under any plan shall in no event exceed the actual cash value (ACV) of your vehicle before breakdown as determined by standard industry practices. The total of all coverage and benefits paid or payable under this **Contract** shall not exceed the price **you** paid for **your** vehicle.

CANCELLATION/TRANSFER

CANCELLATION OF CONTRACT

All requests for cancellation shall be made to the selling vendor.

Upon request for cancellation, submit to the selling vendor the following:

- 1) a written request for cancellation that includes **your** signature,
- 2) a statement of vehicle mileage at the time of cancellation,
- 3) proof of warranty purchase. Upon receipt of the required information, the vendor will:
 - a) Cancellations are pro-rated based upon term or mileage, whichever is greater. The refund of the unearned premium is less any claim payments that have been approved.
 - 1.) If a request is made within thirty (30) days of purchase, a full refund will be allowed.
 - 2.) If a request is made after thirty (30) days of purchase, a pro-rata refund percentage figure will be provided.
 - b) The **ADMINISTRATOR** agrees to pay the pro-rata unearned refund based on the consideration received from the **SELLING VENDOR**.
 - c) The **SELLING VENDOR** agrees to pay the pro-rata unearned portion of the commission originated from the Program sales.
 - d) All cancellations are subject to a fifty dollar (\$50.00) processing fee.

When a lending institution or the Selling Vendor (in-house) has financed the purchase of this **Contract**, cancellations will be pro-rated based on time or mileage. The following procedures will apply:

- If a lending institution has financed the purchase of this **Contract** and the **Contract** is cancelled by **you**, the refund check will be made payable to the lending institution.
- If the vehicle is repossessed by the lien holder, or if the vehicle is either totalled or an unrecovered theft, the refund check will be made payable to the Lien Holder.
- All appropriate refund checks not involving a Lien Holder will be made payable to the selling vendor.

TRANSFER OF CONTRACT

This Contract may be transferred upon sale of the vehicle to another private party. The Contract transfer must be made at the time of the vehicle transfer. You must request the transfer in writing, and it must be received by the Administrator within seven (7) days of the transfer. A fee of \$25.00 must accompany the request to transfer, along with the following information, 1. Name of New Owner 2. Address & Telephone Number 3. Vehicle Odometer Statement 4. Copy of Title showing transfer. This Contract must be given to the new owner at the time the Contract Transfer is completed. Transfer of Contract does not include transfer of the 24 Hour Roadside Assistance Program.

FINANCING AND PAYMENT PROVISIONS

INSTALLMENT PAYMENT PROVISION

In the event that **YOUR SERVICE CONTRACT** is being paid for via a Retail Installment Contract (or its equivalent) which is terminated for non payment, the expiration date and mileage of the **SERVICE CONTRACT** will be modified to reflect the portion of the **SERVICE CONTRACT** that YOU have paid for. The modified expiration date and mileage of the **SERVICE CONTRACT** will be calculated on a pro rata basis by adding the amount of time and mileage that YOU have paid for to the original in service date and in service mileage of the **SERVICE CONTRACT**. YOU may contact the **ADMINISTRATOR** toll-free at (800) 871-0467 for the modified terms of **YOUR SERVICE CONTRACT**.

LIENHOLDER CANCELLATION

If YOUR Vehicle and this **SERVICE CONTRACT** have been financed, the lienholder shown on the Registration Page may cancel this **SERVICE CONTRACT** for the default of the loan contract or if YOUR Vehicle is declared a total loss due to an accident or theft or is repossessed. **In such event, immediate notification and submission of documents to the ADMINISTRATOR is required.**

ARBITRATION

It is understood and agreed that the transaction evidenced by this **Contract** takes place in and substantially affects interstate commerce. Any controversy or dispute arising out of or relating in any way to this **Contract** or the sale thereof, including for recovery of any claim under this **Contract** and including the applicability of this arbitration clause and the validity of this **Contract**, shall be resolved by neutral binding arbitration by the National Arbitration Forum (“NAF”), under the Code of Procedure in effect at the time the claim is filed. All preliminary issues of arbitrability will be decided by the arbitrator.

- a. If YOU dispute OUR determination to deny YOU benefits under this **Contract** , **YOU must submit written notice to US of YOUR intent to arbitrate that dispute no later than sixty (60) days following OUR determination. YOUR failure to meet this time requirement will prevent YOU from disputing OUR determination, whether through arbitration or otherwise.**
- b. The arbitration shall take place in a location near YOUR residence before a single arbitrator selected in accordance with the NAF Code of Procedure. NAF rules and forms may be obtained and all claims shall be filed at any NAF office, www.arb-forum.com, or P.O. Box 50191, Minneapolis, Minnesota 55405. The NAF may be reached at 651-631-1105 or 800-474-2371.
- c. Except for the filing fee and the costs YOU may incur to present YOUR case, the cost of the arbitration shall be borne by US, provided, however, that should the arbitrator find that YOU have raised a dispute without substantial justification, the arbitrator shall have the authority to order that the cost of the arbitration proceedings be borne by YOU.
- d. It is understood and agreed that the arbitration shall be binding upon the parties, that the parties are waiving their right to seek remedies in court, including the right to a jury trial, and that an arbitration award may not be set aside in later litigation except upon the limited circumstances set forth in the Federal Arbitration Act.

e. All statutes of limitation that would otherwise be applicable shall apply to any arbitration proceeding. Neither party shall be precluded from instituting an action in a court of competent jurisdiction to obtain a temporary restraining order, a preliminary injunction or other equitable relief to preserve the status quo or prevent irreparable harm pending the selection of the arbitrator of the commencement and completion of the arbitration hearing. Neither party may recover punitive or exemplary damage awards in any arbitration proceeding.

f. The contract to arbitrate will survive the termination of this **Contract**.

IF THIS CONTRACT IS FOUND TO BE NOT SUBJECT TO ARBITRATION, ANY LEGAL PROCEEDING WITH RESPECT TO ANY DISPUTE WILL BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE WITHOUT A JURY. BOTH PARTIES WAIVE ANY RIGHT TO A JURY TRIAL IN ANY SUCH PROCEEDING.

TO FILE A CLAIM

If **your** vehicle breaks down, **take it to any reputable/licensed repair facility. You will need to provide the repair facility with a copy of your Contract.**

CLAIM PROCEDURE - NO REPAIRS OR MACHINE WORK ARE TO BE STARTED OR DAMAGED PARTS TO BE DISCARDED UNTIL FAILURE IS DIAGNOSED AND WORK IS AUTHORIZED BY THE ADMINISTRATOR. IT IS YOUR RESPONSIBILITY TO HAVE THE FAILURE PROPERLY DIAGNOSED. YOU ARE RESPONSIBLE FOR AUTHORIZING THE TEAR DOWN AND THE INSPECTION BY THE REPAIR FACILITY, BUT ONLY TO THE POINT WHERE THE DAMAGE IS VISIBLE OR DETERMINABLE. YOUR VEHICLE MAY BE REPAIRED AT ANY LICENSED REPAIR FACILITY OF YOUR CHOICE. THE

SERVICE MANAGER MUST

1. Obtain **your** authorization to inspect and/or tear down **your** vehicle in order to determine the cause of failure and cost of the repair.
2. Call the **Administrator** to verify **your** coverage and to obtain a Claim Authorization Number. For Claims/Customer Service (800) 871-0467.
3. Review **your** coverage with **you** to explain what will be covered by the **Contract** and what portions of the repairs, if any, will not be covered.

WHEN YOU PICK UP YOUR VEHICLE, YOU MUST

1. **Review the work performed with the service manager.**
2. **Pay the deductible amount shown in the Declaration Section per visit.**
3. **Pay for any charges not covered by the Contract.**
4. **Have an authorization number.**

PAYMENT OR REIMBURSEMENT OF CLAIMS

PAYMENT OPTION: When the damage and repair falls within the scope of this **Contract**, and authorization to proceed with the repair is obtained from the Administrator and the repair work is completed, We will then reimburse You or the repair facility for the approved cost of the work performed on Your vehicle that is covered by this **Contract** less the Deductible, if any. The Administrator will arrange for such payment by check or nationally recognized credit card (usually Visa®, Mastercard® or American Express®).

REIMBURSEMENT OPTION: You or the repair facility may claim reimbursement from the Administrator, by submitting the paid invoice to the address below. **Claims must be submitted within 180 days from the Administrator authorization date to qualify for reimbursement. The following information must be included with Your paid invoice and is generally supplied to You by the repair facility You selected.**

1. Your mechanical complaint.
2. Itemized listing of replacement parts names, numbers and prices.
3. Description of labor and charges necessary to correct the mechanical failure.
4. Vehicle Mileage.
5. Date of Repair.
6. Authorization and contract number.
7. Completed repair order (all applicable sublet repair bills). Rental Car contract charges (licensed rental agency only) will be reimbursed to You upon receipt by the Administrator of the paid rental contract charges.

Provider: Protective Administrative Services, Inc.
Administrator: Royal Administration Services Inc.
Administrative Office: 51 Mill Street, Hanover, MA 02339, 1-800-871-0467

STATE REQUIREMENTS The following Special State Requirements and/or Disclosures apply if this **Contract** was purchased in one of the following states:

ARIZONA

If a covered claim is not paid within (30) days after proof of loss has been filed, you may file a claim directly with the Insurance Company.

The following are changes under WHAT IS NOT COVERED: Items 3, 4, 5, and 10. are deleted and replaced with the following:

3. Any breakdown caused by Your misuse, abuse, negligence, lack of normal maintenance (adjustments, alignments, tune-ups, etc.), failure to protect Your vehicle from further damage when a breakdown has occurred, failure to maintain proper levels of lubricants and/or coolants, or if Your vehicle has been used by You for racing or any other forms of competitive driving, plowing snow, or for towing a trailer weighing in excess of 2,000 pounds or any vehicle or object unless Your vehicle is equipped with a factory-installed or authorized tow package.

4. The repair of valves and/or rings, if the purpose of such is simply to raise the engine's compression when a mechanical breakdown caused by the failure of a covered part has not occurred. This is considered normal wear and tear, and not a mechanical breakdown. Repair or replacement of any covered part if a breakdown has not occurred.

5. Any alterations which have been made by You to Your vehicle, or You are using or have used Your vehicle in a manner which is not recommended by the manufacturer, including the failure of any custom or add-on part.

10. Any loss caused by Your failure to maintain proper and necessary amounts of coolants or lubricants.

Item 6. is deleted in its entirety.

Under CANCELLATION OF CONTRACT section, 3) a. is deleted and replaced with the following:
Cancellations are pro-rated based upon term or mileage, whichever is greater.

The following are changes under the ARBITRATION section:

The following is added to the ARBITRATION section:

Arbitration is voluntary and both parties must mutually agree to the arbitration procedure. Any arbitration clause does not preclude Your right to file a complaint with the Arizona Department of Insurance under the provisions of Arizona Revised Statutes §§ 20-1095.04 and 20-1095.09.

Item b. is deleted and replaced with the following:

The arbitration shall take place in Arizona before a single arbitrator selected in accordance with the NAF Code of Procedure. NAF rules and forms may be obtained and all claims shall be filed at any NAF office, www.arb-forum.com, or P.O. Box 50191, Minneapolis, Minnesota 55405. The NAF may be reached at 651-631-1105 or 800-474-2371.

Item d. is replaced with the following:

It is understood and agreed that the arbitration shall be binding upon the parties.

The following statement is deleted in its entirety:

If this CONTRACT is found to be not subject to arbitration, any legal proceeding with respect to any dispute will be tried in a court of competent jurisdiction by a judge without a jury. Both parties waive any right to a jury trial in any such proceeding.