

Policy Binder

RMP 2098235164

Issue Date: 06/15/2011

Valid through 5 PM (CST) on 08/15/2011

To: Tricia Piccinini
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From: Vincent Boone

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This binder confirms agreements with CNA for coverages specified. This binder supersedes any other binder issued by the producer or anyone else and also supersedes any and all quotations or other outlines of coverages, terms and conditions. In the event of conflict in interpretation between the binder and the policy, the final policy issued by CNA will determine coverage.

Named Insured and Mailing Address: **STATE OF NEBRASKA
521 SOUTH 14TH STREET, SUITE 104
LINCOLN, NE 68505**

Policy Term: Effective July 01, 2011 through July 01, 2012
(12:01 AM local standard time)

Territory: United States, including its territories and possessions, and Canada

Locations: Per submitted Locations and Statement of Values on file and dated: 05/03/2011

Issuing Company: CONTINENTAL CASUALTY COMPANY

Policy Form: CNA SIGNATURE PROPERTY POLICY

Coverages: The following selected Coverages are provided:

- Real Property
- Personal Property (excl. stock)
- Stock
- Equipment Breakdown
- Business Interruption (Gross Earnings)
- Terrorism

Coverages as listed in "Sub-Limits of Liability" are provided, but only if dollar amounts are specified.

Covered Perils: All risks of direct physical loss or damage except as limited or excluded

CNA POLICY LIMIT: \$250,000,000

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Location Limits are: Blanket all coverages for the schedule of locations and values dated 05/03/2011 attached to this policy or on file with the Company, subject to a maximum limit any one occurrence of: \$250,000,000

Special Program Conditions:

- The exclusion for Flood and Earth Movement for Newly Acquired Property and Unscheduled Locations is deleted except for Flood at Locations wholly or partially situated in those areas designated as 100 Year Flood Plains by the Federal Emergency Management Agency.
- Boiler and Machinery Coverage is provided only at the IMS Building, 14th and K Street, Lincoln NE.
- Motor Vehicles are covered on an Actual Cash Value basis.
- FEMA Grandfather Flood Zone Endorsement included.
- Scheduled Limits and Functional Replacement Cost apply to the State Capital building (1445 K St Lincoln NE)
- Scheduled Fine Arts will carry a sublimit of \$2.5M per occurrence.
- Scheduled BI \$2.5M.
- Unscheduled Fine Arts will carry a sublimit of \$1M per occurrence.
- Unscheduled BI \$1M.

Sub-Limits of Liability:

(All are per Occurrence and are part of, and not in addition to, the POLICY LIMIT unless otherwise noted.)

	<i>(in US dollars)</i>
a. Accounts receivable:	\$5,000,000
b. Arson and Crime Reward:	\$5,000
c. Brand or Trademark Removal:	\$50,000
d. Contingent Business Interruption (Gross Earnings):	
• Scheduled dependent property	NOT COVERED
• Unscheduled dependent property within TERRITORIAL LIMITS	NOT COVERED
e. Contract Penalties:	\$5,000
f. Debris Removal:	\$5,000,000
g. Decontamination Expense:	\$5,000
h. Defense Costs:	\$5,000
i. Deferred Payments:	\$5,000
j. Denial of Access by Civil Authority / Ingress – Egress:	\$5,000,000
k. <u>Earth Movement – Annual Aggregate</u> at all <u>Locations</u> inclusive of <u>Locations</u> further limited as follows:	\$25,000,000
(1) <u>Locations</u> in Alaska, California, Hawaii, Puerto Rico – <u>Annual Aggregate</u> :	NOT COVERED
(2) <u>Locations</u> in <u>Critical New Madrid Areas – Annual Aggregate</u> :	NOT COVERED
(3) <u>Locations</u> in <u>Critical Pacific Northwest Areas – Annual Aggregate</u> :	NOT COVERED
l. <u>Electronic Data Processing</u> :	
• Electronic data processing equipment	INCLUDED
• For additional perils specified in extension	INCLUDED
• Cost of research to replace or restore information lost:	\$500,000
• Expense to Extract <u>Computer Viruses</u> :	\$5,000
• Unauthorized Computer Access:	\$10,000
m. Equipment Breakdown (refer to addendum form):	\$100,000,000
• Ammonia Contamination	\$250,000
• Spoilage	NOT COVERED
n. Expediting Expense:	\$1,000,000
o. Extra Expense:	\$5,000,000
p. Fine Arts:	\$100,000
q. Fire Brigade Charges and Extinguishing Expenses:	\$100,000

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r.	<u>Flood – Annual Aggregate</u> at all <u>Locations</u> inclusive of <u>Locations</u> further limited below:	\$25,000,000
	• <u>Locations</u> wholly or partially situated in those areas designated as 100 Year (1% annual chance of flooding) floodplains by the Federal Emergency Management Agency or other governmental authority – <u>Annual Aggregate:</u>	\$2,500,000
	• <u>Locations</u> outside of 100 Year (1% annual chance of flooding) floodplains, but wholly or partially situated in those areas designated as 500 Year (0.2% annual chance of flooding) floodplains by the Federal Emergency Management Agency or other governmental authority - or areas where the flood hazard has not been determined by the Federal Emergency Management Agency or other governmental authority – <u>Annual Aggregate:</u>	\$15,000,000
s.	<u>Fungi, Wet Rot, Dry Rot And Microbes - Annual Aggregate:</u>	\$25,000
t.	<u>Leasehold Interest:</u>	\$1,000,000
u.	Loss Adjustment Expense:	\$100,000
v.	<u>Named Storm</u> per <u>occurrence</u> all covered loss or damage for all <u>Locations</u> inclusive of all applicable sublimits, and <u>Locations</u> further limited as follows:	\$250,000,000
	• <u>Named Storm</u> per <u>occurrence</u> all <u>Locations</u> in Puerto Rico and the U.S. Virgin Islands, the states of Florida and Hawaii and <u>First Tier Areas</u> in all other states:	\$250,000,000
w.	Newly Acquired or Constructed Property Until Reported to the Company – All Coverages Combined:	\$5,000,000
x.	Ordinance or Law:	
	• Undamaged Portion of Building:	INCLUDED
	• Demolition Cost, and Increased Cost of Construction:	\$5,000,000
	• Business Interruption, Extra Expense, or Rental Value:	\$100,000
y.	Pollution Cleanup and Removal – <u>Annual Aggregate:</u>	\$250,000
z.	Preservation of Property	INCLUDED
aa.	Professional Fees:	INCLUDED
bb.	Property in Course of Construction – Soft Costs:	NOT COVERED
cc.	Property Off Premises – Including Fairs, Trade Shows and Exhibits:	\$2,000,000
dd.	Radioactive Contamination:	NOT COVERED
ee.	Rental Value:	\$1,000,000
ff.	Research and Development Expenses:	NOT COVERED
gg.	Royalties:	NOT COVERED
hh.	Service Interruption:	
	• Property	\$5,000,000
	• <u>Time Element</u>	\$2,000,000
ii.	Transit:	
	• Per <u>Occurrence:</u>	\$500,000
	• Per Conveyance:	\$500,000
jj.	Trees, Shrubs, Plants and <u>Land Improvements:</u>	
	• Per <u>Occurrence:</u>	\$10,000
	• Per Tree, Shrub or Plant:	\$2,500
kk.	Unintentional Errors and Omissions:	\$5,000,000
ll.	Unscheduled <u>Locations</u> – All Coverages Combined:	\$5,000,000
mm.	Valuable Papers and Records:	\$10,000,000
nn.	Business Interruption for locations that declare BI shown on schedule:	\$2,500,000
oo.	Vehicles, excluding "Over the Road" exposures:	INCLUDED
pp.	Property in the Course of Construction :	\$10,000,000
qq.	Loss From Riots at Correction / Penal Institutions including ensuing loss by fire or explosion:	\$10,000,000

Time Limits:

a.	Business Interruption Period of Indemnity:	Twelve (12) Months
b.	Denial of Access by Civil Authority / Ingress – Egress:	Thirty (30)Days

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c.	Extended Period of Indemnity:	Ninety (90)Days
d.	Newly Acquired or Constructed Property:	One Hundred And Twenty (120)Days
e.	Ordinary Payroll Included in Determination of Gross Earnings:	Zero (0)Days
f.	Service Interruption Qualifying Period:	Twenty Four (24)Hours

Deductibles:

(All deductibles are per **Occurrence** unless otherwise noted below or in the Policy Form.)

All loss or damage except as provided below: \$1,000,000

Except:

<u>Flood:</u>	\$1,000,000
<u>Flood</u> in 100 Year Flood Plains: (per Occurrence and per Location)	\$1,000,000 for Real Property INCLUDED for Personal Property INCLUDED for Time Element
<u>Flood</u> in 500 Year Flood Plains: (per Occurrence and per Location)	\$1,000,000 for Real Property INCLUDED for Personal Property INCLUDED for Time Element

<u>Earth Movement:</u>	\$1,000,000
<u>Earth Movement</u> in CA, AK, HI, Puerto Rico:	NOT COVERED of value per location , subject to a minimum of NOT COVERED per Occurrence .*
<u>Earth Movement</u> in Critical New Madrid Areas:	NOT COVERED of value per location , subject to a minimum of NOT COVERED per Occurrence .*
<u>Earth Movement</u> in Critical Pacific Northwest Areas:	NOT COVERED of value per location , subject to a minimum of NOT COVERED per Occurrence .*

Wind or hail (other than Named Storm):	\$1,000,000
Wind or hail from Named Storm :	\$1,000,000
Wind or hail from Named Storm in Puerto Rico, US Virgin Islands, and other US territories and possessions:	5%of value per location, subject to a minimum of \$1,000,000 per Occurrence.*
Wind or hail from Named Storm in the states of Florida and Hawaii, and in First Tier Areas , of all other states:	5%of value per location, subject to a minimum of \$1,000,000 per Occurrence.*

Transit:	\$1,000,000
Equipment Breakdown	
• Physical Damage:	\$2,500
• <u>Time Element</u> :	Included with Physical Damage Deductible
• Spoilage	Included with Physical Damage Deductible

*per **Location** deductibles apply separately to property value and **Time Element** value. If two or more minimum deductibles per **Occurrence** apply to loss or damage due to **Named Storm** or **Earth Movement**, only the largest minimum deductible will be applied.

Exclusions:

- As shown in the policy form and including, but not limited to:
- **Contaminants or Pollutants** (except for specified covered causes of loss)
 - Terrorism
 - **Computer Virus**
 - **Fungi**, Wet Rot, Dry Rot, and **Microbes**
 - **Earth Movement** or **Flood** as relates to Newly Acquired or Unnamed Locations
 - Product Contamination and Recall I

Endorsements: Boiler and Machinery Coverage Endorsement
 Fine Arts Definition Endorsement
 Functional Replacement Cost Endorsement (State Capitol)
 Motor vehicle
 Terrorism - Offer of Coverage and Disclosure of Premium
 CNA mandatory applicable endorsements

Valuation:

- Repair or Replacement basis or as otherwise outlined in the Policy form
- **Time Element** based on Actual Loss Sustained

Other:

- Sixty (60) day notice of cancellation, except ten (10) days for non-payment of premium
- If Equipment Breakdown coverages are provided, jurisdictional inspections are included
- Timely compliance with loss control recommendations is expected
- In accordance with laws and regulations of the United States concerning economic and trade embargoes, this policy is void **ab initio** (void from its inception) with respect to any term or condition of this policy that violates any laws or regulations of the United States concerning economic and trade embargoes.

Annual Premium, less Terrorism Premium: \$435,000

Additional Premium amount for Terrorism Coverage: \$5,000

Taxes & Surcharges: SEE TAX AND SURCHARGES DETAIL ATTACHED

Other Fees: None

Total Values for Rating Purposes: \$1,866,122,690

Commission: 0%

Comments: All premiums, appropriate taxes, and surcharges are due within 30 days of effective date.

See attached glossary for definition of CNA SIGNATURE PROPERTY POLICY terms.

Thank you for considering us for this client, if you have any questions, issues or would like us to consider some changes, please contact us. We look forward to working with you on this account.

CNA SIGNATURE PROPERTY POLICY

Submit payments to:

Lock Box Address

CONTINENTAL CASUALTY
COMPANY
23453 NETWORK PLACE
CHICAGO, IL. 60673-1234

Overnight Mail Address

JP Morgan Chase
Attn: Continental Casualty Company 23453
131 S. Dearborn - 6th Floor
Chicago, IL 60603

Wire/ACH Transfer

JPMorgan Chase Bank, N.A.
New York, NY
ABA: 021000021
Account Name: CCC P&C Receipts
Account Number: 323874908

Reference: "Branch & Producer" &
"C Reference or Invoice #"

Signature: _____

Glossary of CNA Legacy Form Terms

<u>Affiliated or Subsidiary Organization</u>	Entity of which fifty percent (50%) or more is either directly or indirectly owned by the Named Insured.
<u>Annual Aggregate</u>	Denotes the most this Company will pay for loss or damage during any annual policy term. However, in the case of any extended policy term of more than one (1) year, but less than twenty-four (24) months, the annual aggregate will be construed to apply to the whole of such extended term.
<u>Application Software</u>	Any data entry, update, query or report program that processes <u>Data</u> for the user, whether purchased or internally developed, including but not limited to: word processors, spreadsheets, data bases, and accounting programs.
<u>Computer Virus</u>	Any unauthorized intrusive codes or programming that is entered by any means into covered <u>Electronic Data Processing Equipment</u> and <u>Electronic Media and Records</u> and interrupt the Insured's operations at any <u>Location</u> .
<u>Contaminants or Pollutants</u>	Any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to: smoke and soot (other than smoke and soot emanating from a fire involving property insured under this policy), vapor, fumes, acids, alkalis, chemicals, vaccines and waste and any other substances which pose a hazard to human health or the environment. Waste includes materials to be recycled, reconditioned or reclaimed.
<u>Critical New Madrid Areas</u>	Counties, parishes, independent cities, including all barrier islands, as listed below:
<u>State</u>	<u>County/Parish/Independent City</u>
Arkansas	Arkansas, Clay, Cleburne, Craighead, Crittenden, Cross, Fulton, Greene, Independence, Izard, Jackson, Lawrence, Lee, Lonoke, Mississippi, Monroe, Phillips, Poinsett, Prairie, Randolph, Sharp, St. Francis, Stone, White, Woodruff.
Illinois	Alexander, Bond, Christian, Clark, Clay, Clinton, Coles, Crawford, Cumberland, Douglas, Edgar, Edwards, Effingham, Fayette, Franklin, Gallatin, Hamilton, Hardin, Jackson, Jasper, Jefferson, Johnson, Jersey, Lawrence, Macoupin, Madison, Marion, Massac, Monroe, Montgomery, Moultrie, Perry, Pope, Pulaski, Randolph, Saline, St. Clair, Richland, Shelby, Union, Wabash, Washington, Wayne, White, Williamson.
Indiana	Gibson, Knox, Posey, Sullivan, Vanderburgh, Vigo.
Kentucky	Ballard, Caldwell, Calloway, Carlisle, Crittenden, Fulton, Graves, Henderson, Hickman, Hopkins, Livingston, Lyon, Marshall, McCracken, Trigg,

Union, Webster.

Mississippi Benton, Coahoma, DeSoto, Lafayette, Marshall, Panola, Quitman, Tate, Tippah, Tunica.

Missouri Bollinger, Butler, Cape Girardeau, Carter, Crawford, Dent, Dunklin, Franklin, Howell, Iron, Jefferson, Madison, Mississippi, New Madrid, Oregon, Pemiscot, Perry, Reynolds, Ripley, Shannon, St. Charles, St. Francis, St. Genevieve, St. Louis, St. Louis City, Scott, Stoddard, Texas, Washington Wayne.

Tennessee Benton, Carroll, Chester, Crockett, Dyer, Fayette, Gibson, Hardeman, Haywood, Henderson, Henry, Lake, Lauderdale, Madison, McNairy, Obion, Shelby, Stewart, Tipton, Weakley.

Critical Pacific Northwest Areas

Counties, parishes, independent cities, including all barrier islands, as listed below:

<u>State</u>	<u>County/Parish/Independent City</u>
Oregon	Benton, Clackamas, Clatsop, Columbia, Coos, Curry, Douglas, Jackson, Josephine, Lane, Lincoln, Linn, Marion, Multnomah, Polk, Tillamook, Washington, Yamhill.
Washington	Clallam, Clark, Cowlitz, Grays Harbor, Island, Jefferson, King, Kitsap, Lewis, Mason, Pacific, Pierce, San Juan, Skagit, Skamania, Snohomish, Thurston, Wahkiakum, Whatcom.

Data

Information stored in electronic, electromechanical or electromagnetic form such as, but not limited to, work processing documents, spreadsheet files, data base files, images and digitally-encoded voice and video.

Earth Movement

Earthquake, landslide, mine subsidence, volcanic eruption, volcanic action, and other sudden earth sinking (including sinkhole collapse), rising, shifting, or movement (natural or man-made) except as follows:

- a. **Flood**, surface water, mudslide or mud flow (caused by accumulation of water on or underground), waves, tidal water or tidal wave, **Tsunami**, overflow of streams or other bodies of water, or spray from any of the foregoing, all whether driven by wind or not;
- b. release of water impounded by a dam regardless of cause.

However, any fire, explosion or leakage from fire protective systems or devices resulting from **Earth Movement** will not be considered to be loss by **Earth Movement** within the terms of this policy.

Electronic Data Processing Equipment

Data processing systems including computer equipment/networks, component parts and related systems, and peripheral equipment including air conditioning and fire protective equipment used solely for data processing operations. This does not include equipment held for sale or distribution and equipment in the course of manufacture.

Electronic Media and Records

See definitions for **Media**, **Data**, **Application Software**, **System Software**, and **Source Code**.

Finished Stock

Stock manufactured, owned and held by the Insured for sale which in the ordinary course of the Insured's business is ready for packing, shipment or sale.

First Tier Areas

Counties, parishes, independent cities, including all barrier islands, as listed below:

<u>State</u>	<u>County/Parish/Independent City</u>
Alabama	Baldwin, Mobile
Georgia	Bryan, Camden, Chatham, Glynn, Liberty, McIntosh
Louisiana	Cameron, Iberia, Jefferson, Lafourche, Orleans, Plaquemines, St. Bernard, St. Martin, St. Mary, St. Tammany, Terrebonne, Vermilion
Mississippi	Hancock, Harrison, Jackson
No. Carolina	Beaufort, Brunswick, Camden, Carteret, Chowan, Craven, Currituck, Dare, Hyde, Jones, New Hanover, Onslow, Pamlico, Pasquotank, Pender, Perquimans, Tyrrell, Washington
So. Carolina	Beaufort, Berkeley, Charleston, Colleton, Georgetown, Horry, Jasper
Texas	Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Harris, Jackson, Jefferson, Kenedy, Kleberg, Matagorda, Nueces, Refugio, Orange, San Patricio, Willacy
Virginia	Accomack, Gloucester, Lancaster, Matthews, Middlesex, Northampton, Northumberland, and independent cities of Chesapeake, Hampton, Norfolk, Poquoson, Portsmouth, and Virginia Beach.

Fixed Costs

Operating costs not directly related to the level of sales achieved by the Insured; including, but not limited to wages and depreciation on property.

Flood

A general and temporary condition of partial or complete inundation of **Normally** dry land areas, including dewatered areas, whether caused by natural **Occurrences**, acts or omissions of man or any other cause or combination of causes, including:

- a. The overflow of inland or tidal waters, waves or tidal waves, **tsunami**, or spray from any of the foregoing, all whether driven by wind or not.
- b. the unusual and rapid accumulation or runoff of surface waters from any source.
- c. mudslide or mudflow caused or precipitated by accumulation of water on or under the ground.
- d. Release of water held by a dam, levee or dike or by a water or flood control device.
- e. Sewer backup resulting from **Flood**.

However, any fire or explosion resulting from **Flood** will not be considered to be loss by **Flood** within the terms of this policy.

Funqi

Funqi includes any form of fungus, including but not limited to, yeast, mold, mildew, rust, smut or mushroom, and including any spores, mycotoxins, odors, or any other substances, products or byproducts produced by, released by, or arising out of the current or past presence of **funqi**. But **funqi** do not include any **funqi** intended by the Insured for consumption.

Goods in Process

Raw Stock which has undergone any aging, seasoning, mechanical or other process of manufacture at the **Locations** herein described but which has not become **Finished Stock**.

Improvements and Betterments

Fixtures, alterations, installations or additions comprising part of a building occupied but not owned by the Insured and acquired or made at the expense of the Insured, which the Insured cannot legally remove.

Land Improvements

Lawns, plants, shrubs or trees; pavements, roadways, sidewalks or similar works, but not including any fill or land beneath such property.

Leasehold Interest

The excess rent paid for either the same or similar replacement property over the amount of rent and other charges which would have been payable under the unexpired lease plus bonuses or advance rent paid (including any maintenance, operating charges or taxes) for each month during the unexpired term of the Insured's lease.

Location

The area within legal boundaries of the premises, or of the portion of the premises, in which the Insured has an interest.

Media

Any **Data** storage substance using electronic, electromechanical, or electromagnetic technology to represent values of stored bits and bytes of information. Such **Media** includes but is not limited to: CD-ROM, microcomputer diskettes, magnetic tapes, disk packs, paper tapes and cards.

Merchandise

Goods kept for sale by the Insured which are not the product of manufacturing operations conducted by the Insured.

Microbe

Any non-fungal microorganism or non-fungal, colony-form organism that causes infection or disease. **Microbe** includes any spores, mycotoxins, odors, or any other substances, products or byproducts produced by, released by, or arising out of the current or past presence of microbes.

Money

Currency, coins, bank notes, bullion, traveler's checks, registered checks and money orders held for sale to the public.

Named Storm

A storm system that has been declared to be a named tropical storm or hurricane by the U.S. National Weather Service or other governmental authority including hurricane or tropical storm spawned tornado(s) or microburst(s). The named tropical storm or hurricane begins when the National Weather Service officially declares the storm system to be a named tropical storm or hurricane and ends when the National Weather Service officially declares the named tropical storm or hurricane permanently downgraded to a tropical depression.

Net Leasehold Interest

The present value of the amount which placed at four percent (4%) annual interest would equal the **Leasehold Interest** (less any amounts otherwise payable hereunder).

Normal, Normally

The condition that would have existed had no loss occurred.

Occurrence

One or more losses which result from one common cause or disaster, even if arising out of more than one event.

Each event of **Theft** will be considered a separate **occurrence**.

If this policy covers against Earthquake, each loss by Earthquake shall constitute a single claim hereunder, provided if more than one Earthquake shock shall occur within any period of seventy-two (72) hours originating during the term of this policy, all such shocks shall be deemed to be a single **Occurrence**, the policy expiration date and time notwithstanding.

If this policy covers against **Flood**, any **Flood** occurring within a period of continuous rising or overflow of any river(s) or stream(s); or any **Flood** resulting from any **Tsunami**, tidal wave or series of tidal waves caused by any one disturbance shall be deemed to be a single **Occurrence** within the meaning of this policy.

All covered loss or damage including but not limited to **Flood**, wind, wind driven rain, or hail, that is associated with and occurs during a **Named Storm** shall be considered a single **occurrence**. Covered loss or damage that occurs subsequent to a **Named Storm** being downgraded to a tropical depression shall be considered a separate **occurrence**.

Raw Stock

Material in the state in which the Insured receives it for conversion by the insured into finished stock.

Securities

All negotiable and nonnegotiable instruments or contracts representing either **Money** or other property and includes revenue and other stamps in current use, tokens and tickets, but not **Money**.

Source Code

Application and **System Software** in its original form as written by the programmer, not executable by the computer directly (because it must be converted into machine language by compilers, assemblers and interpreters).

System Software

Programs used to control the computer and develop application software such as operating systems, communications software, application development tools.

Theft

An unlawful taking of property.

Time Element

Business Interruption (Gross Earnings), Extra Expense, Rental Value, **Leasehold Interest**, Contingent Business Interruption (Gross Earnings), Contingent Extra Expense, Rents, Interdependency.

Tsunami

A great sea wave produced by sub-marine earth movement, volcanic eruption or other earth movement.