

2001

Glade Leon Parduhn v. Natalie Buchi Bennett : Brief of Appellant

Utah Supreme Court

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Martin S. Tanner; Howe and Tanner; Susan B. Dunn; T. Dalton Dunn; Dunn and Dunn; Attorneys for Appellees.

P. Bryan Fishburn; Fishburn and Associates; Attorneys for Appellant.

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SUPREME COURT

STATE OF UTAH

GLADE LEON PARDUHN,

Appellant,

vs.

NATALIE BUCHI BENNETT, et al.,

Appellees.

**ADDENDUM TO
APPELLANT'S BRIEF**

No.20010926-SC

On Appeal from a Judgment entered by the
Third Judicial District Court, Salt Lake County
Judges Anne Stirba and Bruce Lubeck

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2

FILED
UTAH SUPREME COURT

JAN 25 2002

PAT BARTHOLOMEW
CLERK OF THE COURT

SUPREME COURT

STATE OF UTAH

GLADE LEON PARDUHN,

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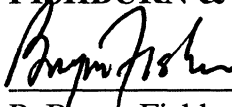
Priority Classification 15

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6. Docket Sheet (September 17, 2001 to September 18, 2001)
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15. Plaintiff's Trial Exhibit 15 (Tanner Letter to Northern Insurance)

DATED: January 25th 2002.

FISHBURN & ASSOCIATES, P.C.



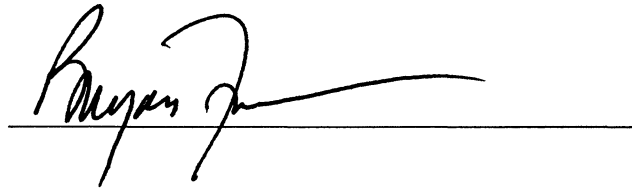
P. Bryan Fishburn, Esq.
Attorneys for Glade Parduhn

CERTIFICATE OF SERVICE

I hereby certify that two true and correct copies of the foregoing
ADDENDUM TO APPELLANT'S BRIEF was served hand-delivered on the 25th
day of January, 2002, to the following:

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Tab 1

EXHIBIT "1"

SCHEDULING ORDER **March 24, 2000**

Glade Leon Parduhn v. Natalie Buchi Bennett, et al.
Brief of the Appellant
No. 20010926 SC

THIRD DISTRICT COURT OF THE THIRD JUDICIAL DISTRICT

IN AND FOR SALT LAKE COUNTY, STATE OF UTAH

Glade Parduhn

Plaintiff,

vs.

Natalie Buchi Bennett:

Defendant.

: SCHEDULING ORDER

: CASE NO. 970967879

: JUDGE STIRBA

:

This scheduling order constitutes the pretrial schedule in this case. Once signed by Judge Stirba and entered, it may be amended only by order of court.

Motions to Amend Pleadings or Add Parties: Motions to Amend Pleadings or Add Parties shall be filed on or before 4/7/2000.

Expert Witnesses: A designation of expert witnesses shall state for each expert witness the witness' name, address and general subject matter of testimony. By the designation date, each expert shall have completed report or have analyzed evidence and be ready to be deposed.

Plaintiff(s) shall designate all expert witnesses on or before 5/19/2000
Defendant(s) shall designate all expert witnesses on or before 6/30/2000

In tort cases, expert witnesses include all treating health care providers.

Discovery Cut-Off: All discovery shall be completed on or before: 7/31/2000

If witnesses are not made known to opposing parties or exhibits are not properly exchanged, the testimony of such witnesses shall be excluded and the admission of such exhibits shall be denied absent a stipulation of all parties or except when good cause is shown.

Motion Cut-Off Date: All motions except motions in limine shall be filed on or before 8/18/2000. Counsel and parties appearing, pro se, shall proceed in accordance with Rule 4-501 of the Utah Code of Judicial Administration unless otherwise ordered by the Court.

Attorneys Conference: Trial counsel and pro se parties shall meet in person (unless previously excused by the Court) at Mr. Fishburn's office on 11/1/2000, at 9:00 am/pm, for at least 1 hours(s) to do the following:

- ☒ Exchange lists of witnesses they will or may call at trial.
- ☒ Exchange copies of all exhibits intended to be used at trial.
- ☐ Exchange statements of each party's claims, lists of each party's uncontested facts, lists of each party's contested facts, lists of disputed issues of law.
- ☒ Discuss evidentiary problems, discovery issues, if any, the scheduling of witnesses at trial, the number of days the trial is expected to take and possible stipulations to expedite the trial (including, but not limited to, stipulations regarding the authenticity of documents).

Referral to Court-Annexed Mediation: ☒ (Yes) ☒ (No). The parties have elected to use Court-Annexed ADR to attempt to settle this case and have selected (1) Davids or (2) Roth as acceptable mediators. The parties agree to mediate on or ~~about~~ before 11/10/2000. Failure to mediate in accordance with this scheduling order may result in the trial date being stricken.

Pretrial Settlement Conference: Because the parties have elected not to mediate, trial counsel, parties and others who have full settlement authority shall meet in person (unless previously excused by the court) on _____, at _____ am/pm, for at least _____ hour(s) to engage in meaningful settlement negotiations. This pretrial settlement conference shall be conducted at _____.

Certificate of Readiness for Trial: If no motions are filed, then plaintiff(s) shall file a certification of readiness for trial on or before 8/25/2000.

Motion in Limine Cut-Off Date: Motions in limine shall be filed on or before _____.
Memoranda in opposition to motions in limine shall be filed on or before _____.
Reply memoranda to motions in limine shall be filed on or before _____.

Final Pretrial Order: One final pretrial order, signed by all counsel and parties appearing, pro se, order shall be filed on or before _____.

Counsel for plaintiff(s) or pro se plaintiff(s) shall draft a proposed final pretrial order for all other counsel/pro se parties to review and amend, if necessary, based on the information exchanged in the attorneys conference or as modified by stipulation of all parties. The final pretrial order shall follow the federal district court final pretrial order format. Plaintiff(s) shall bring to the final pretrial conference one fully signed final pretrial order (not multiple, unsigned drafts).

Voir Dire, Jury Instructions, Special Verdicts and Trial Briefs: Voir dire, jury instructions, special verdicts and trial briefs shall be filed on or before _____. Due to limited court resources, the parties shall submit a stipulated set of instructions including stock instructions and as many others as possible, reserving for court determination those about which they do not

agree. The parties shall use MUJI instructions unless there is a dispute about the application of a MUJI instruction.

Proposed Findings of Fact and Conclusions of Law and Trial Briefs:
Proposed findings of fact and conclusions of law and trial briefs shall be filed on or before 12/1/2000.

Final Pretrial Conference: Date: 12/1/2000 Time: 8:30 am Trial counsel and pro se parties shall attend in person unless previously excused by the Court. At the final pretrial conference, counsel and pro se parties shall be prepared to discuss the following:

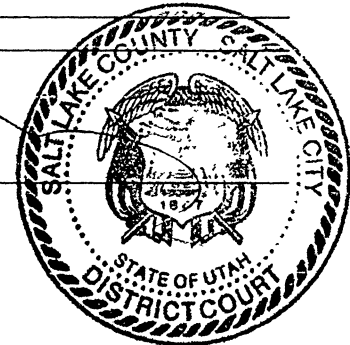
- ☐ Motions in limine or, in the discretion of the court, the calendaring of a hearing on such motions prior to trial.
- ☒ Evidentiary problems, if any.
- ☒ Witness availability problems at trial.
- ☒ The general nature of each witness' testimony.
- ☒ Other matters that need to be discussed prior to trial.

A 3-day ☒ (Bench) (Jury) Trial shall commence at 9:30 a.m. on 12/11/2000, 2000. Counsel and Pro Se Parties shall meet with the Court promptly at 9:15 a.m. the morning of trial.

Miscellaneous Issues: w/ bifurcate shall be filed on or before 4/24/2000.

Dated this 24th day of March, 2000.

Anne M. Stirba
ANNE M. STIRBA
THIRD DISTRICT JUDGE



CERTIFICATE OF SERVICE

The Court served upon all counsel and pro se parties a copy of this order by hand at the conclusion of the scheduling conference and if the parties elect to use Court-Annexed ADR, also to Patricia McCarty, ADR Director, by mail.

Tab 2

EXHIBIT "2"

MEMORANDUM DECISION (Stirba, J.) October 27, 2000

IN THE DISTRICT COURT OF THE THIRD JUDICIAL DISTRICT
IN AND FOR SALT LAKE COUNTY, STATE OF UTAH

GLADE LEON PARDUHN, Plaintiff, vs. NATALIE BUCHI BENNETT Defendant.	MEMORANDUM DECISION Case No. 970907879 MI Honorable ANNE M. STIRBA Court Clerk: Marcy Thorne October 27, 2000
NATALIE BUCHI BENNETT, et al., Counterclaimants, vs. GLADE LEON PARDUHN, Counterclaim defendant.	

The above-entitled matter comes before the Court pursuant to Plaintiff's Motion for New Trial or to Amend Judgment, Plaintiff's Motion for Summary Judgment, Plaintiff's Motion for Protective Order, JoAnn Buchi's Motion to Extend Discovery Cut-off for Thirty Days, and JoAnn Buchi's Motion to Extend Time for Designating Witnesses. The Court heard oral argument with respect to the motions on October 3, 2000. Following the hearing, the Court ruled from the bench on all pending motions, except Plaintiff's Motion for Summary Judgment, which was taken under advisement.

The Court having considered the motion, memoranda, exhibits

attached thereto and for the good cause shown, hereby enters the following ruling.

In support of his motion, plaintiff argues the partnership, known as University Texaco, was dissolved prior to Brad Buchi's ("Buchi") death on or about August 8, 1997. As such, it is plaintiff's position defendants have no rights or entitlement under a buy-sell agreement that would have become effective had the partnership, instead, been dissolved by the death of one of its partners. Accordingly, plaintiff contends he is not obligated to pay defendants \$100,000 or \$300,000, under the buy-sell agreement. Consequently, he is entitled to the \$300,000 in life insurance proceeds payable on Buchi's death, as the sole beneficiary of the policy.

Defendants oppose the motion arguing the partnership agreement was still in full force and effect as of the date of Buchi's death. Specifically, it is defendant's position the sale to Blackett Oil did not dissolve the partnership, and even if it did, the partnership agreements govern the dissolution process until the partnership affairs are wound up.

After reviewing the record in this matter, the Court is persuaded there are disputed issues of fact regarding whether the partnership was dissolved by the sale of the two service stations to Blackett Oil or the death of Brad Buchi. Furthermore, even if it is assumed the partners were in the process of dissolution,

there are disputed issues regarding whether the partnership agreement and its buy-sell provision remained in full force and effect. Accordingly, Plaintiff's Motion for Summary Judgment is denied.

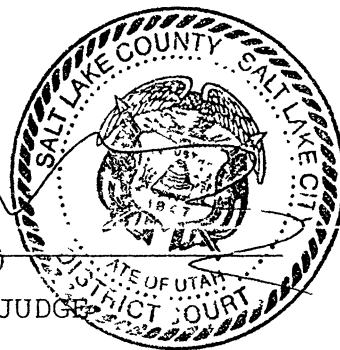
DATED this 27th day of October, 2000.

BY THE COURT



ANNE M. STIRBA

DISTRICT COURT JUDGE



Tab 3

EXHIBIT "3"

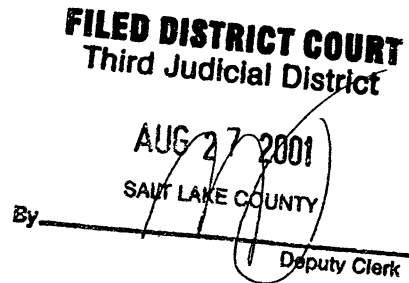
STIPULATION AS TO BIFURCATION

Glade Leon Parduhn v. Natalie Buchi Bennett, et al.

Brief of the Appellant

No. 20010926 SC

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Attorneys for Plaintiff, Counterclaim Defendant and Cross-claimant Glade Parduhn

IN THE THIRD JUDICIAL DISTRICT COURT OF SALT LAKE COUNTY

STATE OF UTAH

* * * * *

GLADE LEON PARDUHN,

Plaintiff,

vs.

NATALIE BUCHI BENNETT,

Defendant.

NATALIE BUCHI BENNETT, et. al.,

Counterclaimants,

vs.

GLADE LEON PARDUHN,

Counterclaim Defendant.

**STIPULATION AS TO
BIFURCATION OF ISSUES TO
BE TRIED**

Civil No. 970907879MI

Judge: Anne M. Stirba

* * * * *

At a final pre-trial conference on December 1, 2000, counsel for all the parties stipulated to a bifurcation of issues to be tried, with a second trial possibly to be held depending on the outcome of the first. The Court, by and through the Honorable

Anne M. Stirba, verbally accepted the parties' suggestion and stipulation of bifurcation.

Stipulation of bifurcation being accepted, the parties agreed that the first stage of trial should be completed in two days.

The parties agree and stipulate that the two principal issues to be tried in this phase 1 of the trial are:

1. **Who is entitled to the proceeds of Northern Life Insurance Policy NL 00989085, and in what sums?**
2. **What obligations and entitlements, if any, arise under a partnership buy-sell agreement entered into between partners Brad Buchi and Glade Parduhn?**

The parties agree and stipulate that factual and legal issues related to the above two principal issues include:

1. Whether a partnership buy-sell agreement first entered into in 1979 and amended in 1984, was again amended in 1989? (And, if again amended in 1989, what were the terms of the amendment?)
2. Whether the partnership (University Texaco) was dissolved on the sale by the partnership of its two service stations on July 14, 1997, or later, on the death of general partner Brad Buchi?
3. Was the buy-sell agreement triggered by the death of general partner Brad Buchi; or was it previously rendered a nullity by the sale of the partnership's two service stations?
4. If the buy-sell agreement was ~~not a nullity and was~~ triggered by Brad Buchi's death in early August 1997, then: (1) what sum does Glade Parduhn owe for the acquisition of Brad Buchi's interest in the partnership (discounting any claim by Parduhn for setoff); and (2) who is entitled to that sum?

5. Who is entitled to the proceeds (in whole or part) of Northern Life Policy NL 00989085?
6. What portion of the insurance proceeds, if any, must be used by Glade Parduhn to satisfy Parduhn's obligation, if any, under the buy-sell agreement?
7. To what portion of the insurance proceeds, if any, is Glade Parduhn entitled?

Depending on the Court's adjudication of the above issues, it may or may not be necessary to proceed with phase two of a trial. Issues expressly reserved by the parties for a second trial include:

1. Division and distribution of remaining partnership assets between Glade Parduhn and the probate estate of Brad Buchi, per state law, if the buy-sell agreement is deemed a nullity not triggered by Brad Buchi's death.
2. Glad Parduhn's claim to a setoff against (1) any sum he was obligated to pay pursuant to the buy-sell agreement for the acquisition of Brad Buchi's interest in the partnership; or (2) that sum which would otherwise be payable to Brad Buchi's estate under state law.
3. Glade Parduhn's claim against Natalie Bennett for interference with contract.

DATED this 20 day of ^{August} April, 2001.

FISHBURN & ASSOCIATES, P.C.

By: Bryan Fishburn
P. Bryan Fishburn, Esq.

Attorneys for Glade Parduhn

DATED this 20th day of April, 2001.

DUNN & DUNN 

By: 

Susan Black Dunn, Esq.

Tim Dalton Dunn, Esq.

Attorneys for JoAnn Buchi personally

And as personal representative of the

Estate of Brad Buchi

DATED this 20th day of April, 2001.

HOWE & TANNER

By: 

Martin S. Tanner, Esq.

Attorneys for Natalie Buchi Bennett, Allison

Buchi, Annabelle Buchi, Jessica Buchi, and

Lance Buchi

Tab 4

EXHIBIT "4"

MEMORANDUM DECISION (Lubeck, J.) August 27, 2001

Glade Leon Parduhn v. Natalie Buchi Bennett, et al.

Brief of the Appellant

No. 20010926 SC

IN THE DISTRICT COURT OF THE THIRD JUDICIAL DISTRICT
IN AND FOR SALT LAKE COUNTY, STATE OF UTAH

GLADE LEON PARDUHN.	MEMORANDUM DECISION
Plaintiff and Counter claim defendant,	Case No. 970907879
vs.	Honorable BRUCE C. LUBECK
NATALIE BUCHI BENNETT et.al.	Court Clerk: Marcy Thorne
Defendants and Counter claimants	August 27, 2001

The above matter came on before the court, sitting without a jury, for trial on August 21 and 22, 2001. Plaintiff was present with his attorney P. Brian Fishburn, defendant JoAnne Buchi was present with her attorney Tim Dalton Dunn and the Buchi children (Natalie Buchi Bennett, Allison Buchi, Annabelle Buchi, Lance Buchi, and Jessica Buchi) were present through their attorney Martin S. Tanner.

The court heard the evidence and arguments of counsel, and received and reviewed the exhibits.

BACKGROUND

Plaintiff filed suit claiming the court should enter judgment and direct that the death benefit of a \$300,000 life insurance policy should be paid to him as the named beneficiary and surviving business partner of Brad K. Buchi (Buchi). Defendant Natalie Buchi Bennett is a child of Buchi and she advised the insurance company that it should not pay Plaintiff but should pay she and her siblings as the proper beneficiaries. (Plaintiff's exhibit 15, 16.) The insurance company, Northern Life Insurance Company, (Northern) has interpleaded the death benefit and deposited the \$3000,000 with the court. The wife of Buchi at the time of his death, JoAnne Buchi, and other children of Buchi were later joined as parties.

FACTS

In this matter Plaintiff was a business partner with Buchi

for many years. They called the business University Texaco. (Plaintiff's exhibit 1) (Plaintiff and Buchi will be referred to herein as "partners" or the "partnership.") They entered a partnership to run gas stations and signed a written partnership agreement in 1979. They entered a typed amendment to that agreement, actually typed at the end of the agreement, on a date unknown and made a "buy-sell" agreement part of the partnership agreement. That amendment is signed by both partners and their wives but it is undated. It provided that each would take out a \$20,000 life insurance policy on the other, to be paid to the surviving partner for the benefit and use of the deceased partner's wife or survivors. The insurance proceeds would be used so that the deceased's partner's interest could be purchased and the surviving partner would then own the entire business to do with the business as he saw fit. (Plaintiff's exhibit 1, p. 4)

In 1984 the partners increased the amount of insurance and in a hand written note signed by each partner January 25, 1984, indicated that the increased amount of insurance on each other, \$100,000, was for the purposes of the buy-sell agreement and for paying the survivors of the deceased partner and that the partnership agreement was amended. (Plaintiff's exhibit 2) Defendant's exhibit 3 was received by stipulation. It was the same note as Plaintiff's exhibit 2, but there was an additional small note at the bottom which stated that the amounts were to be changed to \$300,000 and \$250,000, and a date of 9-11-90. Lisa Buchi testified that addendum was in Buchi's handwriting. The court does not find the evidence with respect to that addendum convincing by a preponderance and does not consider Defendant's exhibit 3 in this discussion. The court considers only Plaintiff's exhibit 2.

Further, the court does not consider any other evidence other than discussed below. Specifically, the testimony of Lisa Buchi as to the divorce decree entered in 1992 between she and Buchi is not considered by the court.

In 1989 the partners again increased their insurance. The partners called the insurance agent through the then-wife of Buchi, Lisa Buchi, and she told the agent the partners wanted to increase the amount of insurance for the buy-sell agreement. Buchi took out a policy on his life in the sum of \$300,000 with Plaintiff as the owner and beneficiary. (Northern # 00989085, Plaintiff's exhibit 3.) Plaintiff took out a policy on his life, with Buchi as owner and beneficiary, in the sum of \$250,000. (Northern # 00989086, Plaintiff's exhibit 4.) In the applications for such policies each partner indicated the purpose of the insurance and insurable interest was "buy sell/partner."

(Paragraph 31(f) of the application, Plaintiff's exhibit 3 and 4.) That was written by the insurance agent Sheldon Hansen who testified he wrote the application based on what his client told him. Hansen said he was not told to write that some of the insurance was payable to Plaintiff and some for the buy-sell agreement. Hansen did not recall specifically being told the increase was for purposes of the buy-sell agreement but he was told what he wrote in paragraph 31(f). He wrote both policies the same day, on Buchi and Plaintiff. Plaintiff knew that provision was in the application and was made aware by the agent that it was necessary so each partner could have insurance on the other's life. The partners did not execute any further writing at that time or ever indicating their intentions and did not formally amend the partnership agreement in 1989.

Also at the same time Buchi took out another policy on his life in favor of his wife Lisa Buchi in the sum of \$250,000. (Northern # 00989084, Plaintiff's exhibit 5.)

Sometime in 1997 the partners decided to sell the business and on July 14, 1997, sold the two service stations owned at the time by the partnership, by closing with Associated Title. The sale price of the stations was \$1,000,000. The two service stations were their business. The partners had not performed an accounting, had not divided assets or debts, and had not discussed the insurance policies each owned after the sale. They had met in early August, 1997, and signed off on some of the partnership debts but not all of them. Some of the partnership debts were paid. No formal documents had been executed to terminate the partnership except the sale of the gas stations. Buchi died on August 7, 1997, or at least was found deceased on that date. (Plaintiff's exhibit 6.)

Since the death of Buchi Plaintiff has been properly responsible for approval of the release of funds from the Associated Title, which holds the remainder of the funds from the sale of the service stations in escrow. U.C.A. 48-1-34. Plaintiff has also approved the payment of further debt from that escrow fund.

Plaintiff then claimed he was entitled, as named beneficiary, to the proceeds of the policy. Defendants claim that they are the proper beneficiaries as the survivors of Buchi. Defendant are Buchi's wife at the time of his death, though they were in the process of divorce, and the five children of Buchi.

DISCUSSION

Plaintiff claims that the buy-sell agreement was ended upon the sale of the businesses on July 14, 1997, and so at the death of Buchi Plaintiff was the named beneficiary and is entitled to the proceeds. It is clear that at the death of a partner, the partnership was dissolved. Further, when the "termination of the definite term or particular undertaking specified in the agreement" is accomplished, the partnership is dissolved. U.C.A. 48-1-26, 48-1-28. Plaintiff argues that because the purpose of the partnership was to run gas stations, when those were sold in July, 1997, the purposes of the partnership had ended, thus the a dissolution of the partnership was effected. Thus, he argues, as there can be only one cause of dissolution, upon the later death of Buchi Plaintiff was the named beneficiary and he should be entitled to the proceeds of the policy

Defendants argue that even if there was in fact a dissolution, there was not a termination of the partnership nor a winding up of the partnership at the sale of the stations or at the death of Buchi. U.C.A. 48-1-27.

The court is convinced that while the service stations were sold and that was the reason for the partnership, the partnership had not been terminated though it had been dissolved on July 14, 1997. The court concludes that the rights of the partners are not fully determined at the time of dissolution. The partnership was still extant after July 14, 1997, the date of sale of the service stations to Blackett Oil. The buy-sell agreement, if it existed, was still in effect after the sale of the service stations. There was still an accounting to be performed, there were still assets and debts to be fully divided, and there was still the matter at issue in this case to be resolved-what were the partners going to do about the life insurance policies they had? No discussion had occurred about those items before Buchi's death.

Thus, the partnership was not wound up and was still in effect at the time of Buchi's death. Because it was still in effect at Buchi's death, the buy-sell agreement, if it existed, was still in effect.

The court need not find whether the insurance contract was integrated. If it is an integrated contract, the court finds and concludes it is ambiguous. If it is not fully integrated, the application clearly becomes part of the contract and the evidence from that application can be considered. In either event, the court can and does examine parol evidence to determine the rights

of the parties.

The court finds by a preponderance of the evidence from the documents and the testimony that the parties did not intend that Plaintiff be the beneficiary of the policy and the proceeds should be awarded to defendants.

At the formation of the partnership the partners specifically stated that the buy-sell provision was for the benefit of the survivors of the deceased partner. It was intended that the partnership agreement be amended to allow the surviving partner to receive the insurance proceeds, to be given to the survivors for the benefit of the survivors of the deceased partner, so the surviving partner could run the business as he saw fit and so that the surviving partner would not have to deplete partnership assets to take over the business and purchase it from the heirs of the deceased partner.

It is also abundantly clear and the court finds that in 1984 when the partners increased the policy amounts that the same intent existed. The hand written amendment, signed by both partners, specifically mentioned the amendment of the partnership agreement again and mentioned the insurance proceeds were to go to the survivors of the deceased partner.

In 1989 the partners again increased the amount of insurance on each other, this time to different amounts. Plaintiff was insured for \$250,000 and Buchi for \$300,000. Plaintiff argues that the difference is significant and shows an intent other than defendant's argue. Plaintiff argues that fact shows an intent to have Plaintiff benefit because Plaintiff's survivors would only benefit \$250,000 while Buchi's survivors would benefit \$300,000. However, the same reasoning of Plaintiff makes the disparity unexplainable. Why would Buchi want to accept \$250,000 if Plaintiff died but be willing to give Plaintiff \$300,00 if Buchi died? The court is convinced by the evidence there is good reason for the difference in insurance amounts. The payments on those amounts were equal because of the age and health of the partners- Buchi could get the higher death benefit for the same cost as Plaintiff could get the lower amount due to the risk. That is because Plaintiff was older and was a smoker. Plaintiff himself testified that the reason for the varying amounts was to retain the equal amount of payment. The intent was to keep the cost equal for the partnership. The partnership in fact paid the premiums.

Significantly, in the applications each signed, the partners indicated the purpose and nature of Owner's insurable interest

was "buy sell/partner." The court is convinced that is clear evidence that the parties both intended the increased amounts of insurance to be used for the same purposes as the lower amounts-namely, for the benefit of the survivors of the deceased partner. Even though being a partner may itself be an insurable interest, the reason behind the insurance was not for personal protection of the partners, but for the survivors and so the surviving partner could proceed with the business without depleting partnership resources. In this case the fact that the partnership was in financial troubles at the death of Buchi and thus Plaintiff does not receive much from the partnership does not change the legal conclusion. Sheldon Hansen testified he asked Buchi when the insurance was applied for to provide the buy-sell agreement and Buchi would not or did not provide it despite Hansen's multiple requests. Plaintiff argues that is evidence that Buchi did not intend to amend the buy-sell agreement. The court concludes otherwise and finds just the opposite. The court finds it is some evidence that Buchi himself intended to increase the buy-sell agreement amount because Buchi indicated there was such an agreement. Defendant argues that when Sheldon Hansen wrote "buy sell/partner" he was indicating multiple purposes and insurable interests-one based on the buy-sell agreement and one based purely on the status of being a partner. The court concludes that Hansen wrote what he wrote as a shortcut to describe the intent of the partners, that is, the buy-sell agreement as partners was the purpose of this insurance.

Plaintiff argues that Buchi's purchase on the same day of another policy in favor of his wife Lisa Buchi, as well as proffered evidence that Lisa Buchi benefitted from a child support settlement, is strong evidence Buchi intended to provide for his family in other ways beside this \$300,000 policy. The court finds that the intent of the parties and their agreement is otherwise and clear. Buchi had previously purchased a \$572,000 policy for the benefit of his wife Lisa and their children. He also had previously purchased a separate \$100,000 policy for his wife and children. Those facts simply show his desire to protect his family, they do not lead to an inference that Buchi thus must have intended Plaintiff benefit from this insurance policy.

Plaintiff argues that the absence of a writing such as occurred in 1979 and 1984 indicates the parties did not intend to increase the buy-sell amounts in 1989. They knew how to do it, even though perhaps crudely, based on the amendments in 1979 and 1984, and they did not do so in 1989. Thus, argues Plaintiff, they must have not intended it. The court finds the argument has some merit but it does not overcome the other evidence demonstrating the partners did intend to amend the buy-sell

agreement.

By similar reasoning Plaintiff has provided no writing showing Buchi intended him to have the proceeds of this policy. Indeed, from a common sense standpoint, why would Buchi, as argued by defendants, want to insure his partner for such a sum. Even if the court lends credence to the evidence and argument that Buchi did buy other protection for his family, Plaintiff has provided no cogent explanation as to why Buchi would want to give his business partner an equal or even greater amount of personal protection than he gives his family. Even under Plaintiff's alternative argument that if the 1984 amendment is effective but not the 1989 amendment, Plaintiff has provided no evidence that Buchi intended or would want his survivors, a wife and five children, to have \$100,000 but his partner have \$200,000.

Plaintiff suggests that as a contract the insurance policy and application make clear that the beneficiary last named in writing is to be paid the proceeds. The court finds and concludes that while the application itself names Plaintiff as beneficiary, the other aspects of the insurance application make it ambiguous and allow the other evidence outside the insurance contract to be considered by the court. The language of the contract that the beneficiary will be paid is not an "either/or" proposition but paragraph 31 of the application explains the beneficiary and the purposes of naming Plaintiff as the beneficiary. The application can certainly be considered in determining what the contract itself means, indeed, the application is part of the contract. The owner of a policy can designate another beneficiary than is set forth in the application. That can be done by any number of methods. The parties, by increasing the amounts of the buy-sell agreement, and by agreeing that the purpose was for the buy-sell agreement, intended to alter the ultimate beneficiary. Even if Plaintiff remains the named "beneficiary" he was to be a beneficiary only in the sense of the buy-sell agreement. That is, he was to receive the proceeds but those proceeds were to pass through him to the survivors of Buchi. While the proceeds were to go to Plaintiff as beneficiary, he in turn was to give the proceeds to the survivors of Buchi. Plaintiff was certainly, without doubt, the written beneficiary in the application, but it was for the purposes agreed on by the partners-namely, to fund the buy-sell agreement. Even though Buchi had what appears to be other protection for his family in the event of his death, there is nothing presented by Plaintiff that convinces the court that Buchi intended to benefit Plaintiff with other than the business after Buchi's death. Again, Plaintiff has provided no evidence indicating Buchi wanted Plaintiff to have the insurance proceeds

as well as the partnership. The court finds the evidence cogent and clear that Buchi intended that Plaintiff not be the actual beneficiary but the beneficiary only to pass on the proceeds to Buchi's survivors.

The court finds and concludes that Plaintiff, whether explicitly or impliedly, agreed to the buy-sell amendment. That was the reason for the insurance in the first place and no evidence was presented satisfactorily showing Buchi and Plaintiff intended something else when they purchased the larger policies in 1989. Plaintiff is not being deprived of anything he is entitled to. The insurance contract and the accompanying buy-sell agreement provided that the money would go to the surviving partner for the benefit of the survivors of the deceased partner. Plaintiff has full claim to all of the partnership business.

Even though Plaintiff was credible and is a hard working veteran deserving of better, the facts show that the insurance proceeds should not be given to Plaintiff but to the wife and survivors of Buchi. Plaintiff provided no persuasive evidence Buchi intended Plaintiff rather than his survivors to receive any insurance proceeds in any policy taken on Buchi's life.

Defendant JoAnne Buchi, the wife of Buchi at the time of his death, argues that Utah statutory law, U.C.A. 31A-21-104, governs here and as a matter of law Plaintiff is not entitled to any proceeds from the policy. Plaintiff argues, and did in a pre-trial motion filed the day before the trial, that such defense was waived as it was an affirmative defense and was not pleaded and was thus waived. The court ruled pre-trial that notice had been given in the amended counterclaim and in a Motion in Limine filed in October, 2000, and thus Plaintiff was not disadvantaged. Plaintiff knew at least from that time of the Motion in Limine that JoAnne Buchi contended that U.C.A. 31A-21-104 precluded any relief to Plaintiff. The parties agreed that the trial evidence factually would not be altered by the argument of JoAnne Buchi but Plaintiff argued that the court should not consider it as a defense. The court ruled the trial would go forward and agreed it would give Plaintiff additional time to prepare for the argument against JoAnne Buchi's argument. After the evidence on August 21 the court granted Plaintiff's request to argue the matter the next afternoon. The court is of the opinion that whether the statutory defense is an affirmative defense or not, Plaintiff had notice of it. Notice is the basic premise of the rules on pleading.

The court does not find it necessary to reach the application of the statute cited and relied on by Joann Buchi given the ruling concerning the facts. However, the court is of the opinion that U.C.A. 31A-21-104 does deny relief to Plaintiff. Defendants argue that Plaintiff did not have an insurable interest simply because he was a partner. Plaintiff argues that being a partner gives him an insurable interest, even if there was not a buy-sell agreement. The court believes that the Utah statute does not give Plaintiff an insurable interest merely because of his status as a partner. However, even if it does the court's reading of the statute precludes relief for Plaintiff.

Defendant JoAnne Buchi also argues that there was no consent by Buchi for his life to be insured and thus Plaintiff fails.

Even if Plaintiff had an insurable interest as a partner, his only claim to the proceeds was because of the buy-sell agreement. U.C.A. 31A-21-104(1)(b) provides that "a person may not knowingly procure, directly, by assignment, or otherwise, an interest in the proceeds of an insurance policy unless he has or expects to have an insurable interest in the subject of the insurance." The statute goes on in subsection (2) to discuss what an insurable interest is and states that "a . . . partner has an insurable interest in the life of other . . . partners that are an integral part of a legitimate buy-sell agreement respecting . . . a partnership interest in the business." If Plaintiff had an insurable interest because he was a partner, his claim to the proceeds was only as a result of the buy-sell agreement. The buy-sell agreement allowed him to procure the proceeds but not in the manner which he attempted. Plaintiff was entitled only to obtain the proceeds and then pass them on to the survivors as agreed in the buy-sell agreement.

If the partnership does give Plaintiff an insurable interest, the partnership itself was not the reason, as concluded above, that the insurance was obtained in 1989. The only legitimate reason the partners had to obtain insurance on each other was for the buy-sell agreement. Thus, Plaintiff's claim and his attempt to "procure" the proceeds by filing a claim for himself was not authorized by law. That being so, under 31A-21-104(5) the court could and would order that Plaintiff did not have an insurable interest that allowed him to procure the proceeds of the policy as he attempted for himself. If he had an insurable interest he could have procured the proceeds for the purpose of passing the proceeds on to the survivors. The court could and would order that the proceeds be paid on an equitable basis to the surviving wife and children of Buchi, namely, defendants and counter claimants herein, who did have an


insurable interest in Buchi's life.


Defendant JoAnne Buchi's arguments with respect to consent are subject to the same analysis as above. Buchi clearly signed the application and thus consented to the issuance of the policy. However, Buchi did not consent to the issuance of the policy that would provide for Plaintiff to receive the proceeds. Buchi consented to the issuance of a policy that was for the purposes set forth above, namely, as part of a legitimate buy-sell agreement.

For the above reasons, Plaintiff's complaint is not well founded. The proceeds of the interpleaded amounts plus the accumulated interest are directed to be released to defendants and cross claimants JoAnne Buchi, Natalie Buchi Bennett, Annabelle Buchi, Allison Buchi, Lance Buchi, and Jessica Buchi. Plaintiff is entitled to the partnership interests.

DATED this 27th day of August, 2001.

BY THE COURT


BRUCE C. LUBECK
DISTRICT COURT JUDGE



Tab 5

EXHIBIT "5"

JUDGMENT AND INSTRUCTIONS TO CLERK

SUSAN BLACK DUNN, #3784
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PAUL J. SIMONSON, #7987
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FILED
28
2001

Attorneys for Counterclaimant, JoAnne Buchi

IN THE THIRD JUDICIAL DISTRICT COURT
SALT LAKE COUNTY, STATE OF UTAH

GLADE LEON PARDUHN,

Plaintiff,

vs.

NATALIE BUCHI BENNETT,

Defendants.

NATALIE BUCHI BENNETT, et al.,

Counterclaimants,

vs.

GLADE LEON PARDUHN,

Counterclaim Defendant.

**JUDGMENT
AND
INSTRUCTIONS TO COURT CLERK**

Civil No.: 970907879MI

Judge: Bruce Lubeck

The above entitled action was tried before the Honorable Bruce Lubeck starting on August 21, 2001 and ending on August 22, 2001. Plaintiff, Glade Parduhn was present with his attorney, P. Bryan Fishburn, defendant JoAnne Buchi was present with

Plaintiff's attorney, Tim Dalton Dunn and the Buchi children (Natalie Buchi Bennett, Allison Buchi, Annabelle Buchi, Lance Buchi and Jessica Buchi) were present with their attorney Martin S. Tanner. On August 27, 2001, the Court filed a Memorandum Decision finding the facts in the case and stating the legal basis for its decision. That Memorandum Decision is incorporated into this Judgment and Instruction that the proceeds of the interpleaded amounts received from the Northern Life Insurance Company life insurance policy #00989085, in the amount of \$300,000, plus the accumulated interest, is to be released to defendants and cross claimants JoAnne Buchi, Natalie Buchi Bennett, Annabelle Buchi, Allison Buchi, Lance Buchi, and Jessica Buchi. Plaintiff, Glade Parduhn, is entitled to the assets of the partnership, known as University Texaco, currently being held by Associated Title.

Therefore, IT IS HEREBY ORDERED:

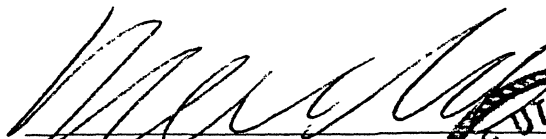
1. That the proceeds of the Northern Life Insurance Company life insurance policy #00989085, in the amount of \$300,000, plus the accumulated interest, be released to the defendants and cross claimants, JoAnne Buchi, Natalie Buchi Bennett, Annabelle Buchi, Allison Buchi, Lance Buchi and Jessica Buchi; and
2. That the assets of the partnership, known as University Texaco, currently being held by Associated Title, be awarded to plaintiff, Glade Parduhn.

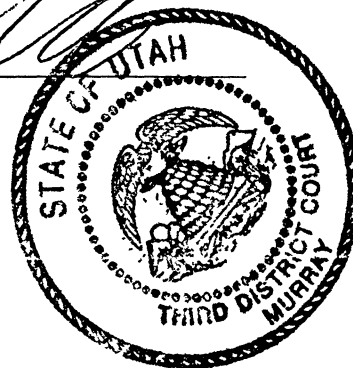
INSTRUCTIONS TO THE CLERK

IT IS ORDERED that the clerk of the court issue a check for ½ of the \$300,000, plus the accumulated interest, be paid to the trust account of Martin Tanner for the benefit of Natalie Buchi Bennett, Annabelle Buchi, Allison Buchi, Lance Buchi and Jessica Buchi and a check for ½ of the \$300,000, plus the accumulated interest, be paid to the trust account of Tim Dalton Dunn for the benefit of JoAnne Buchi.

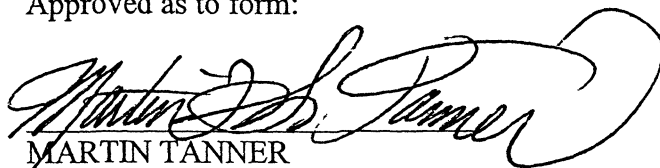
IT IS FURTHER ORDERED that Associated Title release the amounts held in escrow, from the sale of stations owned by the partnership, University Texaco, to plaintiff, Glade Parduhn.

DATED this 14th day of September, 2001.

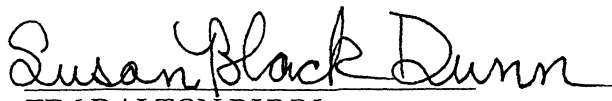

BRUCE LUBECK
DISTRICT COURT JUDGE



Approved as to form:


MARTIN TANNER
Attorney for the Buchi Children

Approved as to form:


TIM DALTON DUNN
SUSAN BLACK DUNN
PAUL J. SIMONSON
Attorneys for JoAnne Buchi

Approved as to form:

P. BRYAN FISHBURN
Attorney for Plaintiff

Tab 6

EXHIBIT "6"

DOCKET SHEET

September 17, 2001 to September 18, 2001

Glade Leon Parduhn v. Natalie Buchi Bennett, et al.

Brief of the Appellant

No. 20010926 SC

between twq a cunts.

17-01	Other Trust	Transfer In:	176,106.49	sunshinb
17-01	Interest Bearing		-176,106.48	sunshinb
	Note: Account Transfer From Trust - Interest Bearing On 970907879 To Trust - Other Trust On 970907879; s/b split between two accounts.			
17-01	Other Trust	Transfer In:	176,106.48	sunshinb
17-01	Interest Bearing adjusted to \$1941.00	Total Due:		sunshinb
	1941.00			
17-01	Filed: def' and counterclaimant, joanne buchi's memo in <i>why bother?</i> opposition to pla's motion to modify memo decision			brandif
17-01	Note:			
17-01	Other Trust Check # 22939	Trust Payout:	176,106.49	deborahj
17-01	Note:			
17-01	Note: Check #22964 payee changed to TANNER, MARTIN S from TANNER, MARTIN			deborahj
17-01	Other Trust Check # 22964	Trust Payout:	176,106.48	deborahj
18-01	Filed: CHECK# 22939 WAS RECEIVED IN PERSON.			deborahj
18-01	Filed: CHECK# 22964 WAS RECEIVED IN PERSON.			deborahj

Tab 7

EXHIBIT "7"

JUDGMENT AND ORDER **October 16, 2001**

Glade Leon Parduhn v. Natalie Buchi Bennett, et al.
Brief of the Appellant
No. 20010926 SC

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FILED DISTRICT COURT
Third Judicial District

OCT 16 2001
SALT LAKE COUNTY
By _____ Deputy Clerk

Attorneys for Counter-Claimant, JoAnne Buchi

IN THE THIRD JUDICIAL DISTRICT COURT
IN AND FOR SALT LAKE COUNTY, STATE OF UTAH

GLADE LEON PARDUHN,

Plaintiff,

vs.

NATALIE BUCHI BENNETT,

Defendants.

JUDGMENT AND ORDER

Civil No.: 970907879MI

NATALIE BUCHI BENNETT, et al.,

Counter-Claimants,

vs.

GLADE LEON PARDUHN,

Counterclaim Defendant.

Judge: Lubeck

The above-entitled matter came for hearing on October 5, 2001 at 12:30 p.m. before Judge Bruce Lubeck. Plaintiff Glade Parduhn was present with his attorney, P. Bryan Fishburn. Defendant and Counterclaimant JoAnne Buchi was present with her attorneys, Tim Dalton Dunn

and Susan Black Dunn. Defendants and counterclaimants, the Buchi children (Natalie Buchi Bennett, Allison Buchi, Annabelle Buchi, Lance Buchi and Jessica Buchi) were present with their attorney, Martin S. Tanner.

The Court considered and heard argument regarding the following motions:

1. Plaintiff's Motion to Modify Memorandum Decision filed on August 27, 2001.
2. Plaintiff's Objections to Proposed Judgment and Instructions to Court Clerk filed on September 12, 2001.
3. Plaintiff's Motion to Stay Enforcement of Judgment filed on September 12, 2001.
4. Plaintiff's Motion Requesting Issuance of Temporary Restraining Order and Motion for Injunctive Relief and Request for Emergency Hearing.

In addition to the above listed motions, the court considered and heard argument on the following issues; motions and requests of counsel:

1. Whether Plaintiff was entitled to a second phase trial in any respect but, specifically regarding alleged off-sets.
2. Whether Defendant JoAnne Buchi's and the Buchi children's attorneys can distribute the life insurance proceeds immediately that are presently held in their respective trust accounts to JoAnne Buchi and the Buchi children.
3. Whether Plaintiff's in-court motion for a 30 day stay to the enforcement of the Judgment should be granted.
4. Whether the Judgment and Instructions to the Court Clerk (incorporated by reference into this Judgment and Order) signed by the Court on September 14, 2001 should be reconsidered or stand in all respects.

Based on the Motions, Memoranda and arguments, IT IS HEREBY ORDERED:

1. Plaintiff's Motion to Modify Memorandum Decision is denied;

2. Plaintiff's Objections to Proposed Judgment and Instructions to Court Clerk are denied;

3. Plaintiff's Motion to Stay Enforcement of Judgment is denied;

4. Plaintiff's Motion Requesting Issuance of Temporary Restraining Order and Motion for Injunctive Relief and Request for Emergency Hearing are denied.

Based on the motions, memorandum and arguments,

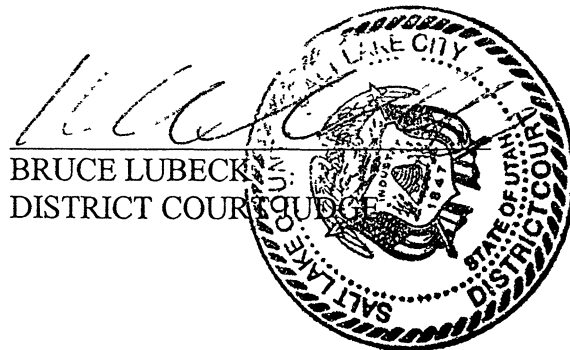
IT IS FURTHER ORDERED:

1. Plaintiff is not entitled to a second phase trial in any respect, but specifically regarding alleged offsets against JoAnne Buchi or the Buchi children. The Court's Memorandum Decision of August 27, 2001 addressed all the issues referenced in the stipulation of the parties dated August 21, 2001 between Plaintiff and JoAnne Buchi and the Buchi children. Plaintiff's claims of offset, if any, should be asserted against the Estate of Brad Buchi and not against JoAnne Buchi and the Buchi children individually.

2. The Judgment and Instructions to Court Clerk incorporated by reference herein shall not be reconsidered and shall stand.

3. Plaintiff's in-court motion for a 30 day stay to the enforcement of the Judgment is denied.

DATED this 16th day of October, 2001.



Approved as to form:

A handwritten signature of Martin Tanner, written in dark ink, is positioned above the printed name "MARTIN TANNER".

MARTIN TANNER

Attorney for the Buchi Children

Approved as to form:

TIM DALTON DUNN
SUSAN BLACK DUNN
Attorney for the JoAnne Buchi

Approved as to form:

Approved as to form only —

P. BRYAN FISHBURN
Attorney for Plaintiff

Tab 8

EXHIBIT "8"

UTAH PARTNERSHIP CODE (Selected Provisions)

Glade Leon Parduhn v. Natalie Buchi Bennett, et al.

Brief of the Appellant

No. 20010926 SC

COLLATERAL REFERENCES

Am. Jur. 2d. — 59A Am. Jur. 2d Partnership §§ 833 to 837, 970.
C.J.S. — 68 C.J.S. Partnership §§ 102, 103, 244, 245.

A.L.R. — Partner's breach of fiduciary duty to copartner on sale of partnership interest to another partner, 4 A.L.R.4th 1122.

48-1-25. Partner's interest subject to charging order.

(1) On due application to a competent court by any judgment creditor of a partner the court which entered the judgment, order or decree, or any other court, may charge the interest of the debtor partner with payment of the unsatisfied amount of such judgment debt with interest thereon and may then or later appoint a receiver of his share of the profits and of any other money due or to fall due to him in respect of the partnership, and make all other orders, directions, accounts and inquiries which the debtor partner might have made or which the circumstances of the case may require.

(2) The interest charged may be redeemed at any time before foreclosure, or, in case of a sale being directed by the court, may be purchased without thereby causing a dissolution:

(a) with separate property, by any one or more of the partners; or,

(b) with partnership property, by any one or more of the partners with the consent of all the partners whose interests are not so charged or sold.

(3) Nothing in this chapter shall be held to deprive a partner of his right, if any, under the exemption laws as regards his interest in the partnership.

History: L. 1921, ch. 89, § 28; R.S. 1933 & C. 1943, 69-1-25.

Cross-References. — Exemptions generally, Title 78, Chapter 23.

COLLATERAL REFERENCES

Am. Jur. 2d. — 59A Am. Jur. 2d Partnership §§ 790 to 795.

C.J.S. — 68 C.J.S. Partnership § 189.

48-1-26. "Dissolution" defined.

The dissolution of a partnership is the change in the relation of the partners caused by any partner ceasing to be associated in the carrying on, as distinguished from the winding up, of the business.

History: L. 1921, ch. 89, § 29; R.S. 1933 & C. 1943, 69-1-26.

NOTES TO DECISIONS

Effect of dissolution.

Dissolution does not, in itself, necessarily give either of the parties an immediate cause of

action or suit against the other. Kimball v. McCornick, 70 Utah 189, 259 P. 313 (1927).

COLLATERAL REFERENCES

Am. Jur. 2d. — 59A Am. Jur. 2d Partnership §§ 808 to 810.

C.J.S. — 68 C.J.S. Partnership § 331.

48-1-27. Partnership not terminated by dissolution.

On dissolution a partnership is not terminated, but continues until the winding up of partnership affairs is completed.

History: L. 1921, ch. 89, § 30; R.S. 1933 & C. 1943, 69-1-27.

NOTES TO DECISIONS

ANALYSIS

In general.
Cited

In general.

Where a partner's conduct constituted acts of dissolution, the partnership was not thus terminated and its affairs had to be wound up. The services of an accountant in preparing an account of the partnership's business should have

been paid for by the partnership *Pantages v. Arge*, 1 Utah 2d 105, 262 P2d 745 (1953)

A partnership at will was not terminated when one partner notified the other he was ending the partnership and expelled him from the business *Ferrin v Ferrin*, 7 Utah 2d 5, 315 P2d 978 (1957)

Cited in *McCune & McCune v Mountain Bell Tel*, 758 P2d 914 (Utah 1988)

COLLATERAL REFERENCES

Am. Jur. 2d. — 59A Am Jur. 2d Partnership § 889.

C.J.S. — 68 C J S Partnership § 351

48-1-28. Causes of dissolution.

Dissolution is caused:

- (1) Without violation of the agreement between the partners:
 - (a) By the termination of the definite term or particular undertaking specified in the agreement.
 - (b) By the express will of any partner when no definite term or particular undertaking is specified.
 - (c) By the express will of all the partners who have not assigned their interests, or suffered them to be charged for their separate debts, either before or after the termination of any specified term or particular undertaking.
 - (d) By the expulsion of any partner from the business bona fide in accordance with such a power conferred by the agreement between the partners.
- (2) In contravention of the agreement between the partners, where the circumstances do not permit a dissolution under any other provision of this section, by the express will of any partner at any time.
- (3) By any event which makes it unlawful for the business of the partnership to be carried on or for the members to carry it on in partnership.
- (4) By the death of any partner.
- (5) By the bankruptcy of any partner or the partnership.
- (6) By decree of court under Section 48-1-29.

History: L. 1921, ch. 89, § 31; R.S. 1933 & C. 1943, 69-1-28.

NOTES TO DECISIONS

ANALYSIS

Common law mining partnership

—Death of partner

Expulsion of one partner by another

Common-law mining partnership.

—Death of partner.

An important distinction between an ordinary trading partnership and a mining partnership is that the death of a member of a mining partnership does not work dissolution of the partnership *Bentley v Brossard*, 33 Utah 396, 94 P 736 (1908)

Expulsion of one partner by another.

Where, under a partnership at will, one partner fraudulently expelled another partner from the partnership, the remedy was an accounting of the partnership profits, based upon an assumption of a continued partnership with full participation in profits according to the partnership agreement, at least for the period from the wrongful expulsion to actual dissolution by circumstances or decree of court *Graham v Street*, 2 Utah 2d 144, 270 P2d 456 (1954)

COLLATERAL REFERENCES

Am. Jur. 2d. — 59A Am Jur 2d Partnership §§ 815 to 871

C.J.S. — 68 C J S Partnership §§ 330 to 349

48-1-29. Dissolution by decree of court.

(1) On application by or for a partner the court shall decree a dissolution whenever

(a) A partner has been declared a lunatic in any judicial proceeding or is shown to be of unsound mind

(b) A partner becomes in any other way incapable of performing his part of the partnership contract

(c) A partner has been guilty of such conduct as tends to affect prejudicially the carrying on of the business

(d) A partner willfully or persistently commits a breach of the partnership agreement, or otherwise so conducts himself in matters relating to the partnership business that it is not reasonably practicable to carry on the business in partnership with him

(e) The business of the partnership can only be carried on at a loss

(f) Other circumstances render a dissolution equitable

(2) On the application of the purchaser of a partner's interest under Section 48-1-24 or 48-1-25

(a) After the termination of the specified term or particular undertaking

(b) At any time, if the partnership was a partnership at will, when the interest was assigned or when the charging order was issued

History: L. 1921, ch. 89, § 32; R.S. 1933 & C 1943, 69-1-29.

COLLATERAL REFERENCES

Am. Jur. 2d. — 59A Am Jur 2d Partnership §§ 906 to 913 operated under tradename for supplies furnished to successor by one without notice of transfer, 70 A L R 3d 1250
C.J.S. — 68 C J S Partnership § 352
A.L.R. — Liability of transferor of business

48-1-34. Right to wind up.

Unless otherwise agreed, the partners who have not wrongfully dissolved the partnership or the legal representatives of the last surviving partner, not bankrupt, has the right to wind up the partnership affairs; provided, however, that any partner, his legal representatives or his assignee upon cause shown may obtain a winding up by the court.

History: L. 1921, ch. 89, § 37; R.S. 1933 & C. 1943, 69-1-34.

COLLATERAL REFERENCES

Am. Jur. 2d. — 59A Am Jur 2d Partnership §§ 1100, 1180 **C.J.S.** — 68 C J S Partnership §§ 273, 355

48-1-35. Rights of partners to application of partnership property.

(1) When dissolution is caused in any way, except in contravention of the partnership agreement, each partner, as against his copartners and all persons claiming through them in respect of their interests in the partnership, unless otherwise agreed, may have the partnership property applied to discharge its liabilities, and the surplus applied to pay in cash the net amount owing to the respective partners. But if dissolution is caused by expulsion of a partner, bona fide under the partnership agreement, and if the expelled partner is discharged from all partnership liabilities either by payment or agreement under Section 48-1-33(2), he shall receive in cash only the net amount due him from the partnership.

(2) When dissolution is caused in contravention of the partnership agreement the rights of the partners shall be as follows:

- (a) Each partner who has not caused dissolution wrongfully shall have:
 - (i) All the rights specified in paragraph (1) of this section; and
 - (ii) The right as against each partner who has caused the dissolution wrongfully to damages for breach of the agreement.

(b) The partners who have not caused the dissolution wrongfully, if they all desire to continue the business in the same name, either by themselves or jointly with others, may do so during the agreed term for the partnership, and for that purpose may possess the partnership property; provided, they pay to any partner who has caused the dissolution wrongfully the value of his interest in the partnership at the dissolution, less any damages recoverable under clause (2)(a)(ii) of this section or secure the payment by bond approved by the court, and in like manner indemnify him against all present or future partnership liabilities.

- (c) A partner who has caused the dissolution wrongfully shall have:

(i) If the business is not continued under the provisions of paragraph (2)(b), all the rights of a partner under paragraph (1), subject to clause (2)(a)(ii) of this section.

(ii) If the business is continued under paragraph (2)(b) of this section, the right as against his copartners, and all claiming through them, in respect of their interests in the partnership, to have the value of his interest in the partnership, less any damages caused to his copartners by the dissolution, ascertained and paid to him in cash, or the payment secured by bond approved by the court, and to be released from all existing liabilities of the partnership; but in ascertaining the value of the partner's interest the value of the good will of the business shall not be considered.

History: L. 1921, ch. 89, § 38; R.S. 1933 & C. 1943, 69-1-35.

NOTES TO DECISIONS

Continuation of business.

Where one partner was forced to take over the operation of a cafe to save it from further losses due to the other partner's neglect, evidence did not support a finding that the partner

took over the business permanently and he could not be charged with all the business obligations. *Eardley v. Sammons*, 8 Utah 2d 159, 330 P.2d 122 (1958).

COLLATERAL REFERENCES

Am. Jur. 2d. — 59A Am. Jur. 2d Partnership §§ 1211 to 1219.

C.J.S. — 68 C.J.S. Partnership §§ 354, 386.

48-1-36. Rights where partnership is dissolved for fraud or misrepresentation.

Where a partnership contract is rescinded on the ground of the fraud or misrepresentation of one of the parties thereto, the party entitled to rescind is, without prejudice to any other right, entitled:

(1) to a lien on, or right of retention of, the surplus of the partnership property, after satisfying the partnership liabilities to third persons, for any sum of money paid by him for the purchase of an interest in the partnership and for any capital or advances contributed by him; and,

(2) to stand, after all liabilities to third persons have been satisfied, in the place of the creditors of the partnership for any payments made by him in respect of the partnership liabilities; and,

(3) to be indemnified by the person guilty of the fraud or making the representation against all debts and liabilities of the partnership.

History: L. 1921, ch. 89, § 39; R.S. 1933 & C. 1943, 69-1-36.

COLLATERAL REFERENCES

Am. Jur. 2d. — 59A Am. Jur. 2d Partnership §§ 871, 903 to 905.

C.J.S. — 68 C.J.S. Partnership § 13.

48-1-37. Rules for distribution.

In settling accounts between the partners ~~after dissolution the following rules shall be observed~~, subject to any agreement to the contrary:

- (1) The assets of the partnership are:
 - (a) partnership property; and
 - (b) contributions of the partners specified in Subsection (4).
- (2) The liabilities of the partnership shall rank in order of payment, as follows:
 - (a) those owing to creditors other than partners;
 - (b) those owing to partners other than for capital and profits;
 - (c) those owing to partners in respect of capital; and
 - (d) those owing to partners in respect of profits.
- (3) The assets shall be applied in the order of their declaration in Subsection (1) to the satisfaction of the liabilities.
- (4) Except as provided in Subsection 48-1-12(2), the partners shall contribute as provided by Subsection 48-1-15(1) the amount necessary to satisfy the liabilities; but if any, but not all, of the partners are insolvent, or, not being subject to process, refuse to contribute, the other partners shall contribute their share of the liabilities, and in the relative proportions in which they share the profits the additional amount necessary to pay the liabilities.
- (5) An assignee for the benefit of creditors, or any person appointed by the court, shall have the right to enforce the contributions specified in Subsection (4).
- (6) Any partner or his legal representative shall have the right to enforce the contributions specified in Subsection (4) to the extent of the amount that he has paid in excess of his share of the liability.
- (7) The individual property of a deceased partner shall be liable for the contributions specified in Subsection (4).
- (8) When partnership property and the individual properties of the partners are in the possession of a court for distribution, partnership creditors shall have priority on partnership property and separate creditors on individual property, saving the rights of lien or secured creditors as heretofore.
- (9) When a partner has become bankrupt or his estate is insolvent, the claims against his separate property shall rank in the following order:
 - (a) those owing to separate creditors;
 - (b) those owing to partnership creditors; and
 - (c) those owing to partners by way of contribution.

History: L. 1921, ch. 89, § 40; R.S. 1933 & C. 1943, 69-1-37; L. 1992, ch. 30, § 89; 1994, ch. 61, § 7.

Amendment Notes. — The 1994 amendment, effective May 2, 1994, substituted “specified in Subsection (4)” for “necessary for the

payment of all the liabilities specified in Subsection (2)” in Subsection (1)(b), added “Except as provided in Subsection 48-1-12(2)” to the beginning of Subsection (4); and made stylistic and grammatical changes throughout the section.

48-1-39. Rights of retiring or estate of deceased partner when the business is continued.

When any partner retires or dies and the business is continued under any of the conditions set forth in Section 48-1-38(1), (2), (3), (5), (6), or Section 48-1-35(2)(b) without any settlement of accounts as between him or his estate and the person or partnership continuing the business, unless otherwise agreed, he or his legal representatives as against such persons or partnership may have the value of his interest at the date of dissolution ascertained, and shall receive as an ordinary creditor an amount equal to the value of his interest in the dissolved partnership with interest, or, at his option or at the option of his legal representatives, in lieu of interest, the profits attributable to the use of his right in the property of the dissolved partnership; provided, that the creditors of the dissolved partnership as against the separate creditors or the representative of the retired or deceased partner shall have priority on any claim arising under this section, as provided by Section 48-1-38(8).

History: L. 1921, ch. 89, § 42; R.S. 1933 & C. 1943, 69-1-39.

NOTES TO DECISIONS

ANALYSIS

Applicability.
Post-dissolution services.
Right of wife's distributive share.

Applicability.

Application of this section was required for settling dissolved partnership accounts between widow of partner and successors of other partner. *Wanlass v. D Land Title*, 790 P.2d 568 (Utah Ct. App. 1990).

Post-dissolution services.

Profits attributable to post-dissolution capital contributions and services are "profits attributable to the use of [an ex-partner's] right

in the property of [a] dissolved partnership" within the meaning of this section, and should be considered in apportioning a partnership's post-dissolution profits. *MacKay v. Hardy*, 896 P.2d 626 (Utah 1995).

Right of wife's distributive share.

Courts that have considered the changes brought about by the adoption of the Uniform Partnership Act have concluded that the legislative intention was to enact the English rule and have, with the exception of one state, held that marital rights in specific partnership property have been excluded by the act. In *re Ostler's Estate*, 4 Utah 2d 47, 286 P.2d 796 (1955).

COLLATERAL REFERENCES

Am. Jur. 2d. — 59A Am. Jur. 2d Partnership §§ 907, 908, 1133.

C.J.S. — 68 C.J.S. Partnership §§ 251, 297.

48-1-40. Accrual of actions.

The right to an account of his interest shall accrue to any partner or his legal representative as against the winding-up partners or the surviving partners or the person or partnership continuing the business, at the date of dissolution in the absence of any agreement to the contrary.

History: L. 1921, ch. 89, § 43; R.S. 1933 & C. 1943, 69-1-40.

Tab 9

EXHIBIT "9"

PARTNERSHIP AGREEMENT **(Plaintiff's Trial Exhibit 1)**

Glade Leon Parduhn v. Natalie Buchi Bennett, et al.

Brief of the Appellant

No. 20010926 SC

Reed

42 D

PARTNERSHIP AGREEMENT

AGREEMENT made this 23 day of MAY, 1979, by and between BRAD KEVIN BUCHI and GLADE LEON PARDUHN, both of Salt Lake County, State of Utah.

1. Name and Business. The parties hereby form a partnership under the name of UNIVERSITY TEXACO COMPANY, to conduct a service station business. The principal office and location of the business shall be at 901 East South Temple, Salt Lake City, Utah.

2. Term. The Partnership shall begin on the 1st day of May, 1979, and shall continue until terminated as herein provided.

3. Capital. The initial capital of the Partnership shall consist of certain items of personal property comprised of all inventory, cash and equipment presently on the premises of 901 East South Temple, Salt Lake City, Utah. Each partner shall be credited with having contributed 50% of the initial capital of the Partnership. The capital accounts of the partners shall be maintained in the proportions in which they share in the Partnership profits and losses.

4. Existing Loans. The partners hereby acknowledge that Buchi is obligated to repay \$41,000 to Tracy Collins Bank and Trust. Said amount was borrowed to purchase those assets which are now the assets owned by the Partnership. Parduhn shall be jointly liable for the repayment of said \$41,000 amount.

5. Profits and Loss. The net profits or net losses of the Partnership shall be distributed or charged to the partners in equal proportions and shall be credited

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or credited, as the case may be, to the drawing account of each partner.

6. Salaries and Drawing. No partner shall receive any salary for services rendered to the Partnership. The partners shall have equal drawings in such amounts as may be agreed upon by them. If at the end of any Partnership year there is a debit balance in the drawing account of any partner, such partner shall, within a reasonable time, clear such debit balance by a payment to the Partnership.

7. Interest. No interest shall be paid on the initial contributions to the capital of the Partnership or on any subsequent contributions of capital. Any partner may, however, at the time of the formation of the Partnership or at any later time, loan to the Partnership such additional funds as the partners may agree upon.

8. Management, Duties and Restrictions. The partners shall have equal rights in the management of the Partnership business, and each partner shall devote his entire time to the conduct of the business. Neither partner shall, without the consent of the other partner, endorse any note, or act as an accommodation party, or otherwise become surety for any person. Without the consent of the other partner neither partner shall on behalf of the Partnership borrow or lend money, or make, deliver or accept any commercial paper, or execute any mortgage, security agreement, bond, or lease, or purchase or contract to purchase, or sell, any property for or of the Partnership other than the type of property bought and sold in the regular course of business. Neither partner shall, except with the consent of the other partner, assign, mortgage, grant a security interest in, or sell his share of in the Partnership or its capital assets or property, or enter into any agreement as a result of which any person shall become interested

wi . him in the Partnership, or do . act detrimental to the best interests of the Partnership or which would make it impossible to carry on the ordinary business of the Partnership.

9. Banking. All funds of the Partnership shall be deposited in its name in such checking account or accounts as shall be designated by the partners. All withdrawals therefrom are to be made upon checks signed by either partner.

10. Books. The Partnership books shall be maintained at the principal office of the Partnership and each partner shall at all times have access thereto. The books shall be kept on a fiscal year basis.

11. Voluntary Termination. The Partnership may be dissolved at any time by agreement of the partners, in which event the partners shall proceed with reasonable promptness to liquidate the business of the Partnership.

12. Withdrawal. Either partner shall have the right to withdraw from the Partnership at any time upon two months written notice to the other partner of the withdrawing partner's intent to withdraw. The remaining partner shall have the right to either purchase the withdrawing partner's interest in the Partnership or to terminate and liquidate the Partnership. If the remaining partner elects to purchase the withdrawing partner's interest, he shall pay for said interest upon such terms and conditions as the parties mutually agree. If the remaining partner does not elect to purchase the interest of the withdrawing partner, the partners shall proceed with reasonable promptness to liquidate the Partnership.

13. Death. Upon the death of either partner, the surviving partner shall have the right either to purchase the interest of the decedent in the Partnership or to terminate and liquidate Partnership business. If the surviving

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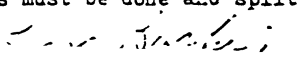
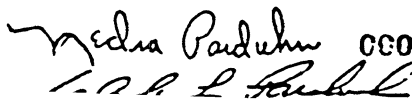
partner elects to purchase the decedent's interest, he shall serve notice in writing of such election, within 30 days after the death of the decedent, upon the executor of the decedent. If the surviving partner elects to purchase the interest of the decedent in the Partnership, the purchase price shall be equal to one-half (1/2) the value of the Partnership at the time of the election. The surviving partner and the estate of the decedent shall mutually agree upon the method of valuation to be used in valuing the Partnership. If the surviving partner does not elect to purchase the interest of the decedent in the partnership, he shall proceed with reasonable promptness to liquidate the business of the Partnership. The surviving partner and the estate of the deceased partner shall share equally in the profits and losses of the business during the period of liquidation.

IN WITNESS WHEREOF the parties have executed this agreement the date and year first above written.


BRAD KEVIN BUCHI


GLADE LEON PARDUHN

It is understood by all people concerned, that in the event of death of either of the partners, Brad K. Buchi or Glade L. Parduhn, that the partnership will end, and all obligations to the deceased's survivors financially will be released by paying off of the deceased persons survivors. Both partners are insured for \$20,000.00 and all of which will go to the deceased persons wife or survivors. When the survivors receive their \$20,000.00, they release the other partner of any obligation in the business. The surviving partner will own the business and may do with the business as he see's fit. In the event the business is in Financial trouble when either partner dies, the deceased's survivors must make a reasonable effort to remedy the situation. In the event both partners are killed together, the survivors of both have an equal interest in the business and what ever is done with the business must be done and split equally.

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Tab 10

EXHIBIT "10"

HANDWRITTEN 1984 AMENDMENT (Plaintiff's Trial Exhibit 2)

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Things To Do

The partnership agreement
will have the following
Amendment For Insurance
The Buy-Sell Insurance will
be 100,000⁰⁰. In the event
of a death of either partner
The remaining partner shall
pay \$100,000 to the survivors
of the deceased with the
proceeds of the 100,000 insurance
policy which each own on each other
Boal & Bych 1-2584
Chas I Paul 1,258,

Tab 11

EXHIBIT "11"

NORTHERN POLICY NL 00989085
(Plaintiff's Trial Exhibit 3)

rec 1

Flexible Premium Adjustable Life Insurance Policy

Nonparticipating

Death Benefit Payable at Death

Flexible Premiums Payable
During the Insured's Lifetime

Adjustable Face Amount

We will pay the proceeds if we receive due written proof that the Insured died while this policy was in force. Payment will be made to the Beneficiary named in the application or later named by you. Payment will be subject to the terms of this policy.

We issue this policy in consideration of the attached application and payment of the premium as shown on the Policy Data Page.

The provisions on the following pages are a part of this policy. This policy is issued at Seattle, Washington.


President


Secretary

APPROVED  _____

*This policy is a legal contract between you (the Owner) and Northern Life Insurance Company.
Read Your Policy Carefully.*

Right to Examine and Cancel Policy

You may cancel this policy by giving written notice of cancellation to Northern Life Insurance Company, P.O. Box 12530, Seattle, Washington 98111 or to the agent from whom you bought the policy and by returning the policy before midnight of the twentieth (20th) day after the date you receive the policy. The cancellation will be effective as of the Effective Date. We will return all payments that you made for this policy within ten (10) days after we receive notice of cancellation and the policy.

NORTHERN LIFE INSURANCE COMPANY

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P O L I C Y D A T A P A G E

FLEXIBLE PREMIUM ADJUSTABLE LIFE

*STATUS 1 AS OF DATE 02-20-1989

POLICY INFORMATION:

POLICY EFFECTIVE DATE 02-20-1989
POLICY ISSUE DATE 02-21-1989
INITIAL FACE AMOUNT \$300,000
CURRENT FACE AMOUNT \$300,000
MINIMUM FACE AMOUNT \$25,000
DEATH BENEFIT OPTION OPTION A (LEVEL AMOUNT OPTION)
ISSUE AGE AND SEX 35 MALE
PREMIUM RATE CLASS PREFERRED
PREMIUM CLASS RATING FACTOR 100%

PREMIUMS:

INITIAL PREMIUM \$188.34
PLANNED PERIODIC PREMIUM \$188.34
CONTROL PREMIUM \$4,022.64
FREQUENCY MONTHLY
MINIMUM MONTHLY PREMIUM \$188.33
NO LAPSE GUARANTEE PERIOD 10 YEARS

INTEREST RATES:

GUARANTEED ANNUAL INTEREST RATE 4.50%
GUARANTEED MONTHLY INTEREST RATE 0.36748%
EXCESS INTEREST EXCLUSION AMOUNT NONE
POLICY LOAN INTEREST RATE 7.40% (IN ADVANCE)
NONFORFEITURE INTEREST RATE 5.50%

DEDUCTIONS:

PERCENT OF PREMIUM EXPENSE CHARGE 85.00% FOR PREMIUMS PAID IN
THE FIRST POLICY YEAR, WHICH DO NOT EXCEED THE
CONTROL PREMIUM, BUT, AS A MINIMUM, THIS RATE
APPLIES UNTIL THE EQUIVALENT OF TWELVE MINIMUM
MONTHLY PREMIUMS HAVE BEEN RECEIVED. 5.00% FOR
ALL OTHER PREMIUM AMOUNTS.

MONTHLY POLICY CHARGE,..... NONE
MONTHLY AMOUNT CHARGE NONE
MONTHLY ADMINISTRATIVE CHARGE \$1.00 YEAR ONE; \$5.00 OTHER YEARS

PERCENT OF PARTIAL WITHDRAWAL 20% PER POLICY YEAR IN POLICY
YEARS 2-20 AND 100% THEREAFTER

*'STATUS' IS USED TO SEQUENCE ANY POLICY CHANGES. FOR EXAMPLE, A STATUS
OF '1' INDICATES THE ORIGINAL POLICY DATE, '2' IS FOR THE DATA AFTER
THE FIRST CHANGE, ETC.

POLICY NUMBER NLO0989085
 INSURED BRAD KEVIN BUCHI
ORIGINAL OWNER CLARE L. BUCHI

P O L I C Y D A T A P A G E

FLEXIBLE PREMIUM ADJUSTABLE LIFE

*STATUS 1 AS OF DATE 02-20-1989

MORTALITY TABLE: 1980 COMMISSIONER'S STANDARD ORDINARY MORTALITY TABLE (M),
AGE LAST BIRTHDAY

CORRIDOR PERCENTAGE TABLE:

ATTAINED AGE	PERCENTAGE OF ACCUMULATION VALUE
00-40	250%
45	215%
50	185%
55	150%
60	130%
65	120%
70	115%
75-90	105%
95	100%

FOR AGES NOT LISTED, THE PROGRESSION OF PERCENTAGES IS LINEAR
BETWEEN LISTED AGES.

TABLE OF SURRENDER CHARGES:

FOR POLICY YEARS 1-5, THE SURRENDER CHARGE IS \$3,492.00

THE FOLLOWING TABLE SHOWS SURRENDER CHARGES FOR THE LAST MONTH OF
EACH OF THE POLICY YEARS 6-20. SURRENDER CHARGES FOR PRECEDING
MONTHS IN POLICY YEAR 6-20 ARE PRORATED BY MONTH BETWEEN THE
AMOUNT SHOWN FOR THE CURRENT POLICY YEAR AND THE AMOUNT FOR THE
LAST MONTH OF THE PRECEDING POLICY YEAR.

POLICY YEAR	SURRENDER CHARGE #	POLICY YEAR	SURRENDER CHARGE #
6	\$3,259.19	14	1,396.80
7	3,026.41	15	1,163.99
8	2,793.60	16	931.21
9	2,560.79	17	698.40
10	2,328.01	18	465.59
11	2,095.20	19	232.81
12	1,862.39	20	0.00
13	1,629.61		

IN LAST MONTH OF POLICY YEAR.

FOR THIS STATUS, THERE ARE NO SURRENDER CHARGES AFTER THE 20TH
POLICY YEAR.

THIS TABLE APPLIES TO THE INITIAL FACE AMOUNT. A TABLE OF
ADDITIONAL SURRENDER CHARGES WILL BE PROVIDED FOR EACH APPROVED
INCREASE IN THE FACE AMOUNT.

POLICY NUMBER NLO0989085
INSURED BRAD KEVIN BUCHI

P O L I C Y D A T A P A G E

SCHEDULE OF OPTIONAL BENEFITS

*STATUS 1 AS OF DATE 02-20-1989

OPTIONAL BENEFITS NONE

POLICY NUMBER	NL00989085
INSURED	BRAD KEVIN BUCHI

Table of Monthly Guaranteed Cost of Insurance
Rates per \$1,000

Attained Age	Male Rate	Female Rate	Attained Age	Male Rate	Female Rate	Attained Age	Male Rate	Female Rate
0	0.21922	0.15670	35	0.18087	0.14169	70	3.45943	1.93374
1	0.08585	0.07001	36	0.19338	0.15169	71	3.80023	2.13204
2	0.08251	0.06668	37	0.20755	0.16337	72	4.19083	2.37815
3	0.08084	0.06501	38	0.22339	0.17754	73	4.63304	2.67296
4	0.07751	0.06418	39	0.24173	0.19338	74	5.11773	3.01322
5	0.07334	0.06251	40	0.26257	0.21088	75	5.63576	3.39147
6	0.06918	0.06084	41	0.28509	0.22922	76	6.17962	3.80190
7	0.06501	0.05918	42	0.30927	0.24840	77	6.74266	4.24125
8	0.06251	0.05834	43	0.33595	0.26674	78	7.33001	4.71547
9	0.06168	0.05751	44	0.36430	0.28675	79	7.95953	5.24150
10	0.06251	0.05667	45	0.39433	0.30677	80	8.65256	5.83974
11	0.06751	0.05834	46	0.42685	0.32678	81	9.42891	6.52818
12	0.07668	0.06084	47	0.46105	0.34929	82	10.30597	7.32409
13	0.08918	0.06418	48	0.49775	0.37348	83	11.27914	8.22544
14	0.10335	0.06834	49	0.53863	0.39933	84	12.32677	9.21922
15	0.11835	0.07251	50	0.58368	0.42769	85	13.42621	10.29576
16	0.13252	0.07668	51	0.63624	0.45855	86	14.55978	11.44791
17	0.14336	0.08001	52	0.69465	0.49358	87	15.72082	12.67362
18	0.15169	0.08335	53	0.76142	0.53195	88	16.90865	13.97426
19	0.15670	0.08585	54	0.83487	0.57116	89	18.13036	15.36072
20	0.15836	0.08835	55	0.91417	0.61121	90	19.40523	16.85006
21	0.15836	0.09001	56	0.99850	0.65043	91	20.76492	18.47514
22	0.15670	0.09168	57	1.08785	0.68798	92	22.27103	20.29451
23	0.15336	0.09335	58	1.18307	0.72553	93	24.07691	22.44349
24	0.15003	0.09585	59	1.28666	0.76726	94	26.51576	25.22306
25	0.14586	0.09751	60	1.40197	0.81734	95	30.20740	29.24956
26	0.14336	0.10002	61	1.53235	0.87911	96	36.35804	35.72206
27	0.14253	0.10335	62	1.67949	0.95842	97	47.21180	46.86830
28	0.14169	0.10668	63	1.84423	1.05361	98	66.20702	66.09430
29	0.14336	0.11002	64	2.02660	1.16135	99	90.90910	90.90910
30	0.14586	0.11418	65	2.22327	1.27580			
31	0.15003	0.11835	66	2.43341	1.39445			
32	0.15586	0.12252	67	2.65621	1.51312			
33	0.16253	0.12835	68	2.89587	1.63517			
34	0.17087	0.13419	69	3.16080	1.77231			

DEFINITIONS

age — The Insured's age on the Effective Date or a Policy Anniversary is the age at last birthday.

Beneficiary — The person named to receive the proceeds payable at the Insured's death. The Beneficiary may be more than one person.

Code — The Internal Revenue Code of 1954, as amended.

Current Face Amount — The Current Face Amount is shown on the Policy Data Page. You may change the Current Face Amount as described in this policy. The Current Face Amount following a change in Face Amount will be shown on a new Policy Data Page.

Death Benefit — This policy provides two Death Benefit Options. The option chosen is shown on the Policy Data Page.

Option A (Level Amount Option) — The Face Amount includes the Accumulation Value. In this case, the Death Benefit is the greater of:

1. The Face Amount on the date of death; or
2. The Accumulation Value on the date of death multiplied by a corridor percentage, according to the Insured's attained age, as shown on the Policy Data Page.

Option B (Additional Amount Option) — The Accumulation Value is in addition to the Face Amount. In this case the Death Benefit is the greater of:

1. The Face Amount on the date of death, plus the Accumulation Value on the date of death; or
2. The Accumulation Value on the date of death multiplied by a corridor percentage, according to the Insured's attained age, as shown on the Policy Data Page.

Effective Date — The date the first premium is due. The Policy Data Page shows the Effective Date. We measure Policy Years, Policy Anniversaries, and premium due dates from the Effective Date.

force — The terms of this policy are in effect.

Insured — The person whose life is insured under this policy. The Policy Data Page shows the Insured.

Issue Date — The date this policy is prepared. We measure the contestability and suicide provisions from the Issue Date.

Monthly Anniversary Date — The day of each month that is the same day of the month as your Effective Date. For example, if your Effective Date is March 2, 1978, then the

second day of each month is your Monthly Anniversary Date.

Net Premium — The Net Premium is credited to the Accumulation Value as described in this policy's Accumulation Values provision. The Net Premium is calculated as 1 multiplied by 2 (1×2), where:

1. is the premium paid.
2. is 1.0 minus the applicable Percent of Premium Expense Charge shown on the Policy Data Page.

Policy Anniversary — The anniversary of the Effective Date.

Policy Year — Any period of twelve (12) consecutive months starting with the Effective Date or with any Policy Anniversary. The first Policy Year starts on the Effective Date.

proceeds — The amount we pay when the Insured dies or when this policy is surrendered, provided all the policy terms are met.

At surrender, the proceeds equal the Cash Value minus any policy loans.

At death, the proceeds payable include:

The Death Benefit then in force. (See Option A and Option B definition.)

Plus any additional amount provided by rider on the life of the Insured; these benefits are also subject to the terms of the rider.

Minus any policy loans and loan interest due.

Minus any unpaid Monthly Deductions.

The amount of the proceeds may be changed by us in accordance with these policy provisions:

1. Nonforfeiture Provisions
2. Incontestability
3. Misstatement of Age or Sex
4. Suicide Exclusion.

rider — An attachment to the policy which provides additional benefits.

we, us, our — Northern Life Insurance Company at its Home Office in Seattle, Washington.

written, in writing — A written request or notice, signed, dated and received at our Home Office in a form we accept. Contact us or your agent for forms.

you, your — The current Owner of this policy. The Owner may be someone besides the Insured.

PREMIUMS

The initial premium, which is shown on the Policy Data Page, is the amount paid on or before the delivery of this policy. There is no insurance until the initial premium is paid. All premiums are payable in advance of the period to which they apply.

The amount and frequency of premium payments will affect the Accumulation Value and Cash Value and how long the insurance will remain in force.

We may require proof which satisfies us that the Insured is still insurable on the same basis as when we first issued the policy if any payment, planned or unscheduled, would increase the difference between the Death Benefit and the Accumulation Value during the current Policy Year.

Even though Planned Periodic Premiums and Unscheduled Additional Premiums state otherwise, we reserve the right to refuse to accept any premium which would disqualify your policy for favorable tax treatment under the Code. If premiums paid during any Policy Year exceed the maximum permitted under the Code, we will return the excess premiums with interest to you within 60 days after the end of the Policy Year. However, you have the right to pay the premium required to keep this policy in force to the end of the Policy Year.

Pay premiums by sending them to the address shown below. Upon request, we will send you a receipt signed by one of our officers. Please include your policy number. The current address for payment is:

Northern Life Insurance Company
P.O. Box 12530
Seattle, Washington 98111.

PLANNED PERIODIC PREMIUMS

You may pay Planned Periodic Premiums once a year, every 6 months, or every 3 months. These modes are referred to as annual, semi-annual, or quarterly. If you choose, we can also deduct Planned Periodic Premiums from your bank account monthly.

The amount and frequency of the Planned Periodic Premiums you chose are shown on the Policy Data Page. You may change the frequency and amount of Planned Periodic Premiums by notifying us in writing of the change.

The amount of any Planned Periodic Premium must be at least \$25. We reserve the right to limit the amount of any increase.

Depending on the frequency of premium payment and the method of payment you have chosen, we will send you periodic premium notices. In any case, we will send these notices to you at least once a year.

UNSCHEDULED ADDITIONAL PREMIUMS

Premium payments other than the Planned Periodic Premiums may be made at any time while this policy is in force. We can limit the number and amount of these additional payments.

GRACE PERIOD

If, on any Monthly Anniversary Date, the Cash Surrender Value is less than the Monthly Deduction for the policy month to follow, we will give you a grace period of 61 days to pay a premium that provides enough Cash Surrender Value to cover the Monthly Deduction.

However, under some conditions the grace period will not begin even if the Cash Surrender Value is less than the Monthly Deduction for the policy month to follow.

During the No Lapse Guarantee Period shown on the Policy Data Page, the 61 day grace period will not begin if on each Monthly Anniversary Date during the period, 1 is greater than 2, where:

1. Is the sum of all premiums paid to date minus any policy loans and partial withdrawals; and
2. Is the sum of the Minimum Monthly Premium for each policy month since the Effective Date, including the month following the Monthly Anniversary Date. The Minimum Monthly Premium is shown on the Policy Data Page. The Minimum Monthly Premium is increased when the Face Amount is increased or when a new rider is added or increased. The new Minimum Monthly Premium will be shown on a new Policy Data Page.

During the grace period, we will send you notice of the premium required to keep this policy in force. If the required premium is not paid within the grace period, we lapse the policy. A lapsed policy is no longer in force and has no Cash Surrender Value. We will send you and any assignee of record notice of the required premium at least 30 days before we lapse this policy.

If the Insured dies during the grace period, we deduct any unpaid Monthly Deductions from the proceeds.

REINSTATEMENT

Reinstatement means putting a lapsed policy back in force. You can reinstate this policy anytime within 5 years after it has lapsed as long as you have not surrendered it for its Cash Surrender Value.

To reinstate this policy and any riders:

1. You must submit proof which satisfies us that all Insureds are still insurable; and

PREMIUMS continued

- 2 You must pay a premium large enough to keep the policy in force for at least 2 months

This policy will be reinstated only as of a Monthly Anniversary Date. If you have met conditions 1 and 2 and an Insured dies before the Monthly Anniversary Date on which the policy would be reinstated, we will pay the Death Benefit as of that Monthly Anniversary Date. The Accumulation Value on the date of reinstatement will be the amount provided by the premium paid to reinstate this policy. Subsequent Accumulation Values will be calculated as shown in the Accumulations Values provision.

After reinstatement, the Surrender Charges will be those in effect on the date of termination, reduced in the same proportion as the Accumulation Value on the date of termination to the Surrender Charge on that date. The Surrender Charge will not be less than zero.

FACE AMOUNT CHANGE

After the first Policy Year, you may change your Face Amount by notifying us in writing. Changes are allowed only if this policy continues to qualify as Life Insurance as defined by the Code. Changes listed in 1, 2 and 3 below go into effect on the Monthly Anniversary Date that follows the date we receive your request. If we receive your request on a Monthly Anniversary Date, the change goes into effect on that day. The Face Amount in effect at any time must be at least equal to the Minimum Face Amount shown on the Policy Data Page.

Increases in the Face Amount must be at least \$5,000. Increases cannot be made after the Policy Anniversary following the Insured's 75th birthday.

Decreases in Face Amount are allowed only if the Cash Surrender Value is greater than zero. At least 6 months must elapse between decreases.

Changes are subject to the following:

- 1 If a decrease in Face Amount is requested, the reduction will be applied in the following order:
 - a To the most recent increase in Face Amount,
 - b To the next most recent increases in Face Amount, then
 - c To the Face Amount on the Effective Date or the Current Face Amount, if smaller.

If the Additional Amount Option is in effect, you may request in writing to change to the Level Amount Option. In this event, the Face Amount of this policy is changed so that it equals the Death Benefit in force immediately preceding the effective date of the change,

- 3 If the Level Amount Option is in effect, you may request in writing to change to the Additional Amount Option. This change reduces the Face Amount so that it then equals the Death Benefit minus the Accumulation Value immediately preceding the effective date of the change, then.
- 4 An increase will require written proof the Insured is still insurable. An approved increase will go into effect on the Monthly Anniversary Date on or next following the date of the approval. If an increase is approved, additional Surrender Charges will be applied to that increase. We will send you written notice of the amount and duration. The Minimum Monthly Premium will be increased when the Face Amount is increased.

ACCUMULATION VALUE AND NONFORFEITURE PROVISIONS

ACCUMULATION VALUES

The Accumulation Value on the Effective Date will be the initial Net Premium paid on that date minus the Monthly Deduction for the first policy month. On each subsequent Monthly Anniversary Date, the Accumulation Value will be calculated as 1 minus 2, plus 3 minus 4 ($1 - 2 + 3 - 4$), where:

- 1 is the Accumulation Value on the preceding Monthly Anniversary Date plus one month's interest.
- 2 is any partial withdrawals since the preceding Monthly Anniversary Date plus interest from the date of withdrawal to the Monthly Anniversary Date.
- 3 is the total of all Net Premiums received since the preceding Monthly Anniversary Date plus interest from the date received to the Monthly Anniversary Date.
- 4 is the Monthly Deduction (as described in the Monthly Deduction provision) for the policy month following the Monthly Anniversary Date.

On any day other than a Monthly Anniversary Date, the Accumulation Value will be calculated as 1 minus 2 plus 3 ($1 - 2 + 3$), where:

- 1 is the Accumulation Value on the preceding Monthly Anniversary Date plus interest from the Monthly Anniversary Date to the date of the calculation.
- 2 is any partial withdrawals since the preceding Monthly Anniversary Date plus interest from the date of withdrawal to the date of the calculation.
- 3 is the total of all Net Premiums received since the preceding Monthly Anniversary Date plus interest from the date received to the date of the calculation.

ACCUMULATION VALUE AND NONFORFEITURE PROVISIONS *continued*

INTEREST RATE ON ACCUMULATION VALUE

The Guaranteed Annual Interest Rate applied in the calculation of the Accumulation Value is shown on the Policy Data Page. This rate is an effective annual interest rate compounded yearly. The Guaranteed Monthly Interest Rate is shown on the Policy Data Page. This rate is an effective monthly interest rate which, compounded monthly, is equivalent to the Guaranteed Annual Interest Rate.

Interest in excess of the Guaranteed Annual Interest Rate may be applied in the calculation of the Accumulation Value in a manner which our Board of Directors determines. More than one rate of interest may apply to the Accumulation Value at any time. Interest may vary by calendar year, policy year and date of premium payment.

However, interest in excess of the Guaranteed Annual Interest Rate will not apply to any part of the Accumulation Value that is less than the Excess Interest Exclusion Amount which is shown on the Policy Data Page.

The interest rate applied to any portion of the Accumulation Value which represents a loan may be less than the interest rate applied to the rest of the Accumulation Value, but not less than the Guaranteed Annual Interest Rate.

MONTHLY DEDUCTION

"Monthly Deduction", as used in this policy, refers to a charge which is made against the Accumulation Value. It does not refer to your premium payment.

The Monthly Deduction for a policy month will be calculated as 1, plus 2, plus 3, plus 4 ($1 + 2 + 3 + 4$), where:

1. is the cost of insurance (as described below) and the cost of any rider benefits for the policy month.
2. is the Monthly Policy Charge shown on the Policy Data Page.
3. is the Monthly Amount Charge (shown on the Policy Data Page) multiplied by the Face Amount divided by \$1,000. This charge applies to the Initial Face Amount and to any increases in the Face Amount during the Term shown on the Policy Data Page. The Term applies to the Initial Face Amount from the Effective Date of the policy and to any increases in the Face Amount from the effective date of that increase. This charge is not made if the increase in Face Amount is due solely to a change of Death Benefit from the Additional Amount Option to the Level Amount Option. This charge applies to the Face Amount of the Additional Insured Rider in the same way that it applies to this policy's Face Amount.
4. is the Monthly Administrative Charge shown on the Policy Data Page. This charge applies in all Policy Years.

COST OF INSURANCE

We determine the cost of insurance on a monthly basis. The cost of insurance is determined separately for the Initial Face Amount and any increases made later. If the Level Amount Option is in use and there have been increases in the Face Amount, then the Accumulation Value will first be considered to be a part of the Initial Face Amount. If the Accumulation Value on the Monthly Anniversary Date exceeds the Initial Face Amount, it will be considered to be a part of any increases in Face Amount in the order of these increases. The cost of insurance is calculated as 1, multiplied by the result of 2 minus 3 minus 4 [$1 \times (2 - 3 - 4)$] where:

1. is the cost of insurance rates as described in the Cost of Insurance Rates provision increased by the Extra Cost of Insurance Rate shown on the Policy Data Page;
2. is the Death Benefit at the beginning of the policy month, divided by 1 plus the Guaranteed Monthly Interest Rate;
3. is the Accumulation Value at the end of the preceding policy month; and
4. is any Net Premium received on the Monthly Anniversary Date minus any partial withdrawals on the Monthly Anniversary Date.

COST OF INSURANCE RATES

The monthly cost of insurance rate for this policy is based on the insured's sex, attained age, and premium rate class as shown on the Policy Data Page. If your Death Benefit is a percentage of the Accumulation Value as described under the definition of "Death Benefit" in Level Amount Option, Item 2, or Additional Amount Option, Item 2, the premium rate class with the most recent effective date will apply. Attained age means age last birthday on the prior Policy Anniversary. We will determine monthly cost of insurance rates based upon expectations as to future cost factors. Any change in cost of insurance rates will apply to all in the same insurance class whose policies have been in force for the same period of time.

Except for the Face Amounts in a Special Premium Class, the cost of insurance rates can never be greater than those shown in the Table of Monthly Guaranteed Cost of Insurance Rates. For Face Amounts in a Special Premium Class, the guaranteed cost of insurance rates are calculated by multiplying the rates shown in the Table of Monthly Guaranteed Cost of Insurance Rates by the Premium Class Rating Factor shown on the Policy Data Page.

BASIS OF COMPUTATIONS

Minimum cash values are based on the Commissioners Standard Ordinary Mortality (CSO) Table and the

ACCUMULATION VALUE AND NONFORFEITURE PROVISIONS *continued*

Nonforfeiture Interest Rate as shown on the Policy Data Page. Where required, a detailed statement of the method of computation of cash values under this policy has been filed with the insurance department of the state in which this policy was delivered. Cash values under this policy are not less than the minimums required by the state in which this policy was delivered.

NONFORFEITURE PROVISIONS

CONTINUATION OF INSURANCE (EXTENDED INSURANCE)

In the event Planned Periodic Premiums are not continued, insurance coverage under this policy and any benefits provided by rider will be continued until the Cash Surrender Value is not large enough to cover the Monthly Deduction. In this event, the policy will continue in force until the end of the grace period. (See the Grace Period provision.) The Face Amount and Death Benefit Option during the continuation of insurance will be the same as when Planned Periodic Premiums were last being paid unless you make later changes in the Face Amount.

PAID-UP OPTION

At any time before the Policy Anniversary following the Insured's 95th birthday, you may use the Cash Surrender Value to purchase single premium paid-up life insurance. The amount by which this insurance exceeds its Cash Surrender Value cannot be greater than the amount by which this policy's Death Benefit exceeds this policy's Accumulation Value. On the Policy Anniversary following the Insured's 95th birthday, the Cash Surrender Value will automatically be used to purchase single premium paid-up life insurance. We base the single premium for paid-up insurance on the Insured's sex, age, and premium classes at the time this option is exercised and the single premium life insurance rates in effect at that time. These rates may not exceed the net single premium rates based on the Commissioners Standard Ordinary Mortality (CSO) Table, and the Nonforfeiture Interest Rate, both of which are shown on the Policy Data Page.

CASH VALUE, CASH SURRENDER VALUE, AND PARTIAL WITHDRAWAL BENEFITS

CASH VALUE

The Cash Value of this policy is the Accumulation Value minus any Surrender Charge. The Cash Value is never less than zero.

SURRENDER CHARGE

The Surrender Charge is a charge against the Accumulation

Value. The amount and duration of the Surrender Charges are shown on the Table of Surrender Charges on the Policy Data Page.

Additional Surrender Charges will apply to any approved increase in the Face Amount and increases to this policy resulting from the Insured's Cost of Living Rider, if attached to this policy. We will send you written notice of the amount and duration. This charge is not made if the increase in Face Amount is due solely to a change of Death Benefit from the Additional Amount Option to the Level Amount Option.

If Surrender Charges are shown on an annual basis, they grade uniformly by policy month between the consecutive years shown.

Any decrease in Face Amount will not reduce the original or any additional Surrender Charges.

CASH SURRENDER VALUE

You may surrender this policy for its Cash Surrender Value by sending us written notice. The Cash Surrender Value is equal to the Cash Value minus any policy loans.

The Cash Value within 30 days of a Policy Anniversary may not be less than the Cash Value on such anniversary, minus any subsequent partial withdrawals.

PARTIAL WITHDRAWAL

After the first Policy Year, you may withdraw part of your policy for cash by sending us written notice. The amount of any partial withdrawal must be at least the minimum partial withdrawal we then require. The maximum partial withdrawal equals the Cash Value times the Percent of Partial Withdrawal shown on the Policy Data Page but not to exceed the full Cash Surrender Value. Only one partial withdrawal is allowed in any Policy Year. The Accumulation Value is reduced by the amount of the partial withdrawal.

If the Level Amount Option is in use, the Face Amount will be reduced by the amount of the partial withdrawal requested. The Face Amount after withdrawal may not be less than the Minimum Face Amount shown on the Policy Data Page. We have the right to defer payment for up to 6 months after we receive notice.

The reductions in Face Amount due to any partial withdrawal will be applied in the following order:

- 1 To the most recent increase in Face Amount,
- 2 To the next most recent increases in Face Amount, then
- 3 To the Initial Face Amount or the Current Face Amount, if smaller.

POLICY LOANS

CASH LOANS

After the first Policy Year, if this policy has a loan value, you may use it as security to take out a loan from us. We will not lend you more than the loan value. We will deduct any unpaid policy loans before paying the proceeds.

The loan value is the result of 1 minus 2 minus 3 [1 - 2 - 3] where:

1. is the Cash Value;
2. is any unpaid policy loans; and
3. is the loan interest to the end of the then current Policy Year.

If the policy loan exceeds the Cash Value, the policy will lapse.

LOAN INTEREST

We charge interest at the Policy Loan Interest Rate shown on the Policy Data Page.

On the date of the loan, interest is due in advance until the next Policy Anniversary. After that, interest for each full year is due in advance. Unpaid interest becomes a part of the existing loan, and we charge interest on it.

REPAYMENT

You may repay all or part of any policy loan during the Insured's lifetime. If not repaid during the Insured's lifetime, we deduct the policy loan from the proceeds.

When you make a payment on a policy loan, you must tell us that you are making a loan payment.

When there is an outstanding policy loan, we reserve the right to consider the sum of any payments, planned or unscheduled, we receive as policy loan repayments and not as premium payments.

BENEFICIARY AND PAYMENT OF PROCEEDS

BENEFICIARY

The beneficiary is named in the application. You may name, add, or change beneficiaries by written request.

You may name a beneficiary whom you cannot later change without his consent. This is an irrevocable beneficiary.

You may change beneficiaries by written request if all of these are true:

1. This policy is in force.
2. The Insured is alive.
3. We have the written consent of any and all irrevocable beneficiaries.

A change of beneficiary should be sent to our Home Office in Seattle, Washington.

The change will take effect on the date you signed the request. But, it will not affect any payment or action we make before we receive and record your request.

PAYMENT OF PROCEEDS

In settling this policy, we deduct all unpaid policy loans. Then we pay the proceeds in this way when the Insured dies, unless we have agreed otherwise:

1. We first pay any collateral assignees.
2. Then we pay the beneficiaries last named in writing. We pay them in equal shares, unless you have requested otherwise.
3. If there are no beneficiaries, we pay you.
4. If you have died, we pay your estate or assigns.

If a beneficiary dies before receiving the proceeds and:

1. at the same time as the Insured; or
2. within 15 days after the Insured's death;

we will pay the proceeds as if the Beneficiary died before the Insured.

We pay all proceeds from this policy at our Home Office in Seattle, Washington. We may require that you send us this policy.

The proceeds held or paid under this policy are exempt from creditors to the extent allowed by law.

GENERAL PROVISIONS

ENTIRE CONTRACT

The entire contract is:

1. this policy; and
2. all applications, riders and amendments attached at the time of issue; and
3. all later applications, riders and amendments we may attach or send you to attach.

GENERAL PROVISIONS *continued*

Unless fraudulent, all statements made by or on behalf of anyone covered by this policy are representations and not warranties. Only statements found in an attached application may be used to cancel this policy or as our defense if we refuse to pay a claim.

Only our President or Secretary can change this policy on our behalf. No agent or other person can change this policy. Any change must be in writing.

OWNERSHIP OF POLICY

The original owner is shown on the Policy Data Page. During the Insured's lifetime, you have the rights and duties outlined in this policy. But, we need the consent of any and all irrevocable beneficiaries and existing collateral assignees to grant many of them.

You may change the ownership of this policy. This transfers all your rights and duties as Owner to a new Owner. The new Owner may then make any change the policy allows. The Owner's rights end at the Insured's death.

You may also name a contingent Owner who will own this policy if you die before the Insured. If there is no contingent Owner and you die before the Insured, your estate or assigns will be the Owner.

Change of ownership must be sent to our Home Office in Seattle, Washington. The change must be in writing. It will take effect on the date you signed the request. But, it will not affect any payment or action we make before we receive and record your request.

ASSIGNMENT

You may assign this policy as collateral. This limits your rights to obtain the Cash Value. It also limits the Beneficiary's right to the proceeds. An assignment does not change the Owner. When we pay the proceeds, we need only rely on what the assignee states is the debt due as collateral.

To assign this policy as collateral, we need these:

1. a dated, written notice, and
2. the written consent of any and all irrevocable beneficiaries.

We are not responsible if an assignment is not valid.

An assignment applies only if we receive it. It will take effect on the date signed. But, it does not affect any payment or action we make before we receive and record your request.

CONTESTABILITY

This policy has a 2 year contestable period running from

the Issue Date shown on the Policy Data Page. After this policy has been in force during the Insured's lifetime for 2 years from the Issue Date, we cannot claim your policy is void or refuse to pay any proceeds with respect to the Initial Face Amount unless the policy has lapsed.

If you make a Face Amount increase or premium payment that requires proof of insurability, the corresponding Death Benefit increase has its own 2 year contestable period running from the effective date of the increase in Death Benefit.

If the policy has lapsed and has been reinstated, the reinstatement has its own two (2) year contestable period running from the date of the latest reinstatement application. This applies to statements made in the reinstatement application.

This incontestability provision does not apply to any disability benefits under the policy.

MISSTATEMENT OF AGE OR SEX

If the Insured's age or sex is misstated, the Death Benefit will be the amount that the most recent cost of insurance would purchase using the current cost of insurance rates for the correct age and sex.

SUICIDE EXCLUSION

If the Insured commits suicide, while sane or insane, within 2 years of the Issue Date, we only refund all premiums already paid on this policy and any attached riders, minus any policy loans, and minus partial withdrawals.

Also, if the Insured commits suicide, while sane or insane, within 2 years of the effective date of an increase in Face Amount or premium payment that requires proof of insurability, for the proceeds associated with that increase, we only refund the cost of insurance for that increase.

TERMINATION

This policy ends when any of the following occur:

1. The end of the grace period if the required premium is not paid.
2. The Insured dies.
3. You ask, in writing, to surrender this policy for its full Cash Surrender Value.
4. The policy anniversary following the Insured's 95th birthday.
5. If policy loans exceed the Cash Value.

If we make a Monthly Deduction from the Accumulation

GENERAL PROVISIONS continued

Value after terminating this policy, the deduction is not considered a reinstatement of the policy or a waiver of the terminations. That deduction will be credited to the Accumulation Value as of the date of the deduction.

ANNUAL REPORT

Each year we will send you free of charge an annual report showing your cash value and accumulation value as of the date of the report, the premiums paid, interest credited, and the loans and charges since the last report. We will send you additional reports for a fee upon request.

PROJECTION REPORT

If you ask, we will provide a report which shows projected future results. The report will be based on the following assumptions:

1. The Death Benefit Option you specify;
2. Planned Periodic Premiums you specify;
3. Accumulation Value at the end of the prior Policy Year; and
4. Any other necessary assumptions specified by you or us.

We will charge a fee for each report.

DEFERMENT

We may defer granting a loan or paying any cash surrender or partial withdrawals for the period law permits, but not beyond 6 months. We cannot defer granting a loan solely to pay premiums on one of your policies with us. If we defer paying the cash surrender or partial withdrawal for 30 days or more, we pay interest at 3½% a year from the surrender or withdrawal date to the payment date.

AMENDMENT

We reserve the right to amend this policy in order to include any future changes relating to this policy's remaining qualified for treatment as a Life Insurance policy under the following:

1. The Code.
2. Internal Revenue Service rulings and regulations.
3. Any requirements imposed by the Internal Revenue Service.

We will send you a copy of any amendments promptly.

DISCLAIMER

We are not liable for any tax or tax penalty you owe resulting

from failure to comply with the requirements of the Code, Regulations and Rulings imposed on this policy.

NONPARTICIPATING

This policy does not share in our profits or surplus. No dividends are paid under this policy.

SETTLEMENT OPTIONS

CHOICE OF OPTION

Settlement options are ways of paying all or part of the proceeds of this policy other than in one sum.

You may choose or change an option by writing to us at any time before the Insured dies or before the policy matures or is surrendered. If no option has been chosen before the Insured dies, the Beneficiary may choose one. But, the Beneficiary cannot choose an option if we have already paid him the proceeds.

An option cannot be chosen if any of these are true:

1. The proceeds are payable to an assignee.
2. The proceeds are not payable to a natural person who takes them in his own right.
3. The total amount is less than \$1,000.
4. Each payment under the option would be less than \$20.

PAYEE

A payee is a person to whom we pay part or all of the proceeds.

The Beneficiary is the payee for any proceeds payable at the death of the Insured.

You or the Insured may be the payee if:

1. Option 1, 3, or 4 is chosen; and
2. the option is chosen to apply at maturity or surrender of this policy.

The Insured will be the payee if:

1. Option 2 or 5 is chosen; and
2. the option is chosen to apply at maturity or surrender of this policy.

The payee receiving payments may name or change a

SETTLEMENT OPTIONS continued

contingent payee. A contingent payee is the person who will be paid any final amount otherwise due the payee's estate.

If:

1. the payee dies; and
2. there is no contingent payee;

we will make payment to the payee's estate or assigns. Payment will be in a lump sum.

The amount paid will be as follows:

1. Options 1 or 2 - the present value of the unpaid guaranteed installments, based on two and one-half percent (2½%) yearly interest;
2. Options 3 or 4 - the unpaid balance.

SUPPLEMENTARY CONTRACT

When an option becomes effective, this policy must be surrendered to us. We will give the payee a Supplementary Contract that describes the option. The Supplementary Contract will be effective:

1. on the date the Insured dies; or
2. on the date the proceeds of the policy otherwise become due.

The effective date of the Supplementary Contract is the date the first payment is due to the payee under Option 1, 2, or 4. For Option 3, the due date of the first payment depends on how often interest will be paid. The due date for payment under Option 3 will be one, three, six or twelve months after the effective date of the Supplementary Contract.

GENERAL CONDITIONS

If you choose an option for the Beneficiary, the Beneficiary cannot do any of these unless you consent in writing during the Insured's lifetime and we approve:

1. assign or transfer any interest in payments due under the option;
2. change the option or the terms of the option.

If money is left with us under an option, it will be part of our general funds. We have no duty to keep the money separate or invest it separately.

INTEREST

We guarantee yearly interest of two and one-half percent (2½%) under all options. This amount has been included in the installments shown in the tables. We may decide to

pay more than two and one-half percent (2½%) yearly interest on Options 1 through 4. If we do, we will apply the excess interest to the money on deposit with us under the option. We may guarantee more than two and one-half percent (2½%) yearly interest under Option 5. Contact us for details.

OPTION 1. INSTALLMENTS FOR A FIXED PERIOD

We will pay the proceeds in equal installments for a certain number of years. The length of time can be from one (1) to thirty (30) years. Installments may be paid monthly, quarterly, semi-annually or yearly. The Option 1 Table shows the amount of each installment.

OPTION 2. INSTALLMENTS FOR LIFE WITH A GUARANTEED PERIOD

We will pay the proceeds in equal installments for either ten (10) or twenty (20) years, plus as long after that as the payee lives. The amount of each installment depends on:

1. the period of time chosen; and
2. the payee's sex; and
3. the payee's age on his birthday following the due date of the first payment.

The Option 2 Table shows the amount of each installment.

We require satisfactory proof of the payee's age before we pay under Option 2.

OPTION 3. INTEREST INCOME

The proceeds are left with us during the payee's lifetime. They bear yearly interest of at least two and one-half percent (2½%). Interest will be paid at the end of each interest period.

The interest period may be monthly, quarterly, semi-annually, or yearly. The least amount of interest for every \$1,000 of proceeds left with us and not withdrawn is:

1. yearly	\$25.00
2. semi-annually	\$12.42
3. quarterly	\$ 6.19
4. monthly	\$ 2.06

The payee can withdraw any part of the proceeds at any time. But, the amount of any withdrawal cannot be less than \$100.

SETTLEMENT OPTIONS *continued*

OPTION 4. INSTALLMENTS OF A FIXED AMOUNT

We will pay the proceeds, plus interest, in equal installments until they are used up. Yearly interest on the unpaid portion will be at least two and one-half percent (2½%). The installments may be monthly, quarterly, semi-annually or yearly. The total amount payable each year cannot be less than five percent (5%) of the initial amount of proceeds left with us.

OPTION 5. OTHER ANNUITY FORMS

We will pay the proceeds under any other annuity form which we may offer when the proceeds become due. The amount of each annuity installment from the policy proceeds will be 104% of the installment the policy proceeds would otherwise buy based on our rates and rules in effect on that date. Contact us for details.

OPTION 1 TABLE

YEARLY AND MONTHLY INSTALLMENTS FOR EACH \$1,000 OF PROCEEDS

No. of Years Payable	AMOUNT OF INSTALLMENTS		No. of Years Payable	AMOUNT OF INSTALLMENTS		No. of Years Payable	AMOUNT OF INSTALLMENTS	
	Yearly	Monthly		Yearly	Monthly		Yearly	Monthly
1	\$1,000.00	\$84.28	11	\$102.54	\$8.64	21	\$60.28	\$5.08
2	506.17	42.66	12	95.11	8.02	22	58.19	4.90
3	341.60	28.79	13	88.83	7.49	23	56.29	4.74
4	259.33	21.86	14	83.45	7.03	24	54.55	4.60
5	210.00	17.70	15	78.80	6.64	25	52.95	4.46
6	177.12	14.93	16	74.73	6.30	26	51.48	4.34
7	153.65	12.95	17	71.15	6.00	27	50.12	4.22
8	136.07	11.47	18	67.97	5.73	28	48.87	4.12
9	122.40	10.32	19	65.13	5.49	29	47.70	4.02
10	111.47	9.39	20	62.58	5.27	30	46.61	3.93

The amount of semi-annual and quarterly installments per \$1,000 of proceeds may be figured by multiplying the amount of the yearly installments shown above by .5031 and .2523, respectively.

SETTLEMENT OPTIONS continued

OPTION 2 TABLE
MONTHLY INCOME FOR EACH \$1,000 OF PROCEEDS

AGE OF PAYEE		GUARANTEED PERIOD IN YEARS		AGE OF PAYEE		GUARANTEED PERIOD IN YEARS		AGE OF PAYEE		GUARANTEED PERIOD IN YEARS	
Male	Female	10	20	Male	Female	10	20	Male	Female	10	20
7 and under	12 and under	2.64	2.63	31	36	3.26	3.22	56	61	5.01	4.47
8	13	2.66	2.65	32	37	3.30	3.25	57	62	5.12	4.53
9	14	2.67	2.66	33	38	3.34	3.29	58	63	5.23	4.59
10	15	2.69	2.68	34	39	3.39	3.33	59	64	5.35	4.64
				35	40	3.43	3.37	60	65	5.48	4.70
11	16	2.71	2.70	36	41	3.48	3.41	61	66	5.61	4.75
12	17	2.73	2.71	37	42	3.53	3.45	62	67	5.74	4.80
13	18	2.74	2.73	38	43	3.59	3.50	63	68	5.87	4.85
14	19	2.76	2.75	39	44	3.64	3.54	64	69	6.01	4.90
15	20	2.78	2.77	40	45	3.70	3.59	65	70	6.16	4.94
16	21	2.81	2.79	41	46	3.76	3.64	66	71	6.30	4.98
17	22	2.83	2.81	42	47	3.82	3.69	67	72	6.45	5.02
18	23	2.85	2.84	43	48	3.88	3.74	68	73	6.60	5.05
19	24	2.88	2.86	44	49	3.95	3.79	69	74	6.76	5.09
20	25	2.90	2.88	45	50	4.02	3.84	70	75	6.91	5.12
21	26	2.93	2.91	46	51	4.09	3.90	71	76	7.07	5.14
22	27	2.95	2.93	47	52	4.17	3.95	72	77	7.23	5.17
23	28	2.98	2.96	48	53	4.25	4.01	73	78	7.38	5.19
24	29	3.01	2.99	49	54	4.33	4.07	74	79	7.54	5.20
25	30	3.04	3.02	50	55	4.42	4.12	75	80	7.69	5.22
26	31	3.08	3.05	51	56	4.50	4.18	76	81	7.84	5.23
27	32	3.11	3.08	52	57	4.60	4.24	77	82	7.98	5.24
28	33	3.14	3.11	53	58	4.69	4.30	78	83	8.13	5.25
29	34	3.18	3.15	54	59	4.79	4.36	79	84	8.26	5.26
30	35	3.22	3.18	55	60	4.90	4.41	80	85	8.39	5.26

In lieu of such monthly installments, annual, semi-annual or quarterly installments may be selected. They shall be respectively twelve, six and three times the monthly installments shown. The first installment is then payable five and one-half months, two and one-half months and one month, respectively, later than the date on which the first monthly installment would have been paid.

CONSUMER DISCLOSURE FORM DIRECTOR PLUS UNIVERSAL LIFE

READ THIS FORM CAREFULLY. IT CONTAINS IMPORTANT INFORMATION ABOUT THE POLICY YOU ARE BUYING. THE COMPANY WILL NOT ACCEPT AN APPLICATION FOR INSURANCE WITHOUT THIS FORM.

This policy has a front end load. This means that a charge is deducted from the premium you pay us. A greater charge is deducted from the premium for the first year's coverage than for other years. We credit interest only on the amount remaining after the charge is deducted.

The policy provides that interest is credited to the Accumulation Value in a manner set by our Board of Directors. If you use this policy as security for a loan from us, we will continue to credit interest to the Accumulation Value. However, the interest credited to the portion represented by the loan will be less than credited to the rest of the Accumulation Value, since we earn more interest on the unloaned amount. Interest is credited from the time the Company receives the premium at its Home Office.

You will receive a computer illustration of the policy's performance on both a guaranteed and nonguaranteed (projected) basis. The nonguaranteed calculations include amounts of additional interest designed to reward long term policyholders. We do not guarantee to credit additional interest. If additional interest is credited, it will be credited only to policies which have been in force at least ten years. Additional interest may also be credited at the end of the 15th and 20th policy years. The computer illustration will explain this in more detail.

This policy also has a declining surrender charge for the first 20 policy years. This means that if you surrender the policy or want a policy loan during those years, the amount available to you will be less than the full Accumulation Value.

This policy permits you to start or stop premium payments, within certain limitations. If a premium is required and is not paid, insurance coverage will lapse.

If any policy on the proposed insured's life is assigned to us, we will apply its values, if any, to the Accumulation Value under the policy applied for. Any such premiums and the new values based on them will be shown in a new Policy Data Page sent to you on the first Policy Anniversary if our policy is in force on that date.

YOUR POLICY CONTAINS A 20-DAY INSPECTION PERIOD so that you will have a chance to review all its provisions. If you do not wish to keep the policy, you may return it to us or your agent within 20 days and receive a full refund of any premium paid. If any policy on the proposed insured's life is assigned to us, we will assign any such policy on the insured's life back to our assignor, send such assignment to the applicable insurer, and pay our assignor any cash we received from the policy. (It may not be possible to reinstate dividends, premium deposit accounts, etc.)

I understand that neither Northern Life nor my agent can provide tax advice, and that I must consult my own tax adviser regarding the tax treatment of this insurance policy. I understand that the tax status of this policy should be reviewed yearly.

By signing this form, I request that Northern Life prepare for me an illustration of policy benefits based on 9.25% annual effective interest.

1/4/89
Date

Ronald Bucher
Signature of Proposed Insured

Alfred Paulk



NORTHERN LIFE
INSURANCE CO.
P.O. BOX 12520 SEATTLE, WA 98112



NORTHERN LIFE
INSURANCE CO.

P.O. Box 12530, Seattle, WA 98111

APPLICATION

PAGE 1

G.A. Code _____

0989085 PART I

Proposed Insured (Full Name)

David Kevin Ruch
Social Security No. 528-84-7429

Marital Status ☐ Single ☒ Married ☐ Widowed ☐ Separated ☐ Divorced

Sex ☒ Male ☐ Female 5. Birthplace (State) Utah

Date of Birth (Mo.-D.-Yr.) 4/9/53 7. Age 35

Height: Ft. 6 In. 2 Weight: Lbs 210

Residence (Street) 1580 Cambridge Rd

(City) Sandy

(State) Utah (Zip) 84121

a. Occupation Station Engineer

b. Describe Duties As an Engineer

c. How Long in Occupation? 10 years

a. Annual Income from Occupation \$ _____

(re: parent if this is juvenile app.)

or Net Income After Expenses (for self-employed persons) \$ 66,000

b. Income From Other Sources _____

List Other Sources _____

Employer University of Texas

Address 201 E. 5th St. Temple, Texas

i. Beneficiary Show name, Social Security No. and relationship to Proposed Insured

Child Leon Ruch, Portno

528-62-7849

equally, or to the survivor(s) unless otherwise stated.

(If address is different than Proposed Insured show in Agent's report.)

j. Contingent Beneficiary: Show name and relationship to Proposed Insured

equally, or to the survivor(s) unless otherwise stated.

Beneficiary(ies) have the right to change settlement mode unless you request otherwise here.

Name and Address of Proposed Insured's Personal Physician

Name Ken Gorman

Address 201 E. 5th St. Temple, Utah

Date and Reason last consulted? Summer 88 Exam

Plan of Insurance (State Plan Title Exactly) b. Amount

Director Plus \$ 300,000

Automatic Premium Loan, if available? ☒ Yes ☐ No

Benefit Option (Universal Plans Only) ☒ A Level ☐ B Increasing

Family Members (If family rider, children rider or purchaser benefit applied for)

Proposed for Insurance	Relationship to Proposed Insured	Birthplace (State)	Date of Birth Mo.-Day-Yr.	Age	Height	Weight

Spouse's former names _____ Details to "Yes" Answers

Are there any children under age 18 on whom coverage is not being requested? ☐ Yes ☒ No

d. ☐ Waiver of Premium or Waiver of Monthly Deduction

e. ☐ Accidental Death Benefit: Amount \$ _____

f. ☐ Family Rider: Units _____ ☐ Children Rider: Units _____

g. ☐ Additional Insured Rider

on _____ Amount \$ _____

Beneficiaries, (if rider on other than primary insured) _____

Address _____

Occupation (if rider on other than primary insured) _____

h. ☐ Other _____

16. Class of Risk Applied For: (Standard unless otherwise shown here.)

Preferred

17a. Premium Payment Mode: Annual ☐ Semi ☐ Quarterly ☐

ABC ☒ Sal Sav ☐ Other _____

b. Universal Plans Only: Stipulated Modal Premium? \$ 188.34

c. Billing Address (Street) 901 E. 5th Temple

(City) SLC (State) Utah (Zip) 84103

d. Do you plan to suspend premium payments when qualified?

☐ Yes ☒ No ☐ N/A If yes, at start of which year? _____

18. Life Insurance or Annuities in Force (If None So State)

	Company (Check if being replaced.)	Year	Life Amt.	AD&O Amt.
<input checked="" type="checkbox"/>	Insured Northern	86	200,000	
<input checked="" type="checkbox"/>	Executive	84	572,000	
<input type="checkbox"/>				
<input type="checkbox"/>				
<input type="checkbox"/>				
<input type="checkbox"/>	Spouse First Liberty	86	200,000	
<input type="checkbox"/>				

19. Replacement (Check each policy above to be replaced and attach required replacement forms.)

a. Are any of the currently in force life insurance or annuity policies to be replaced by the insurance applied for? ☐ Yes ☒ No

b. Have any life insurance or annuity policies on the life of the Proposed Insured lapsed within the last 12 months? ☐ Yes ☒ No

20. For Juvenile Insurance (ages 0 thru 14) (complete Ownership section also)

a. Amount of insurance in force on life of father? _____

mother? _____ (If none on either, give particulars.)

b. Number of siblings? _____

c. Amount of insurance in force on each brother or sister? _____

22. Foreign Travel, Aviation and Military

- a. Do you intend to travel outside the U.S. or Canada within the next two years except for vacation trips?
- b. Do you intend to fly other than as a passenger or have you flown other than as a passenger during the past two years? If "Yes", complete Aviation Questionnaire
- c. Are you a member or do you intend to become a member of the armed forces including reserves?

23. Avocation and Sports Do you participate in recreational activities involving

- a. Aeronautics (including hang gliding, ultralight soaring, sky diving, ballooning)?
- b. Competitive racing of powered vehicles (including motorcycles, automobiles and boats)?
- c. Recreational vehicles over open terrain, trails, sand, snow or ice (including snowmobiles, dirt bikes and dune buggies)?
- d. Any of the following — skin or scuba diving, mountain climbing, rodeos, competitive skiing?

24. Other Insurance

- a. Have you had a request for life or health insurance declined, postponed, rated or restricted in any way?
- b. Is any application for life insurance pending with any other company? Give name of company

25. Driving Record Driver's License No. _____ State VT

Within the past 3 years have you been convicted of or pleaded guilty to

- a. Three or more moving violations and/or accidents?
- b. Driving under the influence of alcohol and/or drugs?

26. Have You Ever:

- a. Had a family member with diabetes, heart or circulatory disease or cancer?
- b. Had a weight change over 10 lbs. in the past year? If "Yes", pounds gained or lost and reason?
- c. Received treatments or joined an organization for alcoholism or drug addiction?
- d. On a regular basis used amphetamines, barbiturates, cocaine, codeine, hallucinogens, heroin, LSD, marijuana, sedatives, tranquilizers or habit forming drugs except as prescribed by a physician?
- e. Been convicted of a felony in the past 10 years?

Proposed Insured		Proposed Additional Insured		Remarks & details to "yes" answers
Yes	No	Yes	No	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	A Father & Sister - Cancer
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Mother - heart
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Valve replace
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

27. Describe any athletic program(s) you engage in _____

How often? _____

28. What is your alcohol consumption?

(Drink = one 12 oz. beer, one 5 oz. glass of wine or 1 oz. of hard spirits)

Proposed Insured (drinks per week)

☒ None ☐ 1-5 ☐ 6-14 ☐ 15-30 ☐ More

Proposed Additional Insured (drinks per week)

☐ None ☐ 1-5 ☐ 6-14 ☐ 15-30 ☐ More**29. Smoking Statement**

I do not now smoke cigarettes. I have not smoked any cigarettes for at least the past twelve months. I do not use tobacco in any other form except

X

SIGNATURE OF PROPOSED ADDITIONAL INSURED

Sign only if this statement applies.

I do not now smoke cigarettes. I have not smoked any cigarettes for at least the past twelve months. I do not use tobacco in any other form except

X

Sign only if this statement applies.**30. Special Instructions** _____**31. Ownership Section**

- a. Owner's Name Gale Porduhn
- b. Social Security or Tax No. 528-60-7849
- c. Relationship to Proposed Insured Partner
- d. What amount of insurance in question 18 of this application or pending with other companies is payable to Owner as Beneficiary?

Company

Amount

None

- e. What is the amount of insurance in force and pending on Owner's life?

\$600,000

- f. State purpose of insurance and nature of Owner's insurable interest

Buy Sell / Partner

If Juvenile application and parent is not owner and beneficiary please explain _____

AGE 3

Please circle appropriate item and give details including Doctor's name and address, date, duration and present condition. Specify Person

2. Has any Proposed Insured ever had or been advised that he/she had:

- a. Any disorder of the circulatory system heart disorder heart murmur high blood pressure or persistent frequent or severe chest pain?
- b. Cancer or tumor of any type or location?
- c. Any nervous mental or brain disorder seizure or convulsion or fainting spells or persistent frequent or severe dizziness?
- d. Any disorder of the lungs, bronchial tubes, or respiratory system?
- e. Any disorder of the nose, throat, mouth eyes or ears?
- f. Diabetes or any disorder of the thyroid or any other gland, or swollen or enlarged lymph nodes?
- g. Any disorder of the stomach, gall bladder, liver, intestines, rectum or other abdominal disorder?
- h. Any disorder of the kidneys, bladder, prostate, or urinary system?
- i. Any disorder of the breasts, uterus or ovaries?
- j. Syphilis, herpes, recurrent gonorrhea or other sexually transmitted diseases?
- k. Any disorder of the bones or joints, or any form of rheumatism arthritis or gout?
- l. Any physical impairment, deformity, paralysis or amputation?
- m. An immune deficiency disorder, AIDS, or AIDS Related Complex (ARC), or test results indicating exposure to the AIDS virus?

Yes No

- ☐ ☐
- ☐ ☐
- ☐ ☐
- ☐ ☐
- ☐ ☐
- ☐ ☐
- ☐ ☐
- ☐ ☐
- ☐ ☐
- ☐ ☐
- ☐ ☐
- ☐ ☐
- ☐ ☐
- ☐ ☐
- ☐ ☐

During the past five years has any Proposed Insured:

- a. Consulted been examined or been treated by any physician or practitioner not listed above?
- b. Had an X-ray, electrocardiogram or any laboratory test or study? Show results, if known
- c. Had observation or treatment at a clinic hospital, or institution?
- d. Had or been advised to have a surgical operation?

- ☐ ☐
- ☐ ☐
- ☐ ☐
- ☐ ☐

Additional medical information

To the best of my/our knowledge and belief, the answers shown in this application are complete and true. I/We agree.

DECLARATION

We declare to my/our best knowledge and belief, the answers shown in this application are complete and true. I/We agree.

All of the following are the basis for and shall be part of any insurance contract (a) this application, (b) any amendment(s) to this application, (c) any statements made in any Medical Examination, part 2

Except as shown in this application's Conditional Receipt, no insurance will be effective until all of the following occur (a) all persons to be insured are alive and in the same health as shown herein when the following (b) and (c) happen, (b) a policy is delivered and any required amendment(s) to the application is signed, (c) full payment of the first premium has been made to the Company.

Any policy or order issued on this application will belong only to the Owner

Accepting a policy will ratify any change made by the Company in the space entitled "For Home Office Endorsements". But, no change can be made as to amount, premium, classification, insurance plan or benefits, or issue age without my/our written consent

Check paid with application \$ 188-34

DATE AT Self 4 DAYS

DAY OF May 19 99

APPLICANT (IF OTHER THAN THE PROPOSED INSURED)

PROPOSED INSURED (IF OTHER THAN THE PROPOSED INSURED)

OFFICER SIGNING FOR CORPORATION OR FIRM (LIVE TITLE)

SPOUSE OF PROPOSED INSURED (IF FAMILY RISKER INCLUDED)

PROPOSED ADDITIONAL INSURED

WITNESSES - LICENSED AGENT

MAKE CHECKS PAYABLE ONLY TO NORTHERN LIFE

SIGN AUTHORIZATION ON NEXT PAGE

1. PROPOSED INSURED Print Full Name

Brad Beck

2. DATE OF BIRTH

Month April Day 9 Year 1953

3. FAMILY RECORD Show age and present health or if deceased show age at death and cause of death

	Age	Present Health	Cause of Death	Brothers & Sisters	Ages	Present Health or Cause of Death
Father	59		Cancer (melanoma)	No living <u>2</u>	37, 33	Good
Mother	60	Good		No deceased <u>1</u>	28	Hodgkins disease

4. a. Name and address of your personal physician

Kenneth Guyman, M.D. 2036 South 13th East Salt Lake City, UT 84105

b. Date and reason last consulted

4/87 - Physical Exam

c. What treatment was given or medication prescribed?

No

5. DO YOU HAVE OR HAVE YOU EVER HAD ANY KNOWN INDICATION OF

Yes No

a. Disorder of eyes, ears, nose, or throat? ☐ ☒b. Dizziness, fainting, convulsions, severe or frequent headache, speech defect, paralysis or stroke, mental or nervous disorder? ☐ ☒c. Shortness of breath, persistent hoarseness or cough, blood spitting, chronic bronchitis, pleurisy, asthma, emphysema, tuberculosis or chronic respiratory disorder? ☐ ☒d. Chest pain, palpitation, high blood pressure, rheumatic fever, heart murmur, heart attack or other disorder of the heart or blood vessels? ☐ ☒e. Jaundice, intestinal bleeding, ulcer, hernia, colitis, diverticulitis, recurrent indigestion, or other disorder of the stomach, intestines, liver or gallbladder? ☐ ☒f. Sugar, albumin, blood or pus in urine, venereal disease, stone or other disorder of kidney, bladder, prostate or reproductive organs? ☐ ☒g. Diabetes, thyroid or other endocrine disorders? ☐ ☒h. Neuritis, arthritis, gout, or disorder of the muscles or bones, including the spine, back, or joints? ☐ ☒i. Deformity, lameness or amputation? ☐ ☒j. Disorder of skin, breasts, lymph glands, cyst? ☐ ☒k. Tumor or cancer? ☐ ☒l. Anemia, immune deficiency or any other blood disorder? ☐ ☒

Details of "Yes" answers identify questions number circle applicable items include diagnoses dates duration and names and addresses of all attending physicians and medical facilities

i.e. Stomach stapling for obesity
19826. Have you had any care or treatment or medical advice for alcohol or drug usage? ☐ ☒7. Have you used any of the following more than twice. Amphetamines, barbiturates, cocaine, codeine, hallucinogens, heroin, LSD, marijuana, sedatives, tranquilizers or habit forming drugs? If prescribed for you by a physician, please explain ☐ ☒8. Have you used tobacco products? Type? Amount? Date last used each? ☐ ☒9. Are you now under observation or taking treatment? List medications, with dosage, any special diet within the last 5 years. Give dates ☐ ☒10. Have you had any change in weight in the past year? ☐ ☒

11. Other than above, have you within the past 5 years.

a. Had any mental or physical disorder not listed above? ☐ ☒b. Had a checkup, consultation, illness, injury, surgery? ☐ ☒c. Been a patient in a hospital, clinic, sanatorium, or other medical facility? ☐ ☒d. Had electrocardiogram, X-ray, other diagnostic test? ☒ ☐e. Been advised to have any diagnostic test, hospitalization, or surgery which has not been completed? ☐ ☒

11.d EKG with biplane Physical Exam 1985

12. mother - Valve replaced in heart 4/88
Father - melanoma12. Far History Diabetes cancer, high blood pressure, heart or kidney disease, mental illness or suicide? ☒ ☐

I declare that the statements and answers shown above are true and complete to the best of my knowledge and belief and I agree that they shall be considered the basis of any insurance issued

Dated at Salt Lake City, UT this 16th day of January, 1989
by Richard K. ...Unrecorded
1989 JAN 19 11:45 AM

1. PROPOSED INSURED: Print Full Name

Brad Buchi

2. DATE OF BIRTH

Month April Day 9 Year 1953

3. FAMILY RECORD: Show age and present health, or if deceased, show age at death and cause of death.

	Age	Present Health	Cause of Death	Brothers & Sisters	Ages	Present Health or Cause of Death
Father	59		Cancer (melanoma)	No. living <u>2</u>	57, 23	Good
Mother	60	Good		No. deceased <u>1</u>	28	Hodgkins disease

4. a. Name and address of your personal physician:

Kenneth Guyman, M.D. 2036 South 13th East Salt Lake City, UT 84105

b. Date and reason last consulted

4/87 - Physical Exam

c. What treatment was given or medication prescribed?

NO

5. DO YOU HAVE OR HAVE YOU EVER HAD ANY KNOWN INDICATION OF:

Yes No

a. Disorder of eyes, ears, nose, or throat? ☐ ☒b. Dizziness, fainting, convulsions, severe or frequent headache, speech defect, paralysis or stroke; mental or nervous disorder? ☐ ☒c. Shortness of breath, persistent hoarseness or cough, blood spitting, chronic bronchitis, pleurisy, asthma, emphysema, tuberculosis or chronic respiratory disorder? ☐ ☒d. Chest pain, palpitation, high blood pressure, rheumatic fever, heart murmur, heart attack or other disorder of the heart or blood vessels? ☐ ☒e. Jaundice, intestinal bleeding, ulcer, hernia, colitis, diverticulitis, recurrent indigestion, or other disorder of the stomach, intestines, liver or gallbladder? ☐ ☒f. Sugar, albumin, blood or pus in urine; venereal disease; stone or other disorder of kidney, bladder, prostate or reproductive organs? ☐ ☒g. Diabetes, thyroid or other endocrine disorders? ☐ ☒h. Neuritis, arthritis, gout, or disorder of the muscles or bones, including the spine, back, or joints? ☐ ☒i. Deformity, lameness or amputation? ☐ ☒j. Disorder of skin, breasts, lymph glands; cyst? ☐ ☒k. Tumor or cancer? ☐ ☒l. Anemia, immune deficiency or any other blood disorder? ☐ ☒i. Have you had any care or treatment or medical advice for alcohol or drug usage? ☐ ☒j. Have you used any of the following more than twice: Amphetamines, barbiturates, cocaine, codeine, hallucinogens, heroin, LSD, marijuana, sedatives, tranquilizers or habit forming drugs? If prescribed for you by a physician, please explain ☐ ☒k. Have you used tobacco products? Type? Amount? Date last used each? ☐ ☒l. Are you now under observation or taking treatment? List medications, with dosage, any special diet within the last 5 years. Give dates ☐ ☒m. Have you had any change in weight in the past year? ☐ ☒

Other than above, have you within the past 5 years:

a. Had any mental or physical disorder not listed above? ☐ ☒b. Had a checkup, consultation, illness, injury, surgery? ☐ ☒c. Been a patient in a hospital, clinic, sanatorium, or other medical facility? ☐ ☒d. Had electrocardiogram, X-ray, other diagnostic test? ☒ ☐e. Been advised to have any diagnostic test, hospitalization, or surgery which has not been completed? ☐ ☒Family History: Diabetes, cancer, high blood pressure, heart or kidney disease, mental illness or suicide? ☒ ☐

Details of "Yes" answers. (Identify questions number, circle applicable items; include diagnoses, dates, duration, and names and addresses of all attending physicians and medical facilities).

5.e. - Stomach stapling for obesity
1982

11.d. EKG with baseline Physical Exam 1985

12. mother - Valve replaced in heart 4/88
Father - melanoma

I declare that the statements and answers shown above are true and complete to the best of my knowledge and belief, and I agree that they shall be considered the basis of any insurance issued.

Signed at Salt Lake City, UT this 16thday of November 1988RECEIVED
SALT LAKE CITY
1988 JUN 10 AM 4:53
UNCLINICAL

Notice

To make a claim or exercise your rights under this policy,
please write to us at the address below and include your policy
number.

Northern Life Insurance Company
P.O. Box 12530
Seattle, Washington 98111



NORTHERN LIFE INSURANCE COMPANY
A Stock Company • P.O. Box 12530, Seattle, Washington 98111
An A+ (Superior) A.M. Best Rated Company

Tab 12

EXHIBIT "12"

NORTHERN POLICY NL 00989086
(Plaintiff's Trial Exhibit 4)

PART I

Proposed Insured (Full Name)

Glede Leon Perduhn
Social Security No. 528-60-7849

Marital Status ☐ Single ☒ Married ☐ Widowed ☐ Separated ☐ Divorced

Sex ☒ Male ☐ Female 5. Birthplace (State) Utah

Date of Birth (Mo D Yr) 2/24/44 7. Age 48

Height: Ft 6 In 0 Weight: Lbs 170

Residence (Street) 817 Holly Ave

City) Murray

State) Utah (Zip) 84107

Occupation Station Owner

Describe Duties Management

How Long in Occupation? 10 years

Annual Income from Occupation \$ _____

(re parent if this is juvenile app)

or Net Income After Expenses (for self employed persons) \$ 45,000

Income From Other Sources _____

List Other Sources _____

Employer Olympus Cove Chevron

Address 4013 So Wasatch Blvd Sec 2

Beneficiary Show name Social Security No. and relationship to Proposed Insured

Bred Buchi Partner

528-84-7429

equally, or to the survivor(s) unless otherwise stated

(If address is different than Proposed Insured show in Agent's report)

Contingent Beneficiary: Show name and relationship to Proposed Insured

equally, or to the survivor(s) unless otherwise stated

Beneficiary(ies) have the right to change settlement mode unless you request

otherwise here _____

Name and Address of Proposed Insured's Personal Physician

Name NONE

Address _____

Date and Reason last consulted? _____

Plan of Insurance (State Plan Title Exactly) _____

b. Amount

DIRECTOR 2 \$ 250,000

Automatic Premium Loan, if available? ☒ Yes ☐ No

Benefit Option (Universal Plans Only) ☒ A Level ☐ B Increasing

Family Members (If family rider, children rider or purchaser benefit applied for)

Proposed for Insurance	Relationship to Proposed Insured	Birthplace (State)	Date of Birth Mo Day Yr	Age	Height	Weight

Spouse's former names _____ Details to Yes Answers

Are there any children under age 18 on whom coverage is not being requested? ☐ Yes ☐ No

Are there any children shown above who do not live with the applicant? ☐ Yes ☐ No

d. ☐ Waiver of Premium or Waiver of Monthly Deduction

e. ☐ Accidental Death Benefit Amount \$ _____

f. ☐ Family Rider Units _____ ☐ Children Rider Units _____

g. ☐ Additional Insured Rider

on _____ Amount \$ _____

Beneficiaries (if rider on other than primary insured) _____

Address _____

Occupation (if rider on other than primary insured) _____

h. ☐ Other _____

16. Class of Risk Applied For (Standard unless otherwise shown here)

17a. Premium Payment Mode: Annual ☐ Semi ☐ Quarterly ☐

ABC ☒ Sal Sav ☐ Other _____

b. Universal Plans Only Stipulated Modal Premium? \$ 215.67

c. Billing Address (Street) 901 E. So. Temple

(City) S.L.C (State) Utah (Zip) 84103

d. Do you plan to suspend premium payments when qualified?

☐ Yes ☒ No ☐ N/A If yes at start of which year? _____

18. Life Insurance or Annuities in Force (If None So State)

✓	Company (Check if being replaced)	Year	Life Amt	ADB Amt.
<input type="checkbox"/>	Insured <u>NORTHAM</u>	<u>84</u>	<u>100,000</u>	<u>—</u>
<input type="checkbox"/>	<u>Am. Protector</u>	<u>86</u>	<u>200,000</u>	<u>—</u>
<input type="checkbox"/>				
<input type="checkbox"/>				
<input type="checkbox"/>	Spouse			
<input type="checkbox"/>				

19. Replacement (Check each policy above to be replaced and attach required replacement forms)

a. Are any of the currently in force life insurance or annuity policies to be replaced by the insurance applied for? ☐ Yes ☒ No

b. Have any life insurance or annuity policies on the life of the Proposed Insured lapsed within the last 12 months? ☐ Yes ☒ No

20. For Juvenile Insurance (ages 0 thru 14) (complete Ownership section also)

a. Amount of insurance in force on life of father? _____

mother? _____ (If none on either give particulars)

b. Number of siblings? _____

c. Amount of insurance in force on each brother or sister? _____

Foreign Travel, Aviation and Military

- a. Do you intend to travel outside the U.S. or Canada within the next two years except for vacation trips?
 Do you intend to fly other than as a passenger or have you flown other than as a passenger during the past two years? If "Yes", complete Aviation Questionnaire
 c. Are you a member, or do you intend to become a member, of the armed forces, including reserves?

Avocation and Sports

Do you participate in recreational activities involving:

- a. Aeronautics (including hang-gliding, ultralight, soaring, sky diving, ballooning)?
 b. Competitive racing of powered vehicles (including motorcycles, automobiles and boats)?
 c. Recreational vehicles over open terrain, trails, sand, snow or ice (including snowmobiles, dirt bikes and dune buggies)?
 d. Any of the following — skin or scuba diving, mountain climbing, rodeos, competitive skiing?

Other Insurance

- a. Have you had a request for life or health insurance declined, postponed, rated or restricted in any way?

- b. Is any application for life insurance pending with any other company? Give name of company.

Driving Record

Driver's License No. _____ State UKgh

Within the past 3 years have you been convicted of or pleaded guilty to:

- a. Three or more moving violations and/or accidents?
 b. Driving under the influence of alcohol and/or drugs?

Have You Ever:

- a. Had a family member with diabetes, heart or circulatory disease or cancer?
 b. Had a weight change over 10 lbs. in the past year? If "Yes", pounds gained or lost and reason?
 c. Received treatments or joined an organization for alcoholism or drug addiction?
 d. On a regular basis used amphetamines, barbiturates, cocaine, codeine, hallucinogens, heroin, LSD, marijuana, sedatives, tranquilizers or habit forming drugs except as prescribed by a physician?
 e. Been convicted of a felony in the past 10 years?

Proposed Insured Proposed Additional Insured Remarks & answer to "yes" answers

Yes	No	Yes	No
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

A - Father
died of cancer
age 73

- f. Describe any athletic program(s) you engage in _____

How often? _____

3. What is your alcohol consumption?

(Drink = one 12 oz. beer, one 5 oz. glass of wine or 1 oz. of hard spirits)

Proposed Insured (drinks per week)

☐ None ☐ 1-5 ☒ 6-14 ☐ 15-30 ☐ More

Proposed Additional Insured (drinks per week)

☐ None ☐ 1-5 ☐ 6-14 ☐ 15-30 ☐ More

9. Smoking Statement

I do not now smoke cigarettes. I have not smoked any cigarettes for at least the past twelve months. I do not use tobacco in any other form except:

X

SIGNATURE OF PROPOSED ADDITIONAL INSURED

Sign only if this statement applies.

I do not now smoke cigarettes. I have not smoked any cigarettes for at least the past twelve months. I do not use tobacco in any other form except:

X

SIGNATURE OF PROPOSED INSURED

Sign only if this statement applies.

30. Special Instructions

31. Ownership Section

a. Owner's Name Brad Buchi

b. Social Security or Tax No. 528-84-7479

c. Relationship to Proposed Insured Partner

d. What amount of insurance in question 18 of this application or pending with other companies is payable to Owner as Beneficiary?

Company

Amount

None

e. What is the amount of insurance in force and pending on Owner's life?

\$1,322,000

f. State purpose of insurance and nature of Owner's insurable interest

Buy Sell / Partner

If Juvenile application and parent is not owner and beneficiary, please explain.

Please circle appropriate item and give details including Doctor's name and address, date, duration, and present condition. Specify Person

Has any Proposed Insured ever had or been advised that he/she had:

Any disorder of the circulatory system, heart disorder, heart murmur, high blood pressure or persistent, frequent or severe chest pain?

Cancer or tumor of any type or location?

Any nervous, mental or brain disorder, seizure or convulsion or fainting spells or persistent, frequent or severe dizziness?

Any disorder of the lungs, bronchial tubes, or respiratory system?

Any disorder of the nose, throat, mouth, eyes or ears?

Diabetes or any disorder of the thyroid or any other gland, or swollen or enlarged lymph nodes?

Any disorder of the stomach, gall bladder, liver, intestines, rectum or other abdominal disorder?

Any disorder of the kidneys, bladder, prostate, or urinary system?

Any disorder of the breasts, uterus or ovaries?

Syphilis, herpes, recurrent gonorrhea or other sexually transmitted diseases?

Any disorder of the bones or joints; or any form of rheumatism, arthritis or gout?

Any physical impairment, deformity, paralysis or amputation?

An immune deficiency disorder, AIDS, or AIDS Related Complex (ARC), or test results indicating exposure to the AIDS virus?

During the past five years has any Proposed Insured:

Consulted, been examined or been treated by any physician or practitioner not listed above?

Had an X-ray, electrocardiogram or any laboratory test or study? Show results, if known.

Had observation or treatment at a clinic, hospital, or institution?

Had or been advised to have a surgical operation?

Yes No

☐ ☐

☐ ☐

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☐ ☐

☐ ☐

☐ ☐

☐ ☐

Additional medical information:

To the best of your knowledge and belief, is each person proposed for insurance free from mental and physical disorder? ☒ Yes ☐ No

If "No", give details

DECLARATION

I declare to my/our best knowledge and belief, the answers shown in this application are complete and true. I/We agree:

that the following are the basis for and shall be part of any insurance contract: (a) this application; (b) any amendment(s) to this application; (c) any statements made in any Medical Examination, part 2.

Except as shown in this application's Conditional Receipt, no insurance will be effective until all of the following occur: (a) all persons to be insured are healthy and in the same health as shown herein when the following (b) and (c) happen; (b) a policy is delivered and any required amendment(s) to the application is signed; (c) full payment of the first premium has been made to the Company.

Any policy or rider issued on this application will belong only to the Owner.

Accepting a policy will ratify any change made by the Company in the space entitled, "For Home Office Endorsements". But, no change can be made as to amount, premium, classification, insurance plan or benefits, or issue age without my/our written consent.

Check paid with application \$ 245.67

DATED Sept 14, 1989 AT CHICAGO

DAY OF SEP, 19 89

APPLICANT, IF OTHER THAN THE PROPOSED INSURED

PROPOSED INSURED (or parent, if Proposed Insured is a minor)

OFFICER SIGNING FOR CORPORATION OR FIRM (GIVE TITLE)

SPOUSE OF PROPOSED INSURED (IF FAMILY RIDER INCLUDED)

PROPOSED ADDITIONAL INSURED

WITNESS — LICENSED AGENT

MAKE CHECKS PAYABLE ONLY TO NORTHERN LIFE.

SIGN AUTHORIZATION ON NEXT PAGE

AGENTS REPORT

1. Concerning all persons proposed for insurance:

a. Were you unable to see any of them? ☐ Yes ☒ No If, "Yes" please state circumstances.

j. Are you aware of anything unfavorable about the health, character, habits, occupation or family history of any of them? ☐ Yes ☒ No If, "Yes" explain below.

2. How long have you known Proposed Insured? 5 yrs - Are you related? ☐ Yes ☒ No Relationship _____

3. To the best of your knowledge, has any proposed insured smoked cigarettes within the past year? ☒ Yes ☐ No

4. Are there any other names by which any proposed insured is now or was formerly known? (Include names and changes by marriage; please state reason for the change.) _____

5. Previous address, if any, within the past five years:

Residence: (Street) _____

(City) _____

(State) _____ (Zip) _____

Business: (Street) _____

(City) _____

(State) _____ (Zip) _____

6. If Proposed Insured is retired, what was his/her former occupation? _____

7. Date Life policy to save age? ☐ Yes ☒ No

8. Special comments or additional underwriting information:

Agent's Certification

As required by Federal Law, did you give Pre-Notice for Federal Fair Credit Reporting Act to Proposed Insured? ☒ Yes ☐ No

Do you have reason to believe that replacement of existing insurance is involved? ☐ Yes ☒ No

If "Yes": ☐ Replacement / comparison enclosed ☐ Replacement / comparison not required.

hereby certify that I personally solicited and secured this application and know the person(s) to be insured are the person(s) described in this application. I further certify that I have asked the Applicant or Proposed Insured and Proposed Additional Insured each of the questions in the application and have correctly and fully recorded all answers and personally witnessed the signature(s) herein. I know of nothing affecting these risks which is not fully set forth in these papers, and I recommend the acceptance of the risk.

Dated at Salt Lake City, Utah this 4 day of Jan, 19 89

<u>Sheldon Hansen</u>	<u>Sheldon Hansen</u>	<u>67W</u>	<u>6738</u>	<u>100%</u>
Agent's Signature	Agent's Name (print)	Agency #	Agent #	% of Interest

TELEPHONE SUPPLEMENTAL INQUIRY

Please complete the section below so we can contact your client at a convenient time.

Telephone Numbers:

Home: () _____ Day: Yes _____ No _____

Work: (801) 278-7130 Day: Yes ✓ No _____

Most convenient day, time and place for interview call: work hours

PAC Instructions

In order to be sure that this case will be handled promptly, be sure that each item below is checked and completed.

- ☐ Authorization has been completed and signed. (If two signatures are needed to transact, please get both.)
- ☐ Payor's voided check is attached. Deposit slips do not always work.
- ☐ At least one PAC premium has been collected.

Remember

The minimum amount for the PAC mode is \$25.00 (for Annuities the minimum is \$50.00).

Proper settlement must be turned in with new application and the PAC authorization.

Only premiums can be paid by PAC. No loan interest or loan principal will be included. Loan interest will be billed separately.

OLYMPUS COVE CHEVRON 9-84
4013 WASATCH BLVD.
SALT LAKE CITY, UT 84124

3106

31-273/1240

Northern Life

Hundred Fifteen + ⁰⁷/₁₀₀



CITY CENTER OFFICE
GUARDIAN STATE BANK
142 EAST 200 SOUTH
SALT LAKE CITY, UTAH 84111

1-5 1989 \$ 215⁶⁷

Dollars

Brook Buck

⑈003106⑈ ⑆124002735⑆31 02046 4⑈

AUTHORIZATION TO HONOR CHECKS DRAWN BY AND PAYABLE TO THE NORTHERN LIFE INSURANCE COMPANY OF SEATTLE, WASHINGTON

Name of the depositor

Northern Life Policy Number

To

Name of Bank

Branch

Address of Bank (Street)

(City)

(State)

(Zip Code)

I request and authorize you to pay and charge to my account # _____ checks drawn by and payable to the NORTHERN LIFE INSURANCE COMPANY of Seattle, Washington, if there are enough funds in this account when checks are presented. I agree that your treatment of each check and your rights in respect to it, shall be the same as if it were signed by me. It will not be necessary for any officer of the NORTHERN LIFE INSURANCE COMPANY to sign these checks. This right to draw checks shall remain in effect unless terminated by you until you receive a writing from me termination of this agreement.

I also agree that if any of these checks are dishonored, whether with or without cause and whether intentionally or inadvertently, you shall be under no liability whatsoever even though such dishonor results in the forfeiture of insurance.

Date

Signature of Depositor

Brook Buck

(If joint account sign below)



Signature of Depositor

CONSUMER DISCLOSURE FORM UNIVERSAL LIFE

READ THIS FORM CAREFULLY. IT CONTAINS IMPORTANT INFORMATION ABOUT THE POLICY YOU ARE BUYING. THE COMPANY WILL NOT ACCEPT AN APPLICATION FOR INSURANCE WITHOUT THIS FORM.

The policy you are about to buy provides that interest is credited to the Accumulation Value in a manner set by our Board of Directors. If you use this policy as security for a loan from us, we will continue to credit interest to the Accumulation Value. However, the interest credited to the portion represented by the loan will be less than credited to the rest of the Accumulation Value since we earn more interest on the unloaned amount. Interest is credited from the time the Company receives the premium at its Home Office.

Depending upon your policy, it will have either a 15 year or 20 year declining surrender charge. (Your ledger illustration will show which charge applies or you may ask your agent.) This means that if you surrender the policy or want a policy loan during those years, the amount available to you will be less than the full Accumulation Value.

This policy permits you to start or stop premium payments, within certain limitations. If a premium is required and is not paid, insurance coverage will lapse.

If any policy on the proposed Insured's life is assigned to us, we will apply its values, if any, to the Accumulation Value under the policy applied for. Any such premiums and the new values based on them will be shown in a new Policy Data Page sent to you on the first Policy Anniversary if your policy is in force on that date.

YOUR POLICY CONTAINS A 20-DAY INSPECTION PERIOD so that you will have a chance to review all its provisions. If you do not wish to keep the policy, you may return it to us or your agent within 20 days and receive a full refund of any premium paid. If any policy on the proposed Insured's life is assigned to us, we will assign any such policy on the Insured's life back to our assignor, send such assignment to the applicable insurer, and pay our assignor any cash we received from the policy. (It may not be possible to reinstate dividends, premium deposit accounts, etc.)

I understand that neither Northern Life nor my agent can provide tax advice, and that I must consult my own tax adviser regarding the tax treatment of this insurance policy. I understand that the tax status of this policy should be reviewed yearly.

By signing this form, I request that Northern Life prepare for me an illustration of policy benefits based on 7.0 % annual effective interest.



**NORTHERN LIFE
INSURANCE CO.**

P.O. Box 12530, Seattle, WA 98111

A handwritten signature in cursive script, appearing to read 'Alice Paul', written over a horizontal line.

Signature of Proposed Insured

A handwritten signature in cursive script, appearing to read 'Frank Smith', written over a horizontal line.

Signature of Owner (if other than Proposed Insured)

1/4/89
Date

Tab 13

EXHIBIT "13"

NORTHERN POLICY NL 00989084
(Plaintiff's Trial Exhibit 5)

Glade Leon Parduhn v. Natalie Buchi Bennett, et al.

Brief of the Appellant

No. 20010926 SC

(rec)

P O L I C Y D A T A P A G E

FLEXIBLE PREMIUM ADJUSTABLE WHOLE LIFE

*STATUS 1 AS OF DATE 02-20-1989

POLICY INFORMATION:

POLICY EFFECTIVE DATE 02-20-1989
POLICY ISSUE DATE 02-21-1989
INITIAL FACE AMOUNT \$250,000
CURRENT FACE AMOUNT \$250,000
MINIMUM FACE AMOUNT \$200,000
DEATH BENEFIT OPTION OPTION A (LEVEL AMOUNT OPTION)
ISSUE AGE AND SEX 35 MALE
PREMIUM RATE CLASS PREFERRED
PREMIUM CLASS RATING FACTOR 100%

PREMIUMS:

INITIAL PREMIUM \$87.50
PLANNED PERIODIC PREMIUM \$87.50
FREQUENCY MONTHLY
MINIMUM MONTHLY PREMIUM \$87.45
NO LAPSE GUARANTEE PERIOD 9 YEARS

INTEREST RATES:

GUARANTEED ANNUAL INTEREST RATE .. 4.50%
GUARANTEED MONTHLY INTEREST RATE . 0.36748%
EXCESS INTERST EXCLUSION AMOUNT .. NONE
POLICY LOAN INTEREST RATE..... 7.40% (IN ADVANCE)
NONFORFEITURE INTEREST RATE 5.50%

DEDUCTIONS:

PERCENT OF PREMIUM EXPENSE CHARGE 3.00%
MONTHLY POLICY CHARGE NONE
MONTHLY AMOUNT CHARGE NONE
MONTHLY ADMINISTRATIVE CHARGE \$4.00

PERCENT OF PARTIAL WITHDRAWAL 20% PER POLICY YEAR IN POLICY
YEARS 2-20 AND 100% THEREAFTER

*'STATUS' IS USED TO SEQUENCE ANY POLICY CHANGES. FOR EXAMPLE, A STATUS OF '1' INDICATES THE ORIGINAL POLICY DATE, '2' IS FOR THE DATA AFTER THE FIRST CHANGE, ECT.

POLICY NUMBER NL00989084

INSURED BRAD KEVIN BUCHI

ORIGINAL OWNER LISSA P BUCHI

P O L I C Y D A T A A G E
FLEXIBLE PREMIUM ADJUSTABLE WHOLE LIFE

*STATUS 1 AS OF DATE 02-20-1989

MORTALITY TABLE: 1980 COMMISSIONER'S STANDARD ORDINARY MORTALITY TABLE
FOR NON-SMOKERS, AGE LAST BIRTHDAY

CORRIDOR PERCENTAGE TABLE:

ATTAINED AGE	PERCENTAGE OF ACCUMULATION VALUE
00-40	250%
45	215%
50	185%
55	150%
60	130%
65	120%
70	115%
75-90	105%
95	100%

FOR AGES NOT LISTED, THE PROGRESSION OF PERCENTAGES IS LINEAR
BETWEEN LISTED AGES.

TABLE OF SURRENDER CHARGES:

FOR POLICY YEARS 1-5, THE SURRENDER CHARGE IS \$4,450.00

THE FOLLOWING TABLE SHOWS SURRENDER CHARGES FOR THE LAST MONTH OF
EACH OF THE POLICY YEARS 6-20. SURRENDER CHARGES FOR PRECEDING
MONTHS IN POLICY YEAR 6-20 ARE PRORATED BY MONTH BETWEEN THE
AMOUNT SHOWN FOR THE CURRENT POLICY YEAR AND THE AMOUNT FOR THE
LAST MONTH OF THE PRECEDING POLICY YEAR.

POLICY YEAR	SURRENDER CHARGE #	POLICY YEAR	SURRENDER CHARGE #
6	\$4,153.32	14	1,780.00
7	3,856.68	15	1,483.32
8	3,560.00	16	1,186.68
9	3,263.32	17	890.00
10	2,966.68	18	593.32
11	2,670.00	19	296.68
12	2,373.32	20	0.00
13	2,076.68		

IN LAST MONTH OF POLICY YEAR.

FOR THIS STATUS, THERE ARE NO SURRENDER CHARGES AFTER THE 20TH
POLICY YEAR.

THIS TABLE APPLIES TO THE INITIAL FACE AMOUNT. A TABLE OF
ADDITIONAL SURRENDER CHARGES WILL BE PROVIDED FOR EACH APPROVED
INCREASE IN THE FACE AMOUNT.

POLICY NUMBER NLO0989084
INSURED BRAD KEVIN RICHIE

P O L I C Y D A T A P A G E

SCHEDULE OF OPTIONAL BENEFITS

*STATUS 1 AS OF DATE 02-20-1989

OPTIONAL BENEFITS NONE

Table of Monthly Guaranteed Cost of Insurance
Rates per \$1,000 — Male

Attained Age	Preferred Rate	Standard Rate	Attained Age	Preferred Rate	Standard Rate	Attained Age	Preferred Rate	Standard Rate
0	0.21948	0.21948	35	0.14431	0.22701	70	3.09817	4.87787
1	0.08589	0.08589	36	0.15182	0.24372	71	3.44161	5.31499
2	0.08255	0.08255	37	0.16184	0.26463	72	3.83999	5.81208
3	0.08088	0.08088	38	0.17270	0.28804	73	4.29329	6.36667
4	0.07754	0.07754	39	0.18439	0.31481	74	4.79447	6.97905
5	0.07337	0.07337	40	0.19859	0.34578	75	5.33374	7.63863
6	0.06920	0.06920	41	0.21363	0.37927	76	5.90739	8.31871
7	0.06503	0.06503	42	0.22951	0.41613	77	6.51160	9.00762
8	0.06253	0.06253	43	0.24707	0.45636	78	7.15074	9.71026
9	0.06170	0.06170	44	0.26630	0.50080	79	7.84590	10.45174
10	0.06253	0.06253	45	0.28804	0.54778	80	8.62093	11.25817
11	0.06753	0.06753	46	0.31147	0.59648	81	9.49889	12.15491
12	0.07671	0.07671	47	0.33657	0.64940	82	10.50136	13.16081
13	0.08922	0.08922	48	0.36420	0.70657	83	11.62822	14.26297
14	0.10341	0.10341	49	0.39435	0.76883	84	12.86210	15.42768
15	0.11342	0.14681	50	0.42870	0.83788	85	14.17886	16.61725
16	0.12344	0.16351	51	0.46809	0.91627	86	15.56507	17.80318
17	0.13095	0.17520	52	0.51338	1.00487	87	17.00226	19.03928
18	0.13596	0.18439	53	0.56541	1.10541	88	18.48644	20.34824
19	0.13930	0.19024	54	0.62336	1.21539	89	20.04132	21.67168
20	0.14013	0.19358	55	0.68807	1.33315	90	21.69371	23.03012
21	0.13846	0.19358	56	0.75873	1.45789	91	23.48857	24.46831
22	0.13596	0.19024	57	0.83367	1.58964	92	25.50430	26.16956
23	0.13262	0.18690	58	0.91712	1.72843	93	27.96193	28.40686
24	0.12928	0.18189	59	1.01078	1.87772	94	31.38386	31.56339
25	0.12511	0.17604	60	1.11555	2.04442			
26	0.12260	0.17270	61	1.23232	2.23291			
27	0.12093	0.17103	62	1.36708	2.44595			
28	0.12010	0.17103	63	1.51991	2.68460			
29	0.12010	0.17353	64	1.69009	2.94650			
30	0.12093	0.17771	65	1.87687	3.22493			
31	0.12344	0.18356	66	2.07951	3.51746			
32	0.12678	0.19108	67	2.29728	3.82160			
33	0.13178	0.20110	68	2.53461	4.14189			
34	0.13763	0.21280	69	2.79859	4.49090			

Table of Monthly Guaranteed Cost of Insurance
Rates per \$1,000 — Female

Attained Age	Preferred Rate	Standard Rate	Attained Age	Preferred Rate	Standard Rate	Attained Age	Preferred Rate	Standard Rate
0	0.15683	0.15683	35	0.12594	0.16769	70	1.87772	2.47090
1	0.07004	0.07004	36	0.13429	0.18189	71	2.08208	2.71222
2	0.06670	0.06670	37	0.14431	0.19859	72	2.33335	3.00887
3	0.06503	0.06503	38	0.15516	0.21781	73	2.63543	3.36322
4	0.06420	0.06420	39	0.16685	0.23871	74	2.98461	3.76908
5	0.06253	0.06253	40	0.18105	0.26379	75	3.37628	4.21491
6	0.06086	0.06086	41	0.19609	0.29055	76	3.80234	4.69167
7	0.05919	0.05919	42	0.21113	0.31733	77	4.26157	5.19278
8	0.05836	0.05836	43	0.22617	0.34411	78	4.76166	5.72587
9	0.05753	0.05753	44	0.24122	0.37090	79	5.31946	6.31058
10	0.05669	0.05669	45	0.25794	0.39937	80	5.95868	6.97084
11	0.05836	0.05836	46	0.27550	0.42870	81	6.70043	7.72700
12	0.06086	0.06086	47	0.29474	0.45887	82	7.56415	8.59578
13	0.06420	0.06420	48	0.31481	0.49157	83	8.55015	9.61111
14	0.06837	0.06837	49	0.33741	0.52764	84	9.65170	10.72696
15	0.07171	0.08005	50	0.36252	0.56625	85	10.86110	11.93000
16	0.07504	0.08422	51	0.39016	0.60740	86	12.17441	13.21417
17	0.07754	0.08839	52	0.42199	0.65445	87	13.59464	14.57012
18	0.08005	0.09256	53	0.45719	0.70657	88	15.12828	16.00842
19	0.08255	0.09506	54	0.49325	0.75958	89	16.79399	17.53216
20	0.08422	0.09757	55	0.53184	0.81430	90	18.61343	19.25682
21	0.08589	0.09924	56	0.57045	0.86822	91	20.64005	21.15691
22	0.08672	0.10174	57	0.60824	0.91880	92	22.96852	23.31971
23	0.08839	0.10424	58	0.64604	0.96858	93	25.79734	25.93788
24	0.09006	0.10675	59	0.68891	1.02176	94	29.58621	29.58621
25	0.09173	0.10925	60	0.73938	1.08512			
26	0.09423	0.11342	61	0.80167	1.16461			
27	0.09590	0.11676	62	0.87918	1.26705			
28	0.09840	0.12093	63	0.97448	1.39168			
29	0.10174	0.12594	64	1.08174	1.53097			
30	0.10424	0.13178	65	1.19761	1.67817			
31	0.10758	0.13679	66	1.21789	1.82821			
32	0.11092	0.14264	67	1.44091	1.97342			
33	0.11509	0.15015	68	1.56838	2.12062			
34	0.12010	0.15850	69	1.71054	2.28097			

DEFINITIONS

age — The Insured's age on the Effective Date or a Policy Anniversary is the age at last birthday.

Beneficiary — The person named to receive the proceeds payable at the Insured's death. The Beneficiary may be more than one person.

Code — The Internal Revenue Code of 1954, as amended.

Current Face Amount — The Current Face Amount is shown on the Policy Data Page. You may change the Current Face Amount as described in this policy. The Current Face Amount following a change in Face Amount will be shown on a new Policy Data Page.

Death Benefit — This policy provides two Death Benefit Options. The option chosen is shown on the Policy Data Page.

Option A (Level Amount Option) — The Face Amount includes the Accumulation Value. In this case, the Death Benefit is the greater of:

1. The Face Amount on the date of death; or
2. The Accumulation Value on the date of death multiplied by a corridor percentage, according to the Insured's attained age, as shown on the Policy Data Page.

Option B (Additional Amount Option) — The Accumulation Value is in addition to the Face Amount. In this case the Death Benefit is the greater of:

1. The Face Amount on the date of death, plus the Accumulation Value on the date of death; or
2. The Accumulation Value on the date of death multiplied by a corridor percentage, according to the Insured's attained age, as shown on the Policy Data Page.

Effective Date — The date the first premium is due. The Policy Data Page shows the Effective Date. We measure Policy Years, Policy Anniversaries, and premium due dates from the Effective Date.

in force — The terms of this policy are in effect.

Insured — The person whose life is insured under this policy. The Policy Data Page shows the Insured.

Issue Date — The date this policy is prepared. We measure the incontestability and suicide provisions from the Issue Date.

Monthly Anniversary Date — The day of the month that is the same day of the month as your Effective Date. For example, if your Effective Date is March 2, 1978, then the

second day of each month is your Monthly Anniversary Date.

Net Premium — The Net Premium is credited to the Accumulation Value as described in this policy's Accumulation Values provision. The Net Premium is calculated as 1 multiplied by 2 (1×2), where:

1. is the premium paid.
2. is 1.0 minus the Percent of Premium Expense Charge shown on the Policy Data Page.

Policy Anniversary — The anniversary of the Effective Date.

Policy Year — Any period of twelve (12) consecutive months starting with the Effective Date or with any Policy Anniversary. The first Policy Year starts on the Effective Date.

proceeds — The amount we pay when the Insured dies or when this policy is surrendered, provided all the policy terms are met.

At surrender, the proceeds equal the Cash Value minus any policy loans.

At death, the proceeds payable include:

The Death Benefit then in force. (See Option A and Option B definition.)

Plus any additional amount provided by rider on the life of the Insured; these benefits are also subject to the terms of the rider.

Minus any policy loans and loan interest due.

Minus any unpaid Monthly Deductions.

The amount of the proceeds may be changed by us in accordance with these policy provisions:

1. Nonforfeiture Provisions
2. Incontestability
3. Misstatement of Age or Sex
4. Suicide Exclusion.

rider — An attachment to the policy which provides additional benefits.

we, us, our — Northern Life Insurance Company at its Home Office in Seattle, Washington.

written, in writing — A written request or notice, signed, dated and received at our Home Office in a form we accept. Contact us or your agent for forms.

you, your — The current Owner of this policy. The Owner may be someone besides the Insured.

PREMIUMS

The initial premium, which is shown on the Policy Data Page, is the amount paid on or before the delivery of this policy. There is no insurance until the initial premium is paid. All premiums are payable in advance of the period to which they apply.

The amount and frequency of premium payments will affect the Accumulation Value and Cash Value and how long the insurance will remain in force.

We may require proof which satisfies us that the Insured is still insurable on the same basis as when we first issued the policy. Any payment, planned or unscheduled, would increase the difference between the Death Benefit and the Accumulation Value during the current Policy Year.

Even though Planned Periodic Premiums and Unscheduled Additional Premiums state otherwise, we reserve the right to refuse to accept any premium which would disqualify your policy for favorable tax treatment under the Code. If premiums paid during any Policy Year exceed the maximum permitted under the Code, we will return the excess premiums with interest to you within 60 days after the end of the Policy Year. However, you have the right to pay the premium required to keep this policy in force to the end of the Policy

Year. Send us your premiums by sending them to the address shown below. On request, we will send you a receipt signed by one of our agents. Please include your policy number. The current address for payment is:

Northern Life Insurance Company
P.O. Box 12530
Seattle, Washington 98111.

PLANNED PERIODIC PREMIUMS

You may pay Planned Periodic Premiums once a year, every 6 months, or every 3 months. These modes are referred to as annual, semi-annual, or quarterly. If you choose, we can also deduct Planned Periodic Premiums from your bank account automatically.

The amount and frequency of the Planned Periodic Premiums you chose are shown on the Policy Data Page. You may change the frequency and amount of Planned Periodic Premiums by notifying us in writing of the change.

The amount of any Planned Periodic Premium must be at least the Minimum Monthly Premium. We reserve the right to limit the amount of any

premium on the frequency of premium payment and the mode of payment you have chosen, we will send you premium notices. In any case, we will send these notices to you at least once a year.

UNSCHEDULED ADDITIONAL PREMIUMS

Premium payments other than the Planned Periodic Premiums may be made at any time while this policy is in force. We can limit the number and amount of these additional payments.

GRACE PERIOD

If, on any Monthly Anniversary Date, the Cash Surrender Value is less than the Monthly Deduction for the policy month to follow, we will give you a grace period of 61 days to pay a premium that provides enough Cash Surrender Value to cover the Monthly Deduction.

However, under some conditions the grace period will not begin even if the Cash Surrender Value is less than the Monthly Deduction for the policy month to follow.

During the No Lapse Guarantee Period shown on the Policy Data Page, the 61 day grace period will not begin if on each Monthly Anniversary Date during the period, 1 is greater than 2, where:

1. Is the sum of all premiums paid to date minus any policy loans and partial withdrawals; and
2. Is the sum of the Minimum Monthly Premium for each policy month since the Effective Date, including the month following the Monthly Anniversary Date. The Minimum Monthly Premium is shown on the Policy Data Page. The Minimum Monthly Premium is increased when the Face Amount is increased or when a new rider is added or increased. The new Minimum Monthly Premium will be shown on a new Policy Data Page.

During the grace period, we will send you notice of the premium required to keep this policy in force. If the required premium is not paid within the grace period, we lapse the policy. A lapsed policy is no longer in force and has no Cash Surrender Value. We will send you notice of the required premium at least 30 days before we lapse this policy.

If the Insured dies during the grace period, we deduct any unpaid Monthly Deductions from the proceeds.

REINSTATEMENT

Reinstatement means putting a lapsed policy back in force. You can reinstate this policy anytime within 5 years after it has lapsed as long as you have not surrendered it for its Cash Surrender Value.

To reinstate this policy and any riders:

1. You must submit proof which satisfies us that all Insureds are still insurable; and

PREMIUMS continued

2. You must pay a premium large enough to keep the policy in force for at least 2 months.

This policy will be reinstated only as of a Monthly Anniversary Date. If you have met conditions 1 and 2 and an Insured dies before the Monthly Anniversary Date on which the policy would be reinstated, we will pay the Death Benefit as of that Monthly Anniversary Date. The Accumulation Value on the date of reinstatement will be the amount provided by the premium paid to reinstate this policy. Subsequent Accumulation Values will be calculated as shown in the Accumulations Values provision.

After reinstatement, the Surrender Charges will be those in effect on the date of termination, reduced in the same proportion as the Accumulation Value on the date of termination to the Surrender Charge on that date. The Surrender Charge will not be less than zero.

FACE AMOUNT CHANGE

After the first Policy Year, you may change your Face Amount by notifying us in writing. Changes are allowed only if this policy continues to qualify as Life Insurance as defined by the Code. Changes listed in 1, 2 and 3 below go into effect on the Monthly Anniversary Date that follows the date we receive your request. If we receive your request on a Monthly Anniversary Date, the change goes into effect on that day. The Face Amount in effect at any time must be at least equal to the Minimum Face Amount shown on the Policy Data Page.

Increases in the Face Amount must be at least \$5,000. Increases cannot be made after the Policy Anniversary following the Insured's 75th birthday.

Decreases in Face Amount are allowed only if the Cash Surrender Value is greater than zero. At least 6 months must elapse between decreases.

Changes are subject to the following:

1. If a decrease in Face Amount is requested, the reduction will be applied in the following order:
 - a. To the most recent increase in Face Amount;
 - b. To the next most recent increases in Face Amount; then
 - c. To the Face Amount on the Effective Date or the Current Face Amount, if smaller.
2. If the Additional Amount Option is in effect, you may request in writing to change to the Level Amount Option. In this event, the Face Amount of this policy is changed so that it equals the Death Benefit in force immediately preceding the effective date of the change.

3. If the Level Amount Option is in effect, you may request in writing to change to the Additional Amount Option. This change reduces the Face Amount so that it equals the Death Benefit minus the Accumulation Value immediately preceding the effective date of the change.
4. An increase will require written proof the Insured is still insurable. An approved increase will go into effect on the Monthly Anniversary Date on or next following the date of the approval. If an increase is approved, additional Surrender Charges will be applied to the increase. We will send you written notice of the amount and duration. The Minimum Monthly Premium will be increased when the Face Amount is increased.

ACCUMULATION VALUE AND NONFORFEITURE PROVISIONS

ACCUMULATION VALUES

The Accumulation Value on the Effective Date will be the initial Net Premium paid on that date minus the Monthly Deduction for the first policy month. On each subsequent Monthly Anniversary Date, the Accumulation Value will be calculated as 1 minus 2, plus 3 minus 4 ($1 - 2 + 3 - 4$), where:

1. is the Accumulation Value on the preceding Monthly Anniversary Date plus one month's interest.
2. is any partial withdrawals since the preceding Monthly Anniversary Date plus interest from the date of withdrawal to the Monthly Anniversary Date.
3. is the total of all Net Premiums received since the preceding Monthly Anniversary Date plus interest from the date received to the Monthly Anniversary Date.
4. is the Monthly Deduction (as described in the Monthly Deduction provision) for the policy month following the Monthly Anniversary Date.

On any day other than a Monthly Anniversary Date, the Accumulation Value will be calculated as 1 minus 2 plus 3 ($1 - 2 + 3$), where:

1. is the Accumulation Value on the preceding Monthly Anniversary Date plus interest from the Monthly Anniversary Date to the date of the calculation.
2. is any partial withdrawals since the preceding Monthly Anniversary Date plus interest from the date of withdrawal to the date of the calculation.
3. is the total of all Net Premiums received since the preceding Monthly Anniversary Date plus interest from the date received

**ACCUMULATION VALUE AND
NONFORFEITURE PROVISION** *continued*

INTEREST RATE ON ACCUMULATION VALUE

The Guaranteed Annual Interest Rate applied in the calculation of the Accumulation Value is shown on the Policy Data Page. This rate is an effective annual interest rate compounded yearly. Interest in excess of the Guaranteed Annual Interest Rate may be applied in the calculation of the Accumulation Value in a manner which our Board of Directors determines. However, interest in excess of the Guaranteed Annual Interest Rate will not apply to any part of the Accumulation Value that is less than the Excess Interest Exclusion Amount which is shown on the Policy Data Page. More than one rate of interest may apply to the Accumulation Value at any time.

The Guaranteed Monthly Interest Rate is shown on the Policy Data Page. This rate is an effective monthly interest rate which, compounded monthly, is equivalent to the Guaranteed Annual Interest Rate.

The interest rate applied to any portion of the Accumulation Value which represents a loan may be less than the interest rate applied to the rest of the Accumulation Value, but not less than the Guaranteed Annual Interest Rate.

MONTHLY DEDUCTION

"Monthly Deduction", as used in this policy, refers to a charge which is made against the Accumulation Value. It does not refer to your premium payment.

The Monthly Deduction for a policy month will be calculated as 1, plus 2, plus 3, plus 4 ($1 + 2 + 3 + 4$), where:

1. is the cost of insurance (as described below) and the cost of any rider benefits for the policy month.
2. is the Monthly Policy Charge shown on the Policy Data Page.
3. is the Monthly Amount Charge (shown on the Policy Data Page) multiplied by the Face Amount divided by \$1,000. This charge applies to the Initial Face Amount and to any increases in the Face Amount during the Term shown on the Policy Data Page. The Term applies to the Initial Face Amount from the Effective Date of the policy and to any increases in the Face Amount from the effective date of that increase. This charge is not made if the increase in Face Amount is due solely to a change of Death Benefit from the Additional Amount Option to the Level Amount Option. This charge applies to the Face Amount of the Additional Insured Rider in the same way that it applies to this policy's Face Amount.
4. is the Monthly Administrative Charge shown on the Policy Data Page. This charge applies in all Policy Years.

COST OF INSURANCE

We determine the cost of insurance on a monthly basis. The cost of insurance is determined separately for the Initial Face Amount and any increases made later. If the Level Amount Option is in use and there have been increases in the Face Amount, then the Accumulation Value will first be considered to be a part of the Initial Face Amount. If the Accumulation Value on the Monthly Anniversary Date exceeds the Initial Face Amount, it will be considered to be a part of any increases in Face Amount in the order of these increases. The cost of insurance is calculated as 1, multiplied by the result of 2 minus 3 minus 4 [$1 \times (2 - 3 - 4)$] where:

1. is the cost of insurance rate as described in the Cost of Insurance Rates provision;
2. is the Death Benefit at the beginning of the policy month, divided by 1 plus the Guaranteed Monthly Interest Rate;
3. is the Accumulation Value at the end of the preceding policy month; and
4. is any Net Premium received on the Monthly Anniversary Date minus any partial withdrawals on the Monthly Anniversary Date.

COST OF INSURANCE RATES

The monthly cost of insurance rate for this policy is based on the insured's sex, attained age, and premium rate class as shown on the Policy Data Page. If your Death Benefit is a percentage of the Accumulation Value as described under the definition of "Death Benefit" in Level Amount Option, Item 2, or Additional Amount Option, Item 2, the premium rate class with the most recent effective date will apply. Attained age means age last birthday on the prior Policy Anniversary. We will determine monthly cost of insurance rates based upon expectations as to future cost factors. Any change in cost of insurance rates will apply to all in the same insurance class whose policies have been in force for the same period of time.

Except for the Face Amounts in a Special Premium Class, the cost of insurance rates can never be greater than those shown in the Table of Monthly Guaranteed Cost of Insurance Rates. For Face Amounts in a Special Premium Class, the guaranteed cost of insurance rates are calculated by multiplying the standard rates shown in the Table of Guaranteed Cost of Insurance Rates by the Premium Class Rating Factor shown on the Policy Data Page.

BASIS OF COMPUTATIONS

Minimum cash values are based on the Commissioners Standard Ordinary Mortality (CSO) Table and the

ACCUMULATION VALUE AND NONFORFEITURE PROVISIONS *continued*

Nonforfeiture Interest Rate as shown on the Policy Data Page. Where required, a detailed statement of the method of computation of cash values under this policy has been filed with the insurance department of the state in which this policy was delivered. Cash values under this policy are not less than the minimums required by the state in which this policy was delivered.

NONFORFEITURE PROVISIONS

CONTINUATION OF INSURANCE (EXTENDED INSURANCE)

In the event Planned Periodic Premiums are not continued, insurance coverage under this policy and any benefits provided by rider will be continued until the Cash Surrender Value is not large enough to cover the Monthly Deduction. In this event, the policy will continue in force until the end of the grace period. (See the Grace Period provision.) The Face Amount and Death Benefit Option during the continuation of insurance will be the same as when Planned Periodic Premiums were last being paid unless you make later changes in the Face Amount.

PAID-UP OPTION

At any time before the Policy Anniversary following the Insured's 95th birthday, you may use the Cash Surrender Value to purchase single premium paid-up life insurance. The amount by which this insurance exceeds its Cash Surrender Value cannot be greater than the amount by which this policy's Death Benefit exceeds this policy's Accumulation Value. On the Policy Anniversary following the Insured's 95th birthday, the Cash Surrender Value will automatically be used to purchase single premium paid-up life insurance. We base the single premium for paid-up insurance on the Insured's sex, age, and premium classes at the time this option is exercised and the single premium life insurance rates in effect at that time. These rates may not exceed the net single premium rates based on the Commissioners Standard Ordinary Mortality (CSO) Table, and the Nonforfeiture Interest Rate, both of which are shown on the Policy Data Page.

CASH VALUE, CASH SURRENDER VALUE, AND PARTIAL WITHDRAWAL BENEFITS

CASH VALUE

The Cash Value of this policy is the Accumulation Value minus any Surrender Charge. The Cash Value is never less than zero.

SURRENDER CHARGE

The Surrender Charge is a charge against the Accumulation

Value. The amount and duration of the Surrender Charge are shown on the Table of Surrender Charges on the Policy Data Page.

Additional Surrender Charges will apply to any approved increase in the Face Amount and increases to this policy resulting from the Insured's Cost of Living Rider, if attached to this policy. We will send you written notice of the amount and duration. This charge is not made if the increase in Face Amount is due solely to a change of Death Benefit from the Additional Amount Option to the Level Amount Option.

If Surrender Charges are shown on an annual basis, they grade uniformly by policy month between the consecutive years shown.

Any decrease in Face Amount will not reduce the original or any additional Surrender Charges.

CASH SURRENDER VALUE

You may surrender this policy for its Cash Surrender Value by sending us written notice. The Cash Surrender Value is equal to the Cash Value minus any policy loans.

The Cash Value within 30 days of a Policy Anniversary may not be less than the Cash Value on such anniversary, minus any subsequent partial withdrawals.

PARTIAL WITHDRAWAL

After the first Policy Year, you may withdraw part of your policy for cash by sending us written notice. The amount of any partial withdrawal must be at least the minimum partial withdrawal we then require. The maximum partial withdrawal equals the Cash Value times the Percent of Partial Withdrawal shown on the Policy Data Page but not to exceed the full Cash Surrender Value. Only one partial withdrawal is allowed in any Policy Year. The Accumulation Value is reduced by the amount of the partial withdrawal.

If the Level Amount Option is in use, the Face Amount will be reduced by the amount of the partial withdrawal requested. The Face Amount after withdrawal may not be less than the Minimum Face Amount shown on the Policy Data Page. We have the right to defer payment for up to 6 months after we receive notice.

The reductions in Face Amount due to any partial withdrawal will be applied in the following order:

1. To the most recent increase in Face Amount;
2. To the next most recent increases in Face Amount; then
3. To the Initial Face Amount or the Current Face Amount, if smaller.

POLICY LOANS

CASH LOANS

After the first Policy Year, if this policy has a loan value, you may use it as security to take out a loan from us. We will not lend you more than the loan value. We will deduct any unpaid policy loans before paying the proceeds.

The loan value is the result of 1 minus 2 minus 3 [1 - 2 - 3] where:

1. is the Cash Value;
2. is any unpaid policy loans; and
3. is the loan interest to the end of the then current Policy Year.

If the policy loan exceeds the Cash Value, the policy will lapse.

LOAN INTEREST

We charge interest at the Policy Loan Interest Rate shown on the Policy Data Page.

On the date of the loan, interest is due in advance until the next Policy Anniversary. After that, interest for each full year is due in advance. Unpaid interest becomes a part of the existing loan, and we charge interest on it.

REPAYMENT

You may repay all or part of any policy loan during the Insured's lifetime. If not repaid during the Insured's lifetime, we deduct the policy loan from the proceeds.

When you make a payment on a policy loan, you must tell us that you are making a loan payment.

When there is an outstanding policy loan, we reserve the right to consider the sum of any payments, planned or unscheduled, we receive as policy loan repayments and not as premium payments.

BENEFICIARY AND PAYMENT OF PROCEEDS

BENEFICIARY

The beneficiary is named in the application. You may name, add, or change beneficiaries by written request.

You may name a beneficiary whom you cannot later change without his consent. This is an irrevocable beneficiary.

You may change beneficiaries by written request if all of these are true:

1. This policy is in force.
2. The Insured is alive.
3. We have the written consent of any and all irrevocable beneficiaries.

A change of beneficiary should be sent to our Home Office in Seattle, Washington.

The change will take effect on the date you signed the request. But, it will not affect any payment or action we make before we receive and record your request.

PAYMENT OF PROCEEDS

In settling this policy, we deduct all unpaid policy loans. Then we pay the proceeds in this way when the Insured dies, unless we have agreed otherwise:

1. We first pay any collateral assignees.
2. Then we pay the beneficiaries last named in writing. We pay them in equal shares, unless you have requested otherwise.
3. If there are no beneficiaries, we pay you.
4. If you have died, we pay your estate or assigns.

If a beneficiary dies before receiving the proceeds and:

1. at the same time as the Insured; or
2. within 15 days after the Insured's death;

we will pay the proceeds as if the Beneficiary died before the Insured.

We pay all proceeds from this policy at our Home Office in Seattle, Washington. We may require that you send us this policy.

The proceeds held or paid under this policy are exempt from creditors to the extent allowed by law.

GENERAL PROVISIONS

ENTIRE CONTRACT

The entire contract is:

1. this policy; and
2. all applications, riders and amendments attached at the time of issue; and
3. all later applications, riders and amendments we may attach or send you to attach.

GENERAL PROVISIONS *continued*

Unless fraudulent, all statements made by or on behalf of anyone covered by this policy are representations and not warranties. Only statements found in an attached application may be used to cancel this policy or as our defense if we refuse to pay a claim.

Only our President or Secretary can change this policy on our behalf. No agent or other person can change this policy. Any change must be in writing.

OWNERSHIP OF POLICY

The original owner is shown on the Policy Data Page. During the Insured's lifetime, you have the rights and duties outlined in this policy. But, we need the consent of any and all irrevocable beneficiaries and existing collateral assignees to grant many of them.

You may change the ownership of this policy. This transfers all your rights and duties as Owner to a new Owner. The new Owner may then make any change the policy allows. The Owner's rights end at the Insured's death.

You may also name a contingent Owner who will own this policy if you die before the Insured. If there is no contingent Owner and you die before the Insured, your estate or assigns will be the Owner.

Change of ownership must be sent to our Home Office in Seattle, Washington. The change must be in writing. It will take effect on the date you signed the request. But, it will not affect any payment or action we make before we receive and record your request.

ASSIGNMENT

You may assign this policy as collateral. This limits your rights to obtain the Cash Value. It also limits the Beneficiary's right to the proceeds. An assignment does not change the Owner. When we pay the proceeds, we need only rely on what the assignee states is the debt due as collateral.

To assign this policy as collateral, we need these:

1. a dated, written notice; and
2. the written consent of any and all irrevocable beneficiaries.

We are not responsible if an assignment is not valid.

An assignment applies only if we receive it. It will take effect on the date signed. But, it does not affect any payment or action we make before we receive and record your request.

INCONTESTABILITY

This policy has a 2 year contestable period running from

the Issue Date shown on the Policy Data Page. After this policy has been in force during the Insured's lifetime for 2 years from the Issue Date, we cannot claim your policy is void or refuse to pay any proceeds with respect to the Initial Face Amount unless the policy has lapsed.

If you make a Face Amount increase or premium payment that requires proof of insurability, the corresponding Death Benefit increase has its own 2 year contestable period running from the effective date of the increase in Death Benefit.

If the policy has lapsed and has been reinstated, the reinstatement has its own two (2) year contestable period running from the date of the latest reinstatement application. This applies to statements made in the reinstatement application.

This incontestability provision does not apply to any disability benefits under the policy.

MISSTATEMENT OF AGE OR SEX

If the Insured's age or sex is misstated, the Death Benefit will be the amount that the most recent cost of insurance would purchase using the current cost of insurance rates for the correct age and sex.

SUICIDE EXCLUSION

If the Insured commits suicide, while sane or insane, within 2 years of the Issue Date, we only refund all premiums already paid on this policy and any attached riders, minus any policy loans, and minus partial withdrawals.

Also, if the Insured commits suicide, while sane or insane, within 2 years of the effective date of an increase in Face Amount or premium payment that requires proof of insurability, for the proceeds associated with that increase, we only refund the cost of insurance for that increase.

TERMINATION

This policy ends when any of the following occur:

1. The end of the grace period if the required premium is not paid.
2. The Insured dies.
3. You ask, in writing to surrender this policy for its full Cash Surrender Value.
4. The policy anniversary following the Insured's 95th birthday.
5. If policy loans exceed the Cash Value.

If we make a Monthly Deduction from the Accumulation

GENERAL PROVISIONS *continued*

Value after terminating this policy, the deduction is not considered a reinstatement of the policy or a waiver of the terminations. That deduction will be credited to the Accumulation Value as of the date of the deduction.

ANNUAL REPORT

Each year we will send you free of charge an annual report showing your cash value and accumulation value as of the date of the report, the premiums paid, interest credited, and the loans and charges since the last report. We will send you additional reports for a fee upon request.

PROJECTION REPORT

If you ask, we will provide a report which shows projected future results. The report will be based on the following assumptions:

1. The Death Benefit Option you specify;
2. Planned Periodic Premiums you specify;
3. Accumulation Value at the end of the prior Policy Year; and
4. Any other necessary assumptions specified by you or us.

We will charge a fee for each report.

DEFERMENT

We may defer granting a loan or paying any cash surrender or partial withdrawals for the period law permits, but not beyond 6 months. We cannot defer granting a loan solely to pay premiums on one of your policies with us. If we defer paying the cash surrender or partial withdrawal for 30 days or more, we pay interest at 3½% a year from the surrender or withdrawal date to the payment date.

AMENDMENT

We reserve the right to amend this policy in order to include any future changes relating to this policy's remaining qualified treatment as a Life Insurance policy under the following:

The Code.

Internal Revenue Service rulings and regulations.

Any requirements imposed by the Internal Revenue Service.

We will send you a copy of any amendments promptly.

DISCLAIMER

We are not liable for any tax or tax penalty you owe resulting

from failure to comply with the requirements of the Code, Regulations and Rulings imposed on this policy.

NONPARTICIPATING

This policy does not share in our profits or surplus. No dividends are paid under this policy.

SETTLEMENT OPTIONS

CHOICE OF OPTION

Settlement options are ways of paying all or part of the proceeds of this policy other than in one sum.

You may choose or change an option by writing to us at any time before the Insured dies or before the policy matures or is surrendered. If no option has been chosen before the Insured dies, the Beneficiary may choose one. But, the Beneficiary cannot choose an option if we have already paid him the proceeds.

An option cannot be chosen if any of these are true:

1. The proceeds are payable to an assignee.
2. The proceeds are not payable to a natural person who takes them in his own right.
3. The total amount is less than \$1,000.
4. Each payment under the option would be less than \$20.

PAYEE

A payee is a person to whom we pay part or all of the proceeds.

The Beneficiary is the payee for any proceeds payable at the death of the Insured.

You or the Insured may be the payee if:

1. Option 1, 3, or 4 is chosen; and
2. the option is chosen to apply at maturity or surrender of this policy.

The Insured will be the payee if:

1. Option 2 or 5 is chosen; and
2. the option is chosen to apply at maturity or surrender of this policy.

The payee receiving payments may name or change a

SETTLEMENT OPTIONS continued

contingent payee. A contingent payee is the person who will be paid any final amount otherwise due the payee's estate.

If:

1. the payee dies; and
2. there is no contingent payee;

we will make payment to the payee's estate or assigns. Payment will be in a lump sum.

The amount paid will be as follows:

1. Options 1 or 2 - the present value of the unpaid guaranteed installments, based on two and one-half percent (2½%) yearly interest;
2. Options 3 or 4 - the unpaid balance.

SUPPLEMENTARY CONTRACT

When an option becomes effective, this policy must be surrendered to us. We will give the payee a Supplementary Contract that describes the option. The Supplementary Contract will be effective:

1. on the date the Insured dies; or
2. on the date the proceeds of the policy otherwise become due.

The effective date of the Supplementary Contract is the date the first payment is due to the payee under Option 1, 2, or 4. For Option 3, the due date of the first payment depends on how often interest will be paid. The due date for payment under Option 3 will be one, three, six or twelve months after the effective date of the Supplementary Contract.

GENERAL CONDITIONS

If you choose an option for the Beneficiary, the Beneficiary cannot do any of these unless you consent in writing during the Insured's lifetime and we approve:

1. assign or transfer any interest in payments due under the option;
2. change the option or the terms of the option.

If money is left with us under an option, it will be part of our general funds. We have no duty to keep the money separate or invest it separately.

INTEREST

We guarantee yearly interest of two and one-half percent (2½%) under all options. This amount has been included in the installments shown in the tables. We may decide to

pay more than two and one-half percent (2½%) yearly interest on Options 1 through 4. If we do, we will apply the excess interest to the money on deposit with us under the option. We may guarantee more than two and one-half percent (2½%) yearly interest under Option 5. Contact us for details.

OPTION 1. INSTALLMENTS FOR A FIXED PERIOD

We will pay the proceeds in equal installments for a certain number of years. The length of time can be from one (1) to thirty (30) years. Installments may be paid monthly, quarterly, semi-annually or yearly. The Option 1 Table shows the amount of each installment.

OPTION 2. INSTALLMENTS FOR LIFE WITH A GUARANTEED PERIOD

We will pay the proceeds in equal installments for either ten (10) or twenty (20) years, plus as long after that as the payee lives. The amount of each installment depends on:

1. the period of time chosen; and
2. the payee's sex; and
3. the payee's age on his birthday following the due date of the first payment.

The Option 2 Table shows the amount of each installment.

We require satisfactory proof of the payee's age before we pay under Option 2.

OPTION 3. INTEREST INCOME

The proceeds are left with us during the payee's lifetime. They bear yearly interest of at least two and one-half percent (2½%). Interest will be paid at the end of each interest period.

The interest period may be monthly, quarterly, semi-annually, or yearly. The least amount of interest for every \$1,000 of proceeds left with us and not withdrawn is:

1. yearly	\$25.00
2. semi-annually	\$12.42
3. quarterly	\$ 6.19
4. monthly	\$ 2.06

The payee can withdraw any part of the proceeds at any time. But, the amount of any withdrawal cannot be less than \$100.

SETTLEMENT OPTIONS *continued*

OPTION 4. INSTALLMENTS OF A FIXED AMOUNT

We will pay the proceeds, plus interest, in equal installments until they are used up. Yearly interest on the unpaid portion will be at least two and one-half percent (2½%). The installments may be monthly, quarterly, semi-annually or yearly. The total amount payable each year cannot be less than five percent (5%) of the initial amount of proceeds left with us.

OPTION 5. OTHER ANNUITY FORMS

We will pay the proceeds under any other annuity form which we may offer when the proceeds become due. The amount of each annuity installment from the policy proceeds will be 104% of the installment the policy proceeds would otherwise buy based on our rates and rules in effect on that date. Contact us for details.

OPTION 1 TABLE

YEARLY AND MONTHLY INSTALLMENTS FOR EACH \$1,000 OF PROCEEDS

No. of Years Payable	AMOUNT OF INSTALLMENTS		No. of Years Payable	AMOUNT OF INSTALLMENTS		No. of Years Payable	AMOUNT OF INSTALLMENTS	
	Yearly	Monthly		Yearly	Monthly		Yearly	Monthly
1	\$1,000.00	\$84.28	11	\$102.54	\$8.64	21	\$60.28	\$5.08
2	506.17	42.66	12	95.11	8.02	22	58.19	4.90
3	341.60	28.79	13	88.83	7.49	23	56.29	4.74
4	259.33	21.86	14	83.45	7.03	24	54.55	4.60
5	210.00	17.70	15	78.80	6.64	25	52.95	4.46
6	177.12	14.93	16	74.73	6.30	26	51.48	4.34
7	153.65	12.95	17	71.15	6.00	27	50.12	4.22
8	136.07	11.47	18	67.97	5.73	28	48.87	4.12
9	122.40	10.32	19	65.13	5.49	29	47.70	4.02
10	111.47	9.39	20	62.58	5.27	30	46.61	3.93

The amount of semi-annual and quarterly installments per \$1,000 of proceeds may be figured by multiplying the amount of the yearly installments shown above by .5031 and .2523, respectively.

SETTLEMENT OPTIONS continued

OPTION 2 TABLE
MONTHLY INCOME FOR EACH \$1,000 OF PROCEEDS

AGE OF PAYEE		GUARANTEED PERIOD IN YEARS		AGE OF PAYEE		GUARANTEED PERIOD IN YEARS		AGE OF PAYEE		GUARANTEED PERIOD IN YEARS	
Male	Female	10	20	Male	Female	10	20	Male	Female	10	20
7 and under	12 and under	2.64	2.63	31	36	3.26	3.22	56	61	5.01	4.47
8	13	2.66	2.65	32	37	3.30	3.25	57	62	5.12	4.53
9	14	2.67	2.66	33	38	3.34	3.29	58	63	5.23	4.59
10	15	2.69	2.68	34	39	3.39	3.33	59	64	5.35	4.64
				35	40	3.43	3.37	60	65	5.48	4.70
11	16	2.71	2.70	36	41	3.48	3.41	61	66	5.61	4.75
12	17	2.73	2.71	37	42	3.53	3.45	62	67	5.74	4.80
13	18	2.74	2.73	38	43	3.59	3.50	63	68	5.87	4.85
14	19	2.76	2.75	39	44	3.64	3.54	64	69	6.01	4.90
15	20	2.78	2.77	40	45	3.70	3.59	65	70	6.16	4.94
16	21	2.81	2.79	41	46	3.76	3.64	66	71	6.30	4.98
17	22	2.83	2.81	42	47	3.82	3.69	67	72	6.45	5.02
18	23	2.85	2.84	43	48	3.88	3.74	68	73	6.60	5.05
19	24	2.88	2.86	44	49	3.95	3.79	69	74	6.76	5.09
20	25	2.90	2.88	45	50	4.02	3.84	70	75	6.91	5.12
21	26	2.93	2.91	46	51	4.09	3.90	71	76	7.07	5.14
22	27	2.95	2.93	47	52	4.17	3.95	72	77	7.23	5.17
23	28	2.98	2.96	48	53	4.25	4.01	73	78	7.38	5.19
24	29	3.01	2.99	49	54	4.33	4.07	74	79	7.54	5.20
25	30	3.04	3.02	50	55	4.42	4.12	75	80	7.69	5.22
26	31	3.08	3.05	51	56	4.50	4.18	76	81	7.84	5.23
27	32	3.11	3.08	52	57	4.60	4.24	77	82	7.98	5.24
28	33	3.14	3.11	53	58	4.69	4.30	78	83	8.13	5.25
29	34	3.18	3.15	54	59	4.79	4.36	79	84	8.26	5.26
30	35	3.22	3.18	55	60	4.90	4.41	80	85	8.39	5.26

In lieu of such monthly installments, annual, semi-annual or quarterly installments may be selected. They shall be respectively twelve, six and three times the monthly installments shown. The first installment is then payable five and one-half months, two and one-half months and one month, respectively, later than the date on which the first monthly installment would have been paid.



Northern Life Insurance Company
Seattle, Washington 98111

"We" are the Northern Life Insurance Company. "You" are the owner of this policy according to our records.

This Endorsement is a part of the policy to which it is attached by us.

In the section entitled Accumulation Value and Nonforfeiture Provisions, under the Cost of Insurance provision, item number 1 in the first paragraph is changed to read as follows:

1. is the cost of insurance rates as described in the Cost of Insurance Rates provision increased by the Extra Cost of Insurance Rate shown on the Policy Data Page;

All other terms and conditions of the policy remain unchanged.

The effective date of this Endorsement is the Effective Date of the policy.

Carol J. Hawthorn, Jr.
Secretary

COST OF INSURANCE PROVISIONS ENDORSEMENT

CONSUMER DISCLOSURE FORM UNIVERSAL LIFE

READ THIS FORM CAREFULLY IT CONTAINS IMPORTANT INFORMATION ABOUT THE POLICY YOU ARE BUYING THE COMPANY WILL NOT ACCEPT AN APPLICATION FOR INSURANCE WITHOUT THIS FORM

The policy you are about to buy provides that interest is credited to the Accumulation Value in a manner set by our Board of Directors. If you use this policy as security for a loan from us, we will continue to credit interest to the Accumulation Value. However, the interest credited to the portion represented by the loan will be less than credited to the rest of the Accumulation Value since we earn more interest on the unloaned amount. Interest is credited from the time the Company receives the premium at its Home Office.

Depending upon your policy, it will have either a 15 year or 20 year declining surrender charge. (Your ledger illustration will show which charge applies or you may ask your agent.) This means that if you surrender the policy or want a policy loan during those years, the amount available to you will be less than the full Accumulation Value.

This policy permits you to start or stop premium payments, within certain limitations. If a premium is required and is not paid insurance coverage will lapse

If any policy on the proposed Insured's life is assigned to us, we will apply its values, if any, to the Accumulation Value under the policy applied for. Any such premiums and the new values based on them will be shown in a new Policy Data Page sent to you on the first Policy Anniversary if your policy is in force on that date.

YOUR POLICY CONTAINS A 20-DAY INSPECTION PERIOD so that you will have a chance to review all its provisions. If you do not wish to keep the policy, you may return it to us or your agent within 20 days and receive a full refund of any premium paid. If any policy on the proposed Insured's life is assigned to us, we will assign any such policy on the Insured's life back to our assignor, send such assignment to the applicable insurer, and pay our assignor any cash we received from the policy. (It may not be possible to reinstate dividends, premium deposit accounts, etc.)

I understand that neither Northern Life nor my agent can provide tax advice, and that I must consult my own tax adviser regarding the tax treatment of this insurance policy. I understand that the tax status of this policy should be reviewed yearly.

By signing this form, I request that Northern Life prepare for me an illustration of policy benefits based on 7.0 % annual effective interest



NORTHERN LIFE
INSURANCE CO.

P.O. Box 12530 Seattle WA 98111

David Buchi
Signature of Proposed Insured

David Buchi
Signature of Owner (if other than Proposed Insured)

1/4/89
Date



NORTHERN LIFE
INSURANCE CO.
P.O. Box 12530, Seattle WA 98111

APPLICATION

PAGE

G.A. Code _____

PART I

0989084

1. Proposed Insured (Full Name) Bruce Kevin Buchi

2. Social Security No. 528-84-7479

3. Marital Status ☐ Single ☒ Married ☐ Widowed ☐ Separated ☐ Divorced

4. Sex ☒ Male ☐ Female 5. Birthplace (State) Utah

6. Date of Birth (Mo.-D.-Yr.) 4/9/53 7. Age 35

8. Height: Ft 6 In 2 Weight: Lbs 210

9. Residence (Street) 1580 Bainbridge Rd
(City) Sandy
(State) Utah (Zip) 84121

10a. Occupation Station Owner
b. Describe Duties Management
c. How Long in Occupation? 10 years

11a. Annual Income from Occupation \$ _____
(re. parent if this is juvenile app.)
or Net Income After Expenses (for self-employed persons): \$60,000

b. Income From Other Sources _____
List Other Sources _____

12. Employer University of Utah
Address 201 E. 5th St. Salt Lake City

13a. Beneficiary Show name, Social Security No. and relationship to Proposed Insured:
Kissel P. Buchi, wife
529-88-3596
equally, or to the survivor(s) unless otherwise stated.
(If address is different than Proposed Insured show in Agent's report.)

b. Contingent Beneficiary: Show name and relationship to Proposed Insured:
Children equally
equally, or to the survivor(s) unless otherwise stated.
Beneficiary(ies) have the right to change settlement mode unless you request otherwise here _____

14. Name and Address of Proposed Insured's Personal Physician
Name Karl Exman
Address 201 E. 5th St. Salt Lake City
Date and Reason last consulted? Summer 89 Exam

5a. Plan of Insurance (State Plan Title Exactly) Director II b. Amount \$250,000

Automatic Premium Loan, if available? ☒ Yes ☐ No

c. Benefit Option (Universal Plans Only) ☒ A Level ☐ B Increasing

d. ☐ Waiver of Premium or Waiver of Monthly Deduction

e. ☐ Accidental Death Benefit Amount \$ _____

f. ☐ Family Rider Units _____ ☐ Children Rider Units _____

g. ☐ Additional Insured Rider
on _____ Amount \$ _____
Beneficiaries, (if other on other than primary insured) _____

Address _____
Occupation (if other on other than primary insured) _____

b. ☐ Other _____

16. Class of Risk Applied For: (Standard unless otherwise shown here.)
Preferred

17a. Premium Payment Mode: Annual ☐ Semi ☐ Quarterly ☐
ABC ☒ Sal Sav ☐ Other _____

b. Universal Plans Only. Stipulated Modal Premium? \$ \$7.50

c. Billing Address (Street) 901 E. 5th St. Temple
(City) S.L.C. (State) Utah (Zip) 84103

d. Do you plan to suspend premium payments when qualified?
☐ Yes ☒ No ☐ N/A If yes, at start of which year? _____

18. Life Insurance or Annuities in Force (If None So State)

✓	Company (Check if being replaced.)	Year	Life Amt.	ADB Amt.
<input checked="" type="checkbox"/>	Insured Northern	86	200,000	-
<input checked="" type="checkbox"/>	Executive	84	572,000	-
<input type="checkbox"/>				
<input type="checkbox"/>				
<input type="checkbox"/>	Spouse First Colony	86	200,000	-
<input type="checkbox"/>				

19. Replacement (Check each policy above to be replaced and attach required replacement forms.)

a. Are any of the currently in force life insurance or annuity policies to be replaced by the insurance applied for? ☐ Yes ☒ No

b. Have any life insurance or annuity policies on the life of the Proposed Insured lapsed within the last 12 months? ☐ Yes ☒ No

20. For Juvenile Insurance (ages 0 thru 14) (complete Ownership section also)

a. Amount of insurance in force on life of father? _____
mother? _____ (If none on either, give particulars.) _____

b. Number of siblings? _____

c. Amount of insurance in force on each brother or sister? _____

1. Family Members (If family member, children member or purchaser benefit applied for)

Proposed for Insurance	Relationship to Proposed Insured	Birthplace (State)	Date of Birth Mo.-Day-Yr.	Age	Height	Weight

a. Spouse's former names _____ Details to "Yes" Answers.

b. Are there any children under age 18 on whom coverage is not being requested? ☐ Yes ☐ No

22. Foreign Travel, Aviation and Military

- a. Do you intend to travel outside the U.S. or Canada within the next two years except for vacation trips?
- b. Do you intend to fly other than as a passenger or have you flown other than as a passenger during the past two years? If "Yes", complete Aviation Questionnaire
- c. Are you a member or do you intend to become a member of the armed forces including reserves?

23. Avocation and Sports Do you participate in recreational activities involving

- a. Aeronautics (including hang gliding, ultralight, soaring, sky diving, ballooning)?
- b. Competitive racing of powered vehicles (including motorcycles, automobiles and boats)?
- c. Recreational vehicles over open terrain, trails, sand, snow or ice (including snowmobiles, dirt bikes and dune buggies)?
- d. Any of the following — skin or scuba diving, mountain climbing, rodeos, competitive skiing?

24. Other Insurance

- a. Have you had a request for life or health insurance declined, postponed, rated or restricted in any way?
- b. Is any application for life insurance pending with any other company? Give name of company.

25. Driving Record Driver's License No _____ State Utah

Within the past 3 years have you been convicted of or pleaded guilty to.

- a. Three or more moving violations and/or accidents?
- b. Driving under the influence of alcohol and/or drugs?

26. Have You Ever:

- a. Had a family member with diabetes, heart or circulatory disease or cancer?
- b. Had a weight change over 10 lbs. in the past year? If "Yes", pounds gained or lost and reason?
- c. Received treatments or joined an organization for alcoholism or drug addiction?
- d. On a regular basis used amphetamines, barbiturates, cocaine, codeine, hallucinogens, heroin, LSD, marijuana, sedatives, tranquilizers or habit forming drugs except as prescribed by a physician?
- e. Been convicted of a felony in the past 10 years?

Proposed Insured		Proposed Additional Insured		Remarks & del to "yes" answer
Yes	No	Yes	No	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	A - Father +
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sister +
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Mother - 16
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	21/10 - 16
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

27. Describe any athletic program(s) you engage in _____

_____ How often? _____

28. What is your alcohol consumption?

(Drnk = one 12 oz beer, one 5 oz glass of wine or 1 oz of hard spirits)

Proposed Insured (drinks per week)

☒ None ☐ 1-5 ☐ 6-14 ☐ 15-30 ☐ More

Proposed Additional Insured (drinks per week)

☐ None ☐ 1-5 ☐ 6-14 ☐ 15-30 ☐ More

29. Smoking Statement

I do not now smoke cigarettes. I have not smoked any cigarettes for at least the past twelve months. I do not use tobacco in any other form except _____

X

SIGNATURE OF PROPOSED ADDITIONAL INSURED

Sign only if this statement applies.

I do not now smoke cigarettes. I have not smoked any cigarettes for at least the past twelve months. I do not use tobacco in any other form except _____

X

Sign only if this statement applies.

30. Special Instructions _____

31. Ownership Section

- a. Owner's Name Lissa P. Buchi
- b. Social Security or Tax No. 529-88-7596
- c. Relationship to Proposed Insured wife
- d. What amount of insurance in question 18 of this application or per with other companies is payable to Owner as Beneficiary?

Company

Amount

Executive

\$20,000

- e. What is the amount of insurance in force and pending on Owner's life? \$200,000

- f. State purpose of insurance and nature of Owner's insurable interest. Family Income, wife

If Juvenile application and parent is not owner and beneficiary, please explain _____

SIGN AUTHORIZATION ON NEXT PAGE

Tab 14

EXHIBIT "14"

CLOSING STATEMENT (Plaintiff's Trial Exhibit 11)

Glade Leon Parduhn v. Natalie Buchi Bennett, et al.

Brief of the Appellant

No. 20010926 SC

A. U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
SETTLEMENT STATEMENT

ASSOCIATED TITLE - SL ESCROW
560 SOUTH 300 EAST
SALT LAKE CITY, UTAH 84111

801-570-8808

B. TYPE OF LOAN

1. () FHA 2. () FMHA 3. () CONV. UNINS.
4. () VA 5. () CONV. INS.
6. FILE NUMBER: 196685 7. LOAN NUMBER:
8. MORTGAGE INSURANCE CASE NUMBER:

C. NOTE: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.

D. NAME OF BORROWER: MARX C. BLACKETT OIL INCORPORATED
ADDRESS:

E. NAME OF SELLER: UNIVERSITY TEXACO COMPANY
ADDRESS:

F. NAME OF LENDER: DRAPER BANK AND TRUST
ADDRESS:

G. PROPERTY LOCATION: 901 E S TEMPLE/4013 S WASATCH BLVD
SLC 84102/84124

H. SETTLEMENT AGENT: ASSOCIATED TITLE - SL ESCROW
ADDRESS: 560 SOUTH 300 EAST
SALT LAKE CITY, UTAH 84111
PLACE OF SETTLEMENT:
ADDRESS: Same as above

I. SETTLEMENT DATE
July 14, 1997

DISBURSEMENT DATE
July 15, 1997

J. SUMMARY OF BORROWER'S TRANSACTIONS

K. SUMMARY OF SELLER'S TRANSACTIONS

100 GROSS AMOUNT DUE FROM BORROWER		400 GROSS AMOUNT DUE TO SELLER	
101 Contract sales price	1,000,000.00	401 Contract sales price	1,000,000.00
102 Personal Property		402 Personal Property	
103 Settlement charges to borrower (ln 1400)	395.00	403	
104		404	
105		405	
Items paid by seller in advance		Items paid by seller in advance	
106 City/town taxes to		406 City/town taxes to	
107 County taxes to		407 County taxes to	
108 Assessments 07-15-97 to 09-01-97	6.00	408 Assessments 07-15-97 to 09-01-97	6.00
109		409	
110		410	
111		411	
112		412	
120 GROSS AMOUNT DUE FROM BORROWER	1,000,401.00	420 GROSS AMOUNT DUE TO SELLER	1,000,006.00
200 AMOUNT PAID BY OR IN BEHALF OF BORROWER		500 REDUCTIONS IN AMOUNT DUE TO SELLER	
201 Deposit or earnest money - Broker		501 Excess deposit (see instructions)	
202 Principal amount of new loan(s)		502 Settlement charges to seller (ln 1400)	11,282.10
203 Existing loan(s) taken subject to		503 ATC ESCROW SET UP FEE	300.00
204 Deposit to Lender		504 Payoff of first mortgage loan	179,622.01
205 Deposit to Escrow	1,000.00	505 Payoff of second mortgage loan	
206 Deposit to Seller		GUARDIAN STATE BANK	431,292.81
207 Trust Deed/Contract Back		506 XXXXXXXXXX ADDL. ATTORNEY	1,813.90
208 LOAN PROCEEDS FROM DRAPER	879,545.00	507 Trust Deed/Contract Back FEES	
209		508 1996 TAX SALE PAYOFFS	7,970.05
Items unpaid by seller		509 FIRST SECURITY LEASING	4,961.96
210 City/town taxes to		Items unpaid by seller	
211 County taxes 01-01-97 to 07-15-97	3,933.82	510 XXXXXXXXXX IND. COMM.	1,500.00
212 Assessments to		511 County taxes 01-01-97 to 07-15-97	3,933.82
213		512 Assessments to	
214		513 PAYOFF LISSA BUCHI	69,297.00
215		514 PAYMENT TO JOANNE BUCHI	60,000.00
216		515 STATE OF UTAH	6,469.43
217		516 EATON SALES AND SERVICE	2,600.47
218		517 DEPT OF RECOVERY SERVICES	7,483.50
219 BUYER CREDIT FOR NOTE PAYOFF	110,609.46	518 PETRO MART PAYOFF	100,869.49
220 TOTAL PAID BY/FOR BORROWER	995,088.28	519 BUYER CREDIT FOR NOTE PAYOFF	110,609.46
		520 TOTAL REDUCTION AMOUNT DUE SELLER	999,706.00
301 Gross amt due from borrower (ln 120)	1,000,401.00	601 Gross amt due to seller (ln 420)	1,000,006.00
302 Less amts paid by/for borrower (ln 220)	995,088.28	602 Less reduction amt due seller (ln 520)	999,706.00

L. SETTLEMENT CHARGES		196685	
700 TOTAL SALES/BROKER'S COMMISSION based on price		PAID FROM BORROWER'S FUNDS AT SETTLEMENT	PAID FROM SELLER'S FUNDS AT SETTLEMENT
\$	\$		
DIVISION OF COMMISSION (LINE 700) AS FOLLOWS:			
701 \$	to		
702 \$	to		
703 Commission paid at Settlement			
(Money retained by broker applied to commission \$)			
800 ITEMS PAYABLE IN CONNECTION WITH LOAN			
801 Loan Origination Fee	%		
802 Loan Discount	%		
803 Appraisal fee to			
804 Credit Report to			
805 Lender's inspection fee			
806 Mortgage Insurance application fee to			
807 LEGAL FEES TO HOLME ROBERTS AND OWENS			7,686.10
808 Tax Service Fee			
809			
810			
811			
900 ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE			
901 Interest from	to \$ /day		
902 Mortgage Insurance Premium for	months to		
903 Hazard Insurance Premium for	yrs. to		
904	yrs. to		
905			
1000 RESERVES DEPOSITED WITH LENDER			
1001 Hazard insurance	mo. \$ /mo.		
1002 Mortgage insurance	mo. \$ /mo.		
1003 City property taxes	mo. \$ /mo.		
1004 County property taxes	mo. \$ /mo.		
1005 Annual assessments	mo. \$ /mo.		
1008 Aggregate Escrow			
1009			
1100 TITLE CHARGES			
1101 Settlement or closing fee	to ASSOCIATED TITLE COMPANY	300.00	300.00
1102 Abstract or title search	to		
1103 Title examination	to		
1104 Title insurance binder	to		
1105 Document preparation	to ASSOCIATED TITLE COMPANY	30.00	30.00
1106 Notary fees	to		
1107 Attorney's Fees	to		
(Includes above items No.:)			
1108 Title insurance	to ASSOCIATED TITLE COMPANY		2,950.00
(includes above items No.:)			
1109 Lender's coverage	\$		
1110 Owner's coverage	\$		
1111 Endorsements			
1112			
1113			
1200 GOVERNMENT RECORDING AND TRANSFER CHARGES			
1201 Recording fees: Deed \$ Mortgage \$ Releases \$		65.00	300.00
1202 City/county tax/stamps: Deed \$ Mortgage \$			
1203 State tax/stamps: Deed \$ Mortgage \$			
1204 Reconveyance fee			
1205			
1300 ADDITIONAL SETTLEMENT CHARGES			
1301 Survey	to		
1302 Pest inspection	to		
1303 SALT LAKE CITY SUBURBAN SANITARY DIST			16.00
1304			
1305			
1400 TOTAL SETTLEMENT CHARGES (enter on lines 103 and 502)		395.00	11,282.10
<p>I have carefully reviewed the MUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of MUD-1 Settlement Statement.</p> <p>Borrower <u>MARK C. BLACKETT OIL</u> Seller BY: <u>UNIVERSITY TEXACO COMPANY, a Utah general partnership & UNIVERSITY TEXACO, a dba</u></p> <p>BY: <u>Freddie G. Smith</u></p> <p>The MUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused the funds to be disbursed in accordance with this statement.</p> <p>Settlement Agent <u>[Signature]</u> Date <u>July 14, 1997</u></p> <p>WARNING: It is a crime to knowingly make false statements to the United States on this or any other similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Sections 1001 & 1017</p>			

Tab 15

EXHIBIT "15"

TANNER LETTER TO NORTHERN (Plaintiff's Trial Exhibit 15)

Glade Leon Parduhn v. Natalie Buchi Bennett, et al.

Brief of the Appellant

No. 20010926 SC

(Handwritten mark)

HOWE & TANNER

RECEIVED

ATTORNEYS ADMITTED TO PRACTICE LAW IN

ARIZONA

CALIFORNIA

COLORADO

DISTRICT OF COLUMBIA

UTAH

WASHINGTON

A PROFESSIONAL CORPORATION

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SALT LAKE CITY, UTAH 84111-5250

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(801) 575-7100

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(801) 575-7150

WRITER'S DIRECT NUMBER

DC

September 10, 1997

VIA FACSIMILE & U.S. MAIL

Attn: Janet Jacobsen, Claims Department
Northern Life Insurance Company
P.O. Box 12430
Seattle, WA 98111
Telephone: (800) 426-7050 ext. 2477
Facsimile: (800) 531-5021

ALL DOCUMENTS
SEP 18 1997
L.H. ...

Re: Policy No. NL00989085 on the Life of Brad Buchi, Deceased August 8, 1997 -
Notice of Dispute as to Legal Beneficiary

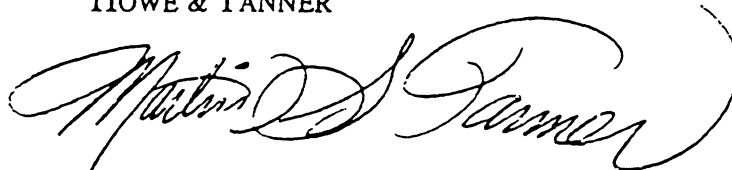
Dear Ms. Jacobsen:

Our firm represents Natalie Buchi Bennett, the daughter of Brad Buchi, deceased, and Mr. Buchi's other children. Our firm also represents Lissa Buchi, Mr. Buchi's former wife, the mother of all of Mr. Buchi's children. As we discussed by telephone, this letter is to notify Northern Life Insurance Company that the legal beneficiary of the above-referenced policy is in dispute. The reason for the dispute is that three documents, Mr. Buchi's holographic will, a court order in Mr. Buchi's divorce and a buy-sell agreement to which Mr. Buchi was a party all indicate that the Buchi children and Lissa Buchi are the proper beneficiaries of the above-referenced policy. Lissa Buchi has apparently waived her interest in the proceeds of the policy, leaving the Buchi children as the sole beneficiaries. It is our firm's understanding that Mr. Buchi's former business associate may be asserting an interest in policy.

If this dispute is not soon resolved on an informal basis, it may be appropriate for all concerned if Northern Life interpleads the funds payable under the policy into the Third District Court of Salt Lake County, State of Utah, which is the appropriate forum for resolution of the dispute. Please do not hesitate to contact me if you have any questions or concerns.

Very truly yours,

HOWE & TANNER



Martin S. Tanner

MST/sa

cc: Ms. Natalie B. Bennett