

**WASHINGTON MUTUAL BANK
Board of Directors Meeting Minutes**

April 1, 2008

The Board of Directors of Washington Mutual Bank (the "Bank") met concurrently with the Board of Directors of Washington Mutual, Inc. (the "Holding Company") on April 1, 2008, for a telephonic meeting.

Directors Present:

**Stephen I. Chazen
Anne V. Farrell
Stephen E. Frank
Kerry K. Killinger
Thomas C. Leppert
Charles M. Lillis
Phillip D. Matthews**

**Regina T. Montoya
Michael K. Murphy
Margaret Osmer McQuade
Mary E. Pugh
William G. Reed
Orin C. Smith
James H. Stever**

Directors Absent: None

Management Present:

**Todd Baker
Carey M. Brennan
Thomas W. Casey
Ronald J. Cathcart
Daryl D. David
Stewart M. Landefeld
John McMurray
John Robinson
Stephen J. Rotella
Robert J. Williams
Craig E. Tall
Susan R. Taylor**

Advisors Present:

**Frank Cicero, of Lehman Brothers
Phil Erlanger, of Lehman Brothers
Huntley Garriott, of Goldman Sachs
John Mahoney, of Goldman Sachs
Lee Meyerson, of Simpson Thacher
Todd Owens, of Goldman Sachs
Steve Wolitzer, of Lehman Brothers**

Materials Redacted

Mr. Killinger presided and called the meeting to order at 4:00 p.m. Pacific Daylight Time and the undersigned served as secretary to the meeting. All those present attended the meeting by telephone (management and Mr. Killinger being together at the offices of the Holding Company) and could hear each other during the meeting. All attendees were present at the beginning of the meeting, except for Mr. Tall and the advisors from Lehman Brothers and Goldman Sachs who joined later.

Materials Redacted

Minutes from the Board Meeting on March 17 and the Informational Briefings on March 14 and March 25

Mr. Killinger submitted the minutes of the March 17 Board meeting and the March 14 and March 25 informational briefings. On motion duly made and seconded, the Board unanimously approved the minutes.

Messrs. Garriott, Mahoney and Owens, from Goldman Sachs, and Messrs. Cicero, Erlanger and Wolitzer from Lehman Brothers then joined the meeting.

Review of Consolidated Reports

Messrs. Casey, McMurray, Williams and Rotella submitted reports on the financial condition of the Holding Company and its subsidiaries, including the Bank, on a consolidated basis, including information responsive to questions and requests raised previously by the Board. The reports included information on financial results, asset quality, liquidity and capital.

Investment Bankers' Presentation

Mr. Mahoney of Goldman Sachs, and Mr. Cicero of Lehman Brothers, jointly presented material previously provided to the Board entitled "Confidential Presentation to Olympic's Board of Directors." Mr. Mahoney began the presentation by briefly reporting that three bids had been received from private equity firms interested in purchasing equity securities from the Holding Company, and that conversations were underway with institutional investors. One financial institution had submitted a bid to purchase the Holding Company and its subsidiaries, including the Bank. The presentation by investment bankers included information on the various capital raising proposals, the proposal to purchase the Holding Company and the overall capital raising process. A more detailed description of the presentation is set forth in the minutes of the Holding Company.

Issues Related to Capital Raise - Shareholder Approval

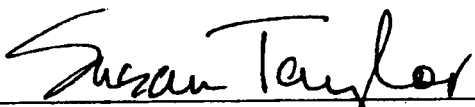
Mr. Meyerson presented information on the form of equity securities to be offered by the Holding Company and the various regulatory and legal steps that would need to be taken, including obtaining approval by the Holding Company's shareholders.

Executive Session

At 6:20 p.m., Mr. Killinger asked that the meeting go into executive session. All members of management left the meeting at this time, other than Messrs. David, Landefeld, Rotella and Killinger. Mr. Meyerson also remained. Mr. David then submitted his presentation on compensation issues related to the recapitalization plan and provided information in response to an earlier request from the Board reviewing executive management's economic incentives to pursue the different strategic alternatives. After answering questions from the Board, Messrs. David and Rotella left the meeting. The Board then engaged in a thorough discussion regarding the Holding Company's financial condition and the relative merits of the different strategic and financial alternatives for the Holding Company under the circumstances. The Board fully discussed the pros and cons of raising different amounts of capital. Messrs. Killinger, Landefeld and Meyerson responded to numerous questions, including questions posed previously, such as the difference between the fees that would be earned by the investment bankers for raising capital as opposed to entering into a merger agreement. Mr. Meyerson responded to a question regarding the Holding Company's ability to buy back stock in the future. Messrs. Wolitzer and Erlanger rejoined the meeting to respond to additional questions, including a question about what other institutions might also be seeking capital and how much information about the Holding Company would be provided to the "wall crossed" institutional investors as compared to private equity firms.

Materials Redacted

The executive session concluded at approximately 7:05 p.m.


Respectfully Submitted, Susan R. Taylor

**WASHINGTON MUTUAL, INC.
WASHINGTON MUTUAL BANK
Board of Directors Meeting Minutes**

Monday, April 7, 2008

The Board of Directors of Washington Mutual, Inc. (the "Holding Company") met concurrently with the Board of Directors of Washington Mutual Bank (the "Bank") on Monday, April 7, 2008, for a special telephonic meeting.

Directors Present:

Anne V. Farrell
Stephen E. Frank
Kerry K. Killinger
Thomas C. Leppert
Charles M. Lillis
Phillip D. Matthews

Michael K. Murphy
Margaret Osmer McQuade
Mary E. Pugh
Wm. G. Reed, Jr.
Orin C. Smith

Directors Absent: Stephen I. Chazen
Regina T. Montoya
James H. Stever

Management Present:

Todd Baker
Thomas W. Casey
Stewart M. Landefeld
Stephen J. Rotella
Charles E. Smith
Susan R. Taylor
Robert J. Williams

Advisors Present:

John Mahoney, of Goldman Sachs
Frank Cicero, of Lehman Brothers
Phil Erlanger, of Lehman Brothers
Steve Wolitzer, of Lehman Brothers
Lee Meyerson, of Simpson Thacher
& Bartlett LLP

Resolutions for the Holding Company's Board's consideration had been posted to BoardVantage on the afternoon of April 7, 2008.

Mr. Killinger presided and called the meeting to order at 5:00 p.m. and Ms. Taylor served as secretary to the meeting. All Board members attended the meeting by telephone, with Mr. Killinger, all members of management and the investment bankers being together in the Executive Conference Room at WaMu Center in Seattle.

Transaction Update

Mr. Killinger updated the Board on progress made to finalize the equity investment transaction approved by the Holding Company's Board the day before. Mr. Killinger reported that \$7 billion had been raised on the terms reviewed with the Board the day before. He reviewed the timing of the next steps,

Materials Redacted

He expected the transaction to be announced prior to the opening of the market the next day. He reported that Titanium was the anchor private equity firm and that David Bonderman was expected to be Titanium's nominee to join the Holding Company's Board, with Larry Kellner to be a board observer.

Mr. Casey listed the names of the institutional investors who had chosen to participate, noting that Wellington and Fidelity were two new significant shareholders. Mr. Casey responded to questions from the Board including a question concerning the overall demand for the transaction.

Materials Redacted

He reported that he had received an e-mail from the CEO at Flint, acknowledging receipt of Mr. Killinger's letter.

Mr. Landefeld noted the need for the Holding Company's Board to adopt certain clarifying resolutions and for the Transaction Committee to meet to formally adopt the final pricing resolutions. He described the scope of the resolutions before the Holding Company's Board to ensure exclusion of the Titanium and other investments from Washington State's anti-takeover provisions. He read through the resolutions. Upon a motion made and duly seconded, the resolutions attached as "Appendix A" were unanimously adopted by the Board of the Holding Company.

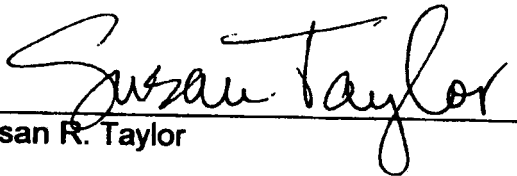
The Transaction Committee meeting was then called to order, conducted its business and adjourned.

Mr. Landefeld reported that the investment bankers had promised delivery of their letters that day confirming their oral advice to the Holding Company's Board, and were finalizing the forms. Management then reported on interactions with certain of the potential investors over the last 24 hours and answered the Board's questions. Mr. Killinger responded to questions about the special shareholders meeting which would be called, and the anticipated market reaction to the announcement. Mr. Killinger read passages from the revised press release to the Board and discussed possible reactions, including criticism for dilution and pricing of the transaction. Mr. Rotella reported favorably on the quality of information presented to investors in connection with marketing the transaction. Mr. Casey indicated that the investors would continue to be locked up until material information was filed next week.

WM: Confidential Limited Access

The meeting then went into Executive Session and all advisors and members of management left the meeting, except for Messrs. Killinger, Landefeld and Meyerson.

The meeting adjourned at 6:00 p.m.


Susan R. Taylor

Appendices:

Appendix A – Approval of Exclusion from Anti-Takover Provisions

**RESOLUTIONS OF
THE BOARD OF DIRECTORS OF
WASHINGTON MUTUAL, INC.**

WHEREAS, the Board of Directors of Washington Mutual, Inc. (the "Corporation") adopted resolutions on April 6, 2008 (the "Original Resolutions") relating to the issuance and sale of shares of the Corporation's common stock and two new series of preferred stock; and

WHEREAS, the certain of the Original Resolutions adopted by the Board of Directors require completion; and

WHEREAS, capitalized terms used and not otherwise defined herein shall have the meanings given to such terms in the Original Resolutions;

NOW, THEREFORE, BE IT:

AUTHORIZATION FOR ENSURING EXCLUSION FROM ANTI-TAKEOVER PROVISIONS

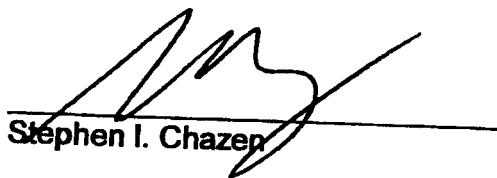
RESOLVED, that for purposes of Section 23B.19.040 of the Washington Business Corporation Act, the entry by the Corporation and any Investor Party, to the extent that, after giving effect to the transactions contemplated by the Agreements, any such Investor Party constitutes an "Acquiring person" under Chapter 23B.19 of the Washington Business Corporation Act (together, the "Major Stockholders"), into the applicable Agreement to which such Major Stockholder is party, the issuance of Investor Shares or Purchaser Shares, as the case may be (including the conversion of the Convertible Preferred Stock into Common Stock), the exercise of the Warrants for Common Stock and the consummation by such Major Stockholder of the transactions contemplated thereby, is hereby approved; and further

RESOLVED, that in response to the letters received from any Investor Party seeking unanimous approval prior to becoming a "Major Stockholder" for purposes of Article X of the Articles of Incorporation (as defined below), each such Investor Party becoming a "Major Stockholder" pursuant to the entry by the Corporation and such Investor Party into the applicable Agreement to which such Investor Party is party, the issuance of shares (including the conversion of the Convertible Preferred Stock into Common Stock), the exercise of the Warrants for Common Stock and the consummation by such Investor Party of the transactions contemplated thereby, is hereby unanimously approved.

**WASHINGTON MUTUAL, INC.
WASHINGTON MUTUAL BANK**

**DIRECTOR'S WAIVER OF NOTICE OF
SPECIAL MEETING OF BOARD OF DIRECTORS**

I hereby waive notice of the meeting of the Boards of Directors of Washington Mutual, Inc. and Washington Mutual Bank, held on Monday, April 7, 2008 at 5:00 pm PST.

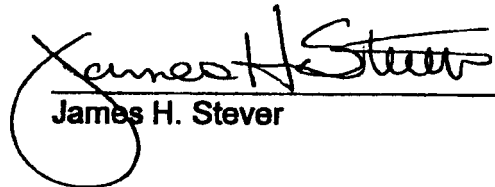


Stephen I. Chazen

**WASHINGTON MUTUAL, INC.
WASHINGTON MUTUAL BANK**

**DIRECTOR'S WAIVER OF NOTICE OF
SPECIAL MEETING OF BOARD OF DIRECTORS**

I hereby waive notice of the meeting of the Boards of Directors of Washington Mutual, Inc. and Washington Mutual Bank, held on Monday, April 7, 2008 at 5:00 pm PST.


James H. Stever

**WASHINGTON MUTUAL, INC.
WASHINGTON MUTUAL BANK**

**DIRECTOR'S WAIVER OF NOTICE OF
SPECIAL MEETING OF BOARDS OF DIRECTORS**

I hereby waive notice of the meeting of the Boards of Directors of Washington Mutual, Inc. and Washington Mutual Bank, held on Monday, April 7, 2008 at 5:00 pm PST.


Regina T. Montoya

WASHINGTON MUTUAL BANK
CONSENT OF SOLE SHAREHOLDER
IN LIEU OF ANNUAL MEETING

The undersigned, being the sole shareholder of Washington Mutual Bank, a federal savings association duly authorized and existing under the laws of the United States of America (the "Association"), and in lieu of the annual meeting of the sole shareholder, hereby consents to the adoption of the following resolutions:

Election of Directors

RESOLVED, that the following persons are hereby elected by the shareholder to serve as directors of the Company until the next annual election of directors, and their successors are duly elected and qualified, or until their earlier resignation, removal or termination:

David Bonderman
Stephen I. Chazen
Stephen E. Frank
Kerry K. Killinger
Thomas C. Leppert

Charles M. Lillis
Phillip D. Matthews
Regina T. Montoya
Michael K. Murphy

Margaret Osmer McQuade
William G. Reed, Jr
Orin C. Smith
James H. Stever

Dated this 24th day of April, 2008.

WASHINGTON MUTUAL, INC.

By



Stewart Landefeld
Interim Chief Legal Officer

RESIGNATION

I hereby resign all director, officer and committee positions that I hold at Washington Mutual, Inc. and any of its subsidiaries or affiliates. My resignation is effective as of the close of business on April 30, 2008.



Michaela A. Albon

O'Brien, Linda

From: Leppert, Tom [TLeppert@tleppert.com]
Sent: Tuesday, April 29, 2008 10:33 AM
To: O'Brien, Linda

Materials Redacted

This will confirm my approval.

Please contact me via e-mail if you need any additional information.

Tom

Thomas C. Leppert
Mayor
City of Dallas
1500 Marilla Street
Dallas, Texas 75201
214.670.4054

From: O'Brien, Linda [mailto:linda.o.brien@wamu.net]
Sent: Monday, April 28, 2008 4:51 PM
To: Leppert, Tom; Sexton, Renee

Materials Redacted

In addition, you will notice that we will also need signature pages from all directors by Thursday, May 1 for a separate item—the filing of the registration statement for the capital raising transaction. Thank you.

Linda D. O'Brien
Senior Paralegal

Washington Mutual
1301 Second Avenue, WMC 3501
Seattle, WA 98010

206.500.4338 direct, 206.377.2230 fax
linda.o.brien@wamu.net

This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you

IRS Circular 230 Disclosure: To ensure compliance with requirements imposed by the IRS, I inform you that any U.S. federal tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein.

O'Brien, Linda

From: Leppert, Tom [TLeppert@tleppert.com]
Sent: Monday, April 28, 2008 5:05 PM
To: O'Brien, Linda
Cc: Sexton, Renee

Materials Redacted

This will confirm my approval. I am travelling in China and unable to print and fax.

Thomas C. Leppert
Thomas C. Leppert
Mayor
City of Dallas

----- Original Message -----

From: O'Brien, Linda <linda.o.brien@wamu.net>
To: Leppert, Tom; Sexton, Renee
Sent: Mon Apr 28 17:50:34 2008

Materials Redacted

In addition, you will notice that we will also need signature pages from all directors by Thursday, May 1 for a separate item-- the filing of the registration statement for the capital raising transaction. Thank you.

Linda D. O'Brien
Senior Paralegal

Washington Mutual
1301 Second Avenue, WMC 3501
Seattle, WA 98010

206.500.4338 direct, 206.377.2230 fax
linda.o.brien@wamu.net

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04/29/2008

B65

the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you

IRS Circular 230 Disclosure: To ensure compliance with requirements imposed by the IRS, I inform you that any U.S. federal tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein.

214-649-2078
Report Cell

View Approval Status

Materials Redacted

Comments

Priority Normal

Completion Criteria Consensus

Due Date 04/30/2008

Creators Susan Taylor, Lynn Thomas;

Tally

Vote	Response Total
Approve	9
Abstain	0
Not Approve	0
No Response	6
Final Status	Ongoing

Status of Respondents

<input type="checkbox"/>	Respondents	Status	Action	Responses	Offline
<input type="checkbox"/>	Michael Murphy	Approve			<input type="checkbox"/>
<input type="checkbox"/>	James Stever	Approve			<input type="checkbox"/>
<input type="checkbox"/>	Orin Smith	Approve			<input type="checkbox"/>
<input type="checkbox"/>	Regina Montoya	Approve			<input type="checkbox"/>
<input type="checkbox"/>	Test Director	Not Responded			<input type="checkbox"/>

<input type="checkbox"/>	Wendy Cadman	Not Responded	<input type="checkbox"/>
<input type="checkbox"/>	Charles Lillis	Approve	<input type="checkbox"/>
<input type="checkbox"/>	Margaret Osmer McQuade	Not Viewed	<input type="checkbox"/>
<input type="checkbox"/>	Stephen Frank	Not Viewed	<input type="checkbox"/>
<input type="checkbox"/>	Debbie Johnson	Not Viewed	<input type="checkbox"/>
<input type="checkbox"/>	Kerry Killinger	Approve	<input type="checkbox"/>
<input type="checkbox"/>	Phillip Matthews	Approve	<input type="checkbox"/>
<input type="checkbox"/>	Thomas Leppert	Approve	<input type="checkbox"/>
<input type="checkbox"/>	Stephen Chazen	Approve	<input type="checkbox"/>
<input type="checkbox"/>	William Reed	Not Viewed	<input type="checkbox"/>

Comments

Regina Montoya
 04/28/2008
Private Message Approve
 (No Comments)

Phillip Matthews
 04/27/2008
Private Message Approve
 (No Comments)

Phillip Matthews
 04/27/2008
Private Message Approve
 (No Comments)

James Stever
 04/27/2008
Private Message Approve
 (No Comments)

James Stever
 04/27/2008
Private Message Approve
 (No Comments)

Orin Smith
 04/27/2008
Private Message Approve
 (No Comments)

Charles Lillis
 04/28/2008
Private Message Approve
 (No Comments)

Charles Lillis
 04/28/2008
Private Message Approve
 (No Comments)

Stephen Chazen
 04/28/2008
Private Message Approve
 (No Comments)

Michael Murphy
 04/28/2008
Private Message Approve
 (No Comments)

Michael Murphy
 04/28/2008
Private Message Approve
 (No Comments)

Kerry Killinger
 04/28/2008 Approve

Private Message (No Comments)

Thomas Leppert **Approve**
04/29/2008
Private Message (No Comments)

O'Brien, Linda

From: steve5865@gmail.com
Sent: Monday, April 28, 2008 3:01 PM
To: O'Brien, Linda
Subject:

Materials Redacted

I approve, but have no access to BoardVantage. Please use this as OK.
Sent via BlackBerry by AT&T

-----Original Message-----

From: "O'Brien, Linda" <linda.o.brien@wamu.net>

Date: Mon, 28 Apr 2008 14:35:48

To: <steve@avantwireless.com>

Materials Redacted

Linda D. O'Brien

Senior Paralegal

Washington Mutual

1301 Second Avenue, WMC 3501

Seattle, WA 98010

206.500.4338 direct, 206.377.2230 fax

linda.o.brien@wamu.net <<mailto:linda.o.brien@wamu.net>>

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MEMORANDUM

DATE: April 25, 2008
TO: Board of Directors of Washington Mutual Bank
FROM: Bill Lynch

Materials Redacted

Materials Redacted

NOW, THEREFORE, BE IT RESOLVED, that the proposed minutes of the Board's April 15, 2008, meeting reflecting the discussion of the progress report, as set forth above, are hereby approved.

Dated: April ____, 2008

Kerry K. Killinger

Stephen I. Chazen

Stephen E. Frank

Thomas C. Leppert

Charles M. Lillis

Materials Redacted

NOW, THEREFORE, BE IT RESOLVED, that the proposed minutes of the Board's April 15, 2008, meeting reflecting the discussion of the progress report, as set forth above, are hereby approved.

Dated: April ____, 2008

Kerry K. Killinger

Stephen I. Chazen

Stephen E. Frank

Thomas C. Leppert

Charles M. Lillis

Phillip D. Matthews

Regina T. Montoya

Michael K. Murphy

Margaret Osmer McQuade

Mary E. Pugh

William G. Reed, Jr.

Orin C. Smith

James H. Stever

TELEFAX TRANSMITTAL SHEET

DATE: 29 April 08

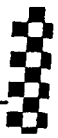
TO: NAME Linda O'Brien
COMPANY Wanna
CITY _____
FAX NUMBER 206 377 2230

FROM:

MARGARET OSMER-McQUADE
Home: 125 East 72nd Street, 7-0
New York, NY 10021
TELEPHONE: (212) 570-0009
FAX: (212) 570-0658

P. O. Box 746
Siasconset, MA 02544
TELEPHONE: (508) 257-6536
FAX: (508) 257-9722

NUMBER OF PAGES SENT INCLUDING COVER SHEET 3



WASHINGTON MUTUAL BANK

Materials Redacted

NOW, THEREFORE, BE IT RESOLVED, that the proposed minutes of the Board's April 15, 2008, meeting reflecting the discussion of the progress report, as set forth above, are hereby approved.

Dated: April __, 2008

Kerry K. Killinger

Stephen I. Chazen

Stephen E. Frank

Thomas C. Leppert

Charles M. Lillis

175857

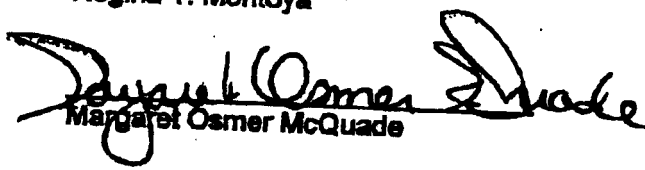
Phillip D. Matthews

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James H. Stever

Phillip D. Matthews

Michael K. Murphy

Mary E. Pugh

Orin C. Smith

Regina T. Montoya

Margaret Osmer McQuade


William G. Reed, Jr.

James H. Stever

Wm. G. Reed, Jr.
1402 Third Avenue, Suite 1318
Seattle, WA 98101

FAX: (206) 224- 5470

FAX TRANSMITTAL COVER SHEET:

Date: April 29, 2008

No. of Pages: Cover + 1

Attention: Linda O'Brien
Safeco Corporation

FAX: 206-377-2230

From: Gary Reed

RE: Approval

If you do not receive all the pages, please call back as soon as possible (206) 224-5466.



WaMu

MEMORANDUM

DATE: April 28, 2008
TO: David Bonderman
FROM: Bill Lynch
RE:

Materials Redacted

WASHINGTON MUTUAL BANK
Consent and Ratification by Current Director with regard to
Minutes of Action at Meeting prior to Election

WHEREAS, the undersigned has been informed by the Secretary and Assistant Secretary of Washington Mutual Bank (the "Bank") that, on the morning of April 15, 2008, the Board of Directors of the Bank (the "Board")

Materials Redacted

Dated: April 29, 2008



David Bonderman

WASHINGTON MUTUAL BANK
CONSENT OF SOLE SHAREHOLDER
IN LIEU OF ANNUAL MEETING

The undersigned, being the sole shareholder of Washington Mutual Bank, a federal savings association duly authorized and existing under the laws of the United States of America (the "Association"), and in lieu of the annual meeting of the sole shareholder, hereby consents to the adoption of the following resolutions:

Election of Directors

RESOLVED, that the following persons are hereby elected by the shareholder to serve as directors of the Company until the next annual election of directors, and their successors are duly elected and qualified, or until their earlier resignation, removal or termination:

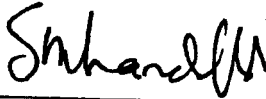
David Bonderman
Stephen I. Chazen
Stephen E. Frank
Kerry K. Killinger
Thomas C. Leppert

Charles M. Lillis
Phillip D. Matthews
Regina T. Montoya
Michael K. Murphy

Margaret Osmer McQuade
William G. Reed, Jr
Orin C. Smith
James H. Stever

Dated this 24th day of April, 2008.

WASHINGTON MUTUAL, INC.

By 
Stewart Landefeld
Interim Chief Legal Officer

April 15, 2008

Mr. Kerry Killinger
Chairman and CEO
Washington Mutual Bank
1301 Second Avenue
Seattle, WA 98101

Dear Kerry:

I am pleased to have had the opportunity to serve Washington Mutual as a member of the Board, but much has changed both within the Bank and in the financial markets since I agreed to stand for another term. While you, I and others saw and warned of the potential weakness in the housing market, I don't believe anyone predicted how badly the credit markets would be rolled and how serious the resulting dislocations would become. It has affected some of the largest financial institutions in the country, and the turmoil continues.

Board service has become increasingly time consuming, at the same time that market volatility is at historic highs and market illiquidity is creating significant challenges for all involved. This creates a very difficult balancing act for me in my business and has led me to the difficult decision that I will resign from the Board of Washington Mutual effective immediately.

My decision to leave the Washington Mutual Board was not made lightly and I would never have done so had we not been successful in obtaining the additional capital to meet the bank's needs. The bank has successfully raised ten billion dollars in new capital in the past four months. In addition the Bank is adding David Bonderman to the board. I have known David for over a decade and am confident that he will bring a high level of business and financial expertise to the board. I am very glad that he is joining the bank and comfortable that the board, the company and shareholders will be well served in this transition.

While the last nine months have certainly been challenging, I am proud of the Bank's long record of service to the communities where it is located. Washington Mutual became the nation's leading thrift by helping millions of people buy homes. The company's history of helping hard working people dates back to 1890 when it made the first monthly payment home mortgage loan in the country to a Seattle fisherman. Now we are in the midst of the most profound housing crisis since the Great Depression. The very fact that a

bank built on the home mortgage business is going to survive this economic upheaval is testament that many good decisions were made.

As Chair of the Finance Committee, I am confident that within our area of responsibility, we focused on the right issues and had the bank moving in the right direction in advance of the credit crunch and housing meltdown. We have a strong board comprised of people with varying opinions and perspectives, which is necessary for good corporate governance. No one director can or should insist on substituting their judgment for that of management's or the other directors. That would create chaos. The course taken was appropriately chosen and was agreed to and I am certain now, with the marvelous benefit of *hindsight*, that we all wish we had moved even more quickly than we did to reduce our higher risk mortgage exposure.

Fortunately my tenure on the Board consisted of more than just the mortgage crisis of the last nine months. I have had the pleasure of working with a group of smart, talented and dedicated board members. Over the years, I have also been blessed to work closely with some of the bank's senior management. The Bank has many talented leaders and in this time of crisis many people stand out for their contributions to the company's success. The people that I served with over the years will be one of the highlights of my board service.

I believe that my leadership of the Finance Committee contributed to a more robust and thorough focus on key areas of risk and responsibility for the Committee and the Company. From a risk management perspective I am pleased that we explored alternatives to reducing sub-prime risk such as the ABX and CMBX indices at one of our Finance meetings. From a governance standpoint, I believe we made many improvements that enhanced board oversight and understanding.

Washington Mutual is a great bank with a wonderful legacy and it has been an honor for me to be a part of that and to have served as a member of the board of directors. It is rewarding to think about how many people over the last century the company has helped to get their first house or job. I also am proud of what a great corporate citizen the bank has been with its outstanding leadership in philanthropy.

It is hard to leave, but I am convinced it is the right time. Thank you for a wonderful opportunity to serve.

Sincerely,



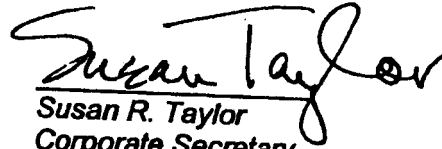
Mary E. Pugh

**WASHINGTON MUTUAL BANK
Certificate of Secretary**

Excerpt from Minutes of April 15, 2008, Meeting of Board of Directors

Materials Redacted

Certified as accurate by Corporate Secretary of Washington Mutual Bank:


**Susan R. Taylor
Corporate Secretary**

<h1>Washington Mutual</h1> <h2>GL Administration Policy</h2>	Revised April 16, 2008
	Policy to Request New GL Account
Policy to Request New GL Account	

Summary

A new general ledger account is an account that does not currently exist on the GL system. The need for a new GL account can be the result of a new product, changes to accounting or reporting practices, policies, and financial system requirements, or needed for the mapping of acquisitions. New GL accounts are also required due to the business rule stating that only one GL can support one system (not applicable to equity or income accounts). One GL should not represent multiple systems being used to process entries. Requests to open an existing GL account to an additional company or cost center are addressed separately in the General Ledger Cost Center (GLRC) opening procedures. Additional guidance can also be found in the Triple Request policy on the Corporate Controller's web site.

Policy GL Maintenance Form.

Balance sheet accounts are owned by individuals, and posted to, at the triple (company, account, cost center) level. When a new GL account is requested, the original account owner will also become responsible for all balance sheet triple combinations opened in conjunction with the new account. Income statement accounts however, do not have an assigned owner and are not owned at the triple level. Reconciliation for income statement accounts is done with each segment that has cost centers opened to the specified account. Please refer to the Account Owner and Poster Responsibilities Policy for further information on balance sheet and income statement accounts.

All new GL requests will be submitted and processed via the GL Maintenance Form along with a copy of the Accounting Plan. Additionally, desktop procedures must also be created for the accounting activity related to the account. The Desktop Procedures Template can be found on the Corporate Controller's intranet page for reference. The desktop procedures document does not need to be submitted to GL Administration, but should be available upon request. Account owners have 60 days from the date of the new account request to create their desktop procedures document.

All new GL requests must be approved by the following groups: the account owner, Sub/Segment Controller*, Intercompany Accounting (if an I/C account), Margin, Financial Reporting, and GL Administration before it is processed by Financial Systems & Operations.

*or his/her pre-authorized representative. A pre-authorized representative is one person who the Segment Controller has deemed to be qualified and authorized to act on his/her behalf in the matter of opening new GL accounts, and whose name the controller has submitted to GL Administration.

The account owner (and, ultimately, the segment controller) is responsible for the integrity of the account usage and for the maintenance of the necessary documentation surrounding the new GL account. **For control and audit purposes the approving authority must not be the same person as the account owner or the requester.**

Each New GL Request Form includes a certification statement which states that the accounting plan is attached, the desktop procedures will be available within 60 days and all associated accounts will be opened at the same time to avoid the risk of misstatement. It will be the responsibility of the business segment to maintain a copy of all accounting plans and documentation surrounding the new GL account, or triple(s).

To open a new GL account, the requester will submit the request via the Liquid Office GL Maintenance Request Form. All new accounts will be opened to OFCS, Hyperion and ED. Before an account will be opened, all required approvals need to be obtained through the Liquid Office approval queues. Once the request is in the Liquid Office approval queues, it may be approved or declined by any team. Once the request is either approved or declined, it will be transmitted to FileNet for archiving.

If additional information is needed regarding the use of a request, GL Administration will consult individuals from the following areas within the Finance Division:

- Corporate Accounting
- Financial Systems & Operations
- Segment Reporting
- Reconciliation Control & Monitoring
- Financial/Regulatory Reporting
- FP&A Finance Planning & Analysis
- Financial Analysis and Monitoring

Large Requests

At this time there is not a template for opening multiple accounts.

Special Projects/Interface Conversions

When special projects/interface conversions require a large number of new GL accounts, the project leader must communicate to GL Administration 4-6 months prior to the go live date, at gladmincoa@wamu.net. It will be necessary to coordinate when testing will begin and how many new GL accounts will be needed. Please provide a list of all new accounts that will be needed to complete the project/conversion to GL Admin. Once all the information has been received, GL Admin will determine how many new accounts will need to be opened each month.

Liquid Office GL Maintenance Request Form

The Liquid Office GL Request Form is located on http://lo.wamu.net/lserver/DMT_GL_Maintenance_Workflow.

Liquid Office GL Training Manual: For instructions on using the GL Maintenance Request Form refer to the New GL Requesters Manual mentioned above.

The following information must be provided on the .GL Maintenance Form.

1. Provide Requester ID and Requester Name
2. Select the Activity Type field (Name, Change, Delete)
3. Is this request an exception? If yes, provide justification in the 'Reason for Request' field. This field can be modified at any time during the request. Additional approvals will be required by Corporate Accounting and Corporate FP&A
4. Provide a detailed reason for requesting the new GL Account
5. Enter a five digit account number based on the information below
 1. Assets 10000-34999
 2. Liabilities 35000-53009
 3. Equity 53010-53999
 4. Interest Income 54000-66499
 5. Interest Expense 66500-75999
 6. Provision Expense 76000-77999
 7. Operating Income 78000-85199
 8. Operating Expense 85200-89999
 9. Memo Account 90000-99099
 10. Proxy Account 99100-99998
6. The GL Account Type field will auto populate
7. Enter the GL Account Description
8. Choose a Company number from the drop down list
9. Provide an Account Owner ID and Name
10. Select a Segment from the drop down list
11. Select the normal sign of the account
12. Choose yes or no if you are opening a proxy account. If you need to open a proxy account, please contact gladmincoa@wamu.net
13. Select up to 5 CC Templates by holding down the ALT button, if necessary, otherwise select NONE

14. Select the appropriate radio button to determine if the Common View rollup will be new or existing. If new, you will need to submit a hierarchy change request. The Common View Rollup field will auto populate with '-99026'. If existing, select existing and move to the next field
15. **Optional Field-Model Account Number:** Enter a model account number
16. If the Model Account is NOT chosen and the CV rollup is existing, enter the level 8 node number
17. If the Model Account is NOT chosen, enter the Related Proxy Account
18. **Optional Field-Related Accounts:** Enter up to 5 related accounts separated by a comma
19. Enter the GLAD definition, up to 100 characters
20. Enter the Accounting Plan Title, up to 50 characters without spaces, use the underscore key

GAAP Business Rules

21. Select Yes or No if the new account is a Mortgage Loan. If no, skip to the Margin Account Information
22. If the new account is a Mortgage Loan, determine if it is Held for Sale or Held for Investment and select the appropriate radio button
23. If HFS, enter the asset, deferred fee, premium discount, and interest income accounts
24. If HFI, enter the asset, deferred fee, premium discount, and interest income accounts
25. Select Yes or No If the new account is a 2nd lien
26. Select Yes or No If the new account is a hedge or derivative

27. Select Yes or No if short cut accounting is being applied based upon FAS 133
28. Specify if Freestanding or Hedge of a specific asset/liability is being done
29. Enter the related asset/liability account related to the previous statement

Margin Account Information

30. Enter the COA ID number
2-digit Type Code plus 5-digit account number (1012345 for example).
Type Code: 10 - Assets and Interest Income
20 - Liabilities and Interest Expense
30 - Equity
40 - Provision Expense and Non-Interest Income/Expense
31. Select Yes or No if the new account will have margin Impact
YES - The new GL account is an Earning Asset/Liability or Interest Income/Expense account
NO - The new GL account is a Non-Earning Asset/Liability or Non-Interest Income/Expense account. Skip to the Intercompany Account information
32. Select New or Existing if the new account requested is linked to a new or existing margin account
NEW - A margin account currently does not exist in the Chart of Accounts and is required to be opened along with the requested GL account
EXISTING - A margin account currently exists in the Chart of Accounts
33. If **EXISTING**, please specify an existing 5-digit GL Interest Bearing Balance Sheet or Interest Income/Expense account that will be linked to this new GL
If **NEW**, please specify the new 5-digit GL Interest Bearing Balance Sheet or Interest Income/Expense account that will be opened and linked to this new GL
34. Select Yes or No if the new account is an Interest Bearing I/S Account. **YES** - This is an Interest Income/Expense account
NO - This is a Non-interest Income/Expense account
35. Select an Accrual Method from the drop list
If the new account is an Interest Income/Expense account, select a method of interest accrual, otherwise, select "Does not accrue interest"
36. Select Yes or No If the I/S COA ID Is Independent. **YES** - The interest income/expense accounted for by this new I/S GL is related to more than one Interest Bearing Balance Sheet account. Not a one-to-one relationship. (COA ID of the new I/S GL will be 2-digit Type Code plus 5-digit account number - 1059643 for example)
NO - The Interest income/expense accounted by this new GL is directly linked to a unique Interest Bearing Balance Sheet account. A one-to-one relationship. (COA of the new I/S GL will be the same COA of the directly linked unique Balance Sheet account)
37. If yes, please provide the related B/S Parent GL and follow these steps:
(1) Find the existing Interest Income/Expense account next to which the new Interest Income/Expense account will reside under the same common view level (L-8)
(2) Find the Balance Sheet account that links to the existing Interest Income/Expense account identified in Step 1
(3) Input 5-digit GL number of the Balance Sheet account identified in Step 2
38. Click on the 'Validate' button, this will verify Information from MDM to determine if the B/S GL exists

Intercompany Information

39. Select Yes or No if the new account is Intercompany. If no, skip to the Certification Information
40. Determine if the I/C offset is New or Existing

41. Specify the I/C offset account number
42. The I/C Offset GL Description will auto populate after validation if the account is existing
43. The Sub Acct Table and the Sub Acct Table Description will auto populate
44. Select No *only* if this is a self-eliminating account, otherwise, select Yes
45. Select the offsetting company number from the drop list
46. Determine if the I/C Matching Table is New or Existing
47. If existing, select from the drop list. If new, select New and contact GM InterCompany for instructions
48. Check the certification statement at the bottom once all the fields have been completed

49. Click on the 'Attachments' button on the bottom of page 1 to attach the accounting plan to your request, you will not be able to submit your request without an accounting plan
50. Once you click on the 'Attachments' button, you will be taken to the 'Add new attachment' page in Liquid Office
51. Click on the 'Browse' button. The 'Choose File' dialog box will appear
52. Locate the file you would like to attach, click 'Open'
53. Click the 'Add' button to attach your file
54. Your file will appear in the attachments list
55. Repeat steps 49-56 to attach more files if necessary
56. Click on the 'Finish' button, you will be brought back to your GL Maintenance Request form. You will see the number of attachments you just added
57. Once you have completed the form and attached all related files, choose 'Submit' from the drop down list and click on 'Go'

Accounting Plan and Desktop Procedures

The accounting plan provides detailed information regarding the background and the need for the new GL account, how the new GL account will be utilized, the systems that will impact the account, and the GL transaction flow and reconciliation process.

The desktop procedures should give a very detailed explanation of how the account is used, when it is affected, and should include examples of entries that are made to the account. The goal of desktop procedures is to allow anyone to review the procedures and understand how to properly use the account. The Desktop Procedures Template can be referenced for an example. All accounts requested by an owner may use one accounting plan if the accounts are similar and can clearly be covered by that plan. Accounting plans must be maintained by the segment and always support the use of the account. Please refer to the Accounting Plan Policy for further details and instructions about how to complete accounting plans.

Requirements

1. New GL Account Request submittal
2. Accounting Plan and any other supporting documentation
3. All approvals via the Liquid Office approval queues

Timing

In order for New GL Requests to be processed within the month submitted, they must be submitted via the GL Maintenance Form **14 business days before month end by 5:00 p.m.** with all of the required approval documentation from the segment/corporate support. Files that are received after this deadline or requests sent without accounting plan or appropriate approvals will not be processed until the following month. Exceptions to this deadline will usually consist of bank wide system changes such as FCS 5.0 and for the year end maintenance freeze which occurs in December. To view the maintenance deadlines for each month you may refer to the GL Maintenance Calendar on the Corporate Controllers intranet site.

Account requests involving 20 or more new accounts must be received 19 business days before month end due to increased analysis and processing requirements. Any requests submitted after this date will not be processed until the following month. There will be no exceptions. Requests received during a month-end maintenance freeze will be processed in the following month.

From: Falls, Keith
Sent: Monday, August 4, 2008 2:34 PM
To: Im, Noreen <noreen.im@wamu.net>
Cc: St John, Lourdes A. <lourdes.st.john@wamu.net>
Subject: RE: Transfer from Master Note to DDA

Hi Noreen,

On Friday the cash that was put into the DDA account was put back on the master note. We had to hold the \$2 billion as cash over month-end to ensure we passed the QTL test.

The QTL (Qualified Thrift Lender) test is a regulatory test that's performed each month-end. To maintain our OTS bank charter, we're required to hold at least 65% of our "portfolio assets" in "qualified thrift investments". For the test, "portfolio assets" means total assets, minus up to 20% of total assets that are cash and unencumbered securities. "Qualified thrift investments" are mortgage loans, MBS securities and certain other assets. If it doesn't look like we're going to pass the test, we must increase qualified thrift investments, reduce total assets, or increase cash and unencumbered securities (up to the 20% limit).

Co 40's master note receivable with WMB is not a qualified asset for the test. Because it had grown so large, we estimated that we may come within 2 percentage points of not passing the test for Co. 40. Because not passing the test could have severe consequences, we had WMB repay \$2 billion on the master note and WMBfsb put that cash into its DDA account. This helps because it increases cash and unencumbered securities, which reduces the denominator on the test. The test is based on month-end, so we just needed to hold things that way over month-end. We put the cash back into the master note on Friday to minimize FDIC assessments on the large DDA account balance.

Let me know if you have any questions. I know there's several projects in the works to fix the situation at co.40 so we wont be so close on the test each month.

-Keith

Keith Falls
Treasury Analyst
Cash Management
Treasury

Washington Mutual
1301 Second Avenue, WMC1409
Seattle, Washington 98101

206.554.8626 direct, 206.302.4489 fax
keith.falls@wamu.net

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From: St John, Lourdes A.
Sent: Monday, August 04, 2008 11:08 AM
To: Falls, Keith

Cc: Im, Noreen
Subject: FW: Transfer from Master Note to DDA

Hi Keith,

Can you please respond to Noreen. Can you also give us a quick lesson on QTL.

Thanks,
Lulu

From: Im, Noreen
Sent: Monday, August 04, 2008 10:57 AM
To: St John, Lourdes A.
Subject: FW: Transfer from Master Note to DDA

Hi Lulu-

Can you tell me if the \$2B that was moved into Co 40's cash account from the master note will be reversed today? According to Keith Falls, this was supposed to be a temporary transfer to "help the QTL".

Also, can you explain what the QTL is?

Thank you so much-

Noreen Im
Entity Accounting- Corporate Controllers Group
ph (206) 500 3016 fx (206) 377 2077
Mailstop: WMC2401

From: Vasallo, Elenita
Sent: Friday, August 01, 2008 11:46 AM
To: Im, Noreen
Cc: Ryason, Tawnya
Subject: FW: Transfer from Master Note to DDA

FYI

From: St John, Lourdes A.
Sent: Friday, August 01, 2008 11:43 AM
To: Vasallo, Elenita
Subject: FW: Transfer from Master Note to DDA

Here you go. Let me know if you have further question on the money movement. Thanks Ms. Ellen.

From: Noblezada, Yolanda B.
Sent: Thursday, July 31, 2008 1:29 PM

To: Jaeger, Jessica; St John, Lourdes A.
Subject: FW: Transfer from Master Note to DDA

FYI

From: Falls, Keith
Sent: Thursday, July 31, 2008 10:51 AM
To: DL Treasury Cash Management; Noblezada, Yolanda B.; Winder, Brandon J.
Cc: DL Treasury Collateral; Logan, Doreen; Bjorklund, Bob; Stearns, Steve
Subject: Transfer from Master Note to DDA

Hello,

To help with the QTL, we need to move cash from the master note to WMBfsb's DDA account today, and then put it back tomorrow.

On MTS (Rolando/Dennis/Gregg), please send \$2 billion from GL account 45798-9909 on company 2 to DDA account 095-014777-0.

On the GL (Yolanda/Brandon), please post a \$2 billion debit to the cash account 40-10450-9909 and a \$2 billion credit to 40-20601-9909.

Please let me know if you have any questions. We'll do the opposite thing tomorrow. Thank you!

-Keith

Keith Falls
Treasury Analyst
Cash Management
Treasury

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WaMu

MEMORANDUM

DATE: August 14, 2008
TO: Board of Directors of Washington Mutual Bank fsb
FROM: Peter Freilinger, Senior Vice President
RE: Project Fillmore - Decapitalization of WMB fsb

Action Requested: Approve the proposed capital distribution not to exceed \$20 billion from Washington Mutual Bank fsb to Pike Street Holdings.

Summary: Since the execution of Project Jefferson in February 2004, WMB fsb has generated a large amount of excess cash through asset sales, funding transactions and net income. WMB fsb has lent the excess funds to Washington Mutual Bank through a master note arrangement. The master note with WMB is not a qualified thrift asset. In the past WMB fsb had deployed the excess funds on the master note by purchasing loans or securities, in a tax efficient manner, from WMB. The loans or securities are pledged to secure additional funding which then grosses up the balance sheet of WMB fsb. The balance sheet of WMB fsb, since 2004, has grown from approximately \$30 billion to \$47 billion.

We propose to decapitalize WMB fsb by returning \$20 billion of capital to its parent. The \$20 billion will include the master note of approximately \$7 billion, proceeds from \$3.5 billion of Discount Notes and cash generated through additional wholesale deposits and advances from FHLB Seattle. We propose the payment of at least \$10 billion by September 30, 2008 and the remaining \$10 billion through December 2009.

The net balance sheet of WMB fsb will be approximately \$34 billion to \$36 billion after Project Fillmore. The leverage ratio will decrease to 25% from 62%. A well-capitalized institution requires an 8% or higher leverage ratio.

The benefits at the WMB fsb entity level are:

Allows maximization of funding without negatively affecting the QTL

#143508

WM: Confidential Limited Access

Page 2

QTL will be increased to over 90% on a long-term basis

Distribution of excess capital will allow normal balance sheet management

Glossary: Under the Qualified Thrift Lender test, an institution must hold qualified thrift assets equal to at least 65 percent of its portfolio assets. Loans and MBS are qualified thrift assets. The master note between WMB fsb and WMB is not a qualified thrift asset.

Materials Redacted

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