

No. 41160-1-II

COURT OF APPEALS, DIVISION II
OF THE STATE OF WASHINGTON

In the Matter of the ESTATE OF MICHELYN WILLIAMS,
deceased, and
MITCHELL K. WILLIAMS, Personal Representative of
The Estate of Michelyn Williams, deceased,

Appellants [Petitioners],

v.

LORI McPHILLIPS,

Respondent.

10 DEC -9 PM 4:24
STATE OF WASHINGTON
BY _____
DEPUTY

Over the Court
Division II

BRIEF OF RESPONDENT LORI McPHILLIPS

C. Scott Kee
Washington State Bar No. 28173
Attorney for Respondent

Ditlevson Rodgers Dixon, P.S.
324 West Bay Dr NW, Ste. 201
Olympia, WA 98502
(360) 352-8311

ORIGINAL

TABLE OF CONTENTS

I. INTRODUCTION1

II. ASSIGNMENTS OF ERROR1

III. STATEMENT OF THE CASE.....2

IV. SUMMARY OF THE ARGUMENT3

V. ARGUMENT

A. STANDARD OF REVIEW4

**B. WASHINGTON LAW FAVORS THE PRESUMPTION
 OF A JOINT TENANCY ACCOUNT WITH RIGHTS
 OF SURVIVORSHIP..5**

**C. AS A JOINT TENANCY WITH RIGHTS OF
 SURVIVORSHIP ACCOUNT, UPON THE DEATH OF
 THE DECEDENT, LORI MCPHILLIPS BECAME THE
 OWNER OF THE ANY FUNDS HELD IN THE
 ACCOUNT...8**

**D. THE MEMBERSHIP AND ACCOUNT AGREEMENT
 WAS INCORPORATED BY REFERENCE INTO THE
 ALL-IN-ONE ACCOUNT APPLICATION...10**

**E. THE HARBORSTONE ACCOUNT WAS A JOINT
 ACCOUNT WITH RIGHTS OF SURVIVORSHIP
 BECAUSE THE PARTIES AGREED TO HOLD THE
 ACCOUNT AS JOINT TENANTS WITH RIGHTS OF
 SURVIVORSHIP..12**

VI. CONCLUSION15

APPENDIX.....16

TABLE OF AUTHORITIES

Cases

<i>Baker v. Leonard</i> , 120 Wn.2d 538, 843 P.2d 1050 (1993).....	9
<i>Barrie v. Hosts of Am., Inc.</i> , 94 Wn.2d 640, 618 P.2d 96 (1980).....	4
<i>Berg v. Hudesman</i> , 115 Wn.2d 657, 801 P.2d 222 (1990).	13
<i>Black v. Evergreen Land Developers, Inc.</i> , 75 Wn.2d 241, 450 P.2d 470 (1969).....	10
<i>Cahn v. Foster & Marshall, Inc.</i> , 33 Wn. App. 838, 658 P.2d 42 (1983).....	10
<i>Estate of Krappes</i> , 121 Wn. App. 653, 91 P.3d 96 (2004)..	6
<i>Gwinn v. Church of Nazarene</i> , 66 Wn.2d 838, 405 P.2d 602 (1965).....	5
<i>In re Bonness' Estate</i> , 13 Wn. App. 299, 535 P.2d 823 (1975).....	5, 7, 12
<i>In re Estate of Tosh</i> , 83 Wn. App. 158, 920 P.2d 1230 (1996).	5
<i>Kruse v. Hemp</i> , 121 Wash.2d 715, 853 P.2d 1373 (1993).....	4
<i>Lyall v. DeYoung</i> , 42 Wn. App. 252, 711 P.2d 356, 359 (1985)..	10, 11
<i>M.A. Mortenson Co. Inc., v. Timberline Software Corp.</i> , 93 Wn. App. 819, 970 P.2d 803 (1999).....	11
<i>Mackey v. Graham</i> , 99 Wn.2d 572, 576, P.2d 490 (1983).	4
<i>Paradiso v. Drake</i> , 135 Wn. App. 329, 143 P.3d 859 (2006).....	5
<i>Ruff v. County of King</i> , 125 Wn.2d 697, 887 P.2d 886 (1995).	4
<i>Tanner Elec v. Puget Sound</i> , 128 Wn.2d 656, P.2d 1301 (1996).....	13

Statutes

RCWA 5.60.030.....11
RCWA 30.22.090.....6
RCWA 30.22.100.....5, 7, 8, 9

Other Authorities

Restatement (Second) of Contracts § 214.....11

I. INTRODUCTION

The Respondent, Lori McPhillips, and the Appellant, Mitchell Williams, are sister and brother of their deceased mother, Michelyn Williams (hereinafter “the Decedent”), whose estate is currently being probated in Thurston County Superior Court. Mitchell Williams is the Personal Representative of the estate of the Decedent and brings this appeal in his official capacity.

This appeal centers on a joint tenancy bank account with rights of survivorship that was created by the Decedent for the benefit of Lori McPhillips. The Honorable Judge Chris Wickham of Thurston County Superior Court entered an Order Granting Summary Judgment finding that no genuine issue of material fact existed with respect to the ownership and status of the bank account, and that as a matter of law the accounts held by the Decedent at the time of her death were held jointly with rights of survivorship in Lori McPhillips.

II. ASSIGNMENTS OF ERROR

There are no assignments of error from the Thurston County Superior Court’s ruling, therefore the Order Granting Summary Judgment should be affirmed.

//

III. STATEMENT OF THE CASE

[The Respondent, Lori McPhillips, agrees and incorporates the statements regarding the Proceedings in the Superior Court as laid out in the Appellant's, Mitchell Williams, Opening Brief in section IV].

On August 4, 1993, the Decedent executed and signed an "All-in-One Account Application" creating a joint account with Lori McPhillips at McChord Credit Union. CP 13; CP 21; Appellant's Opening Br. App. B. Lori McPhillips was named by the Decedent as a joint owner on the account. CP 18; Appellant's Opening Br. App. B. In the section titled "Membership Information" a notation was added which states "Make Joint." CP 21. On August 10, 1993, Lori McPhillips filled out, and signed as a co-owner, the same application completed by the Decedent regarding the McChord Credit Union account. Appellant's Opening Br. App. B; CP 21.

In 1996, McChord Credit Union changed its name to Harborstone Credit Union. CP 204. At all times material hereto, it was the practice of both McChord Credit Union and Harborstone Credit Union to provide a "Membership and Account Agreement" to all account members. CP 13; CP 178-79; CP 204. The Membership and Account Agreement for both McChord Credit Union and Harborstone Credit Union provides that "[t]his

Membership and Account Agreement (“Agreement”) is the contract of deposit that covers your and our rights and responsibilities concerning membership and accounts offered to you.” CP 207; CP 24.

Section three (3) of the Agreement, titled “Joint Accounts” states in relevant part that, “[a]n account owned by two or more persons is a joint account,” and “[u]nless otherwise stated on the All-in-One Account Application, a joint account is an account with rights or [sic] survivorship.” CP 207-208; CP 24. No changes were made to the ownership status of the account between the time the account was created (1993), and the death of the Decedent (2007). CP 19.

Upon the death of the Decedent, and pursuant to the Account Agreement, Harborstone Credit Union confirmed ownership of the account in Lori McPhillips as the surviving joint tenant. CP 19; CP 29.

IV. SUMMARY OF THE ARGUMENT

The Decedent and Lori McPhillips established and maintained a joint account with rights of survivorship which Lori McPhillips became the sole owner of upon the Decedent’s death pursuant to the parties’ agreement, the account applications, the parties’ actions, and Washington law.

//

V. ARGUMENT

A. STANDARD OF REVIEW.

This appeal is made by Mitchell Williams based on the Order Granting Summary Judgment that was entered by the trial court. “In reviewing a summary judgment order, an appellate court evaluates the matter de novo, performing the same inquiry as the trial court.” *Kruse v. Hemp*, 121 Wash.2d 715, 722, 853 P.2d 1373 (1993).

A motion for summary judgment “may be granted if the pleadings, affidavits, and depositions before the trial court establish that there is no genuine issue of material fact and that as a matter of law the moving party is entitled to judgment.” *Ruff v. County of King*, 125 Wn.2d 697, 703, 887 P.2d 886 (1995). When a motion for summary judgment is supported by evidence, the adverse party may not rest on mere denials or allegations in its pleading, but must present specific facts upon which it relies, demonstrating that a genuine issue of material fact exists; he must affirmatively present the factual evidence upon which he relies. *Mackey v. Graham*, 99 Wn.2d 572, 576, 663 P.2d 490 (1983).

A material fact is of such a nature that it affects the outcome of the litigation. *Barrie v. Hosts of Am. Inc.*, 94 Wn.2d 640, 642, 618 P.2d 96 (1980). Mere disagreement on a factual issue is not alone sufficient to

defeat a summary judgment motion – the fact issue must affect the outcome of the case. *Gwinn v. Church of Nazarene*, 66 Wn.2d 838, 846-47, 405 P.2d 602 (1965).

Summary judgment is appropriate in contract cases where the court finds that the terms of the contract are unambiguous and there is no dispute with respect to the parties' performance or compliance with the contract. Simply put, Washington courts interpret unambiguous contracts as a matter of law. *Paradiso v. Drake*, 135 Wn. App. 329, 334, 143 P.3d 859 (2006).

B. WASHINGTON LAW FAVORS THE PRESUMPTION OF A JOINT TENANCY ACCOUNT WITH RIGHTS OF SURVIVORSHIP.

Washington courts have long followed the presumption that absent clear and convincing evidence to the contrary, joint accounts hold rights of survivorship. *In re Bonness' Estate*, 13 Wn. App. 299, 314, 535 P.2d 823 (1975). “If the account card, **in any manner**, evidences an intention that the account will be owned by the surviving depositor, we think the presumption of survivorship should prevail.” *Id* (emphasis added). When a depositor dies, “the funds remaining on deposit in a joint account with rights of survivorship become the property of the surviving depositor(s).” *In re Estate of Tosh*, 83 Wn. App. 158, 166, 920 P.2d 1230 (1996); RCWA 30.22.100.

The intent of the Decedent and Lori McPhillips is clear as Lori McPhillips is identified as a joint owner on the account application. CP 21. Consequently, Mitchell Williams bears the burden of establishing some contrary intent, which he has failed to do. CP 258-59; *See Appellant's Opening Br.*

Mitchell Williams fails to cite any factual evidence, or legal authority, which would contradict the establishment of a joint account with rights of survivorship. *See Appellant's Opening Br.* Instead, Mitchell Williams focuses on RCWA 30.22.090(2), and *Estate of Krappes*, 121 Wn. App. 653 (2004), each of which deal with ownership of deposited funds *during* the joint owners' lifetimes. *See RCWA 30.22.090(2); Estate of Krappes*, 121 Wn. App. 653, 91 P.3d 96 (2004). Lori McPhillips does not dispute that, during the lifetime of the joint tenants, any funds held in an account are presumed to be owned by the depositor in proportion to their contribution. RCWA 30.22.090. If the joint tenants were asking the Court to divide the account during their respective lifetimes, the relative deposits would become relevant.

However, the only issue on appeal before this Court is whether the account was held as joint tenancy with rights of survivorship. *See*

Appellant's Opening Br. The authority relied upon by Mitchell Williams is inapplicable to the issue raised in the pending appeal.

Washington courts favor the presumption that joint accounts are held with rights of survivorship. *In re Bonness' Estate* at 314. Further, Washington law clearly provides that any funds held in a joint account with rights of survivorship pass to the survivor outside probate unless there is "clear and convincing evidence of a contrary intent at the time the account was created." RCWA 30.22.100(3).

The only evidence submitted in this matter supports Lori McPhillips' position, which was later confirmed by Harborstone, that the account was established and maintained as a joint account with rights of survivorship. Appellant's Opening Br. App. A-B; CP 29; CP 24; CP 208. Accordingly, as the surviving joint tenant, any funds on deposit at the time of the Decedent's death are owned by Lori McPhillips. RCWA 30.22.100(3). Thus, this Court should affirm the decision of the trial court regarding the Order Granting Summary Judgment which finds as a matter of law that the Harborstone account was a joint account with rights of survivorship.

//

//

C. AS A JOINT TENANCY WITH RIGHTS OF SURVIVORSHIP ACCOUNT, UPON THE DEATH OF THE DECEDENT, LORI MCPHILLIPS BECAME THE OWNER OF ANY FUNDS HELD IN THE ACCOUNT.

After the death of one of the depositors, funds remaining in a joint account with rights of survivorship belong to the surviving depositors. RCWA 30.22.100(3). Mitchell Williams erroneously relies on RCW 30.22.090, which governs ownership of funds *during* the lifetime of the joint tenants. Appellants Opening Br. 12. The Superior Court ordered only that the funds held in the account *at the time of the Decedent's death* were held with rights of survivorship. CP 259. The Order is silent as to any claims for funds withdrawn prior to the Decedent's death and the Superior Court does nothing to resolve any disputes in that regard; thus this issue is not on appeal. CP 258-59.

In fact, there is a TEDRA Petition still pending wherein Mitchell Williams is seeking judgment against Lori McPhillips, alleging Lori McPhillips wrongfully obtained funds in the Decedent's account prior to the Decedent's death. That matter remains at issue in the trial court.

Mitchell Williams further attempts to cloud the issue by pointing out language in the second sentence of RCW 30.22.100(3) which clarifies how funds are allocated in the event *there is more than one surviving joint tenant*. Appellant's Opening Br. 10; RCWA 30.22.100(3). As Lori

McPhillips was the only surviving joint tenant, that particular language is inapplicable. The pertinent language lies in the first sentence of RCW 30.22.100 which states:

Funds belonging to a deceased depositor which remain on deposit in a joint account with rights of survivorship **belong to the surviving depositors** unless there is clear and convincing evidence of a contrary intent at the time the account was created.

RCWA 30.22.100(3).

The general rule is that the intention of the parties creating the account or in changing the account from one type to another controls the question of who owns the funds. *Baker v. Leonard*, 120 Wn.2d 538, 545, 843 P.2d 1050 (1993). “Persons who have been named on the account signature card as joint tenants with right of survivorship benefit from the conclusive [now rebuttable, *See* RCW 30.22.100(3)] presumption even though they have not deposited any of their own funds in the account.” *Id.*

There is no evidence, much less clear and convincing evidence, that the intent of the parties was for anything other than an account with rights of survivorship. *See* Appellant’s Opening Br. Mitchell Williams has failed to rebut the presumption of a joint tenancy account with rights of survivorship. *Id.* Consequently, any funds held in the account at the time

of the death of the Decedent belong to Lori McPhillips because the account was a joint tenancy with rights of survivorship.

D. THE MEMBERSHIP AND ACCOUNT AGREEMENT WAS INCORPORATED BY REFERENCE INTO THE ALL-IN-ONE ACCOUNT APPLICATION

The manifest understanding of the parties when creating the Harborstone Credit Union account was that it would be a joint account with rights of survivorship as evidenced by their signatures on the “All-in-One Account Application” and the “Membership and Account Agreement.” Appellant’s Opening Br. App. B. “If the signed writing incorporates other writings by reference, those writings are also part of the contract.” *Cahn v. Foster & Marshall, Inc.*, 33 Wn. App. 838, 841-42, 658 P.2d 42 (1983).

Mitchell Williams erroneously relies on *Black v. Evergreen Land Developers, Inc.*, 75 Wn.2d 241 (1969). See Appellant’s Opening Br. In *Lyall v. DeYoung*, the court stated that:

Black actually stands for the proposition that a boilerplate clause stating that the contract is not modified or affected by other verbal or written agreements of the parties is subject to parol evidence and will not be given effect where it appears that the provision was factually false. The court in *Black* found material parol evidence which showed that outside agreements were relied upon. The Court held those parol agreements should be given effect rather than permit boilerplate to vitiate the manifest understanding of the

parties, finding use of the boilerplate language would otherwise amount to constructive fraud.

Lyall v. DeYoung, 42 Wn. App. 252, 257-258, 711 P.2d 356, 359 (1985).

Even if there was parol evidence demonstrating that the Decedent intended an individual account, the Deadman's statute would bar this oral testimony. RCWA 5.60.030. In any event, Mitchell Williams has failed to produce any evidence warranting that outside agreements were relied upon. *See* Appellant's Opening Br. The pertinent language in the Harborstone Credit Union Account Agreement was plainly and openly stated. CP 24; CP 208; Appellant's Opening Br. App. B. None of the terms were submerged in a sea of fine print, and both the Decedent's and Lori McPhillips' signatures attested to their approval of the terms and conditions in creating this joint account with rights of survivorship. *Id.*

"In determining whether an agreement is integrated, the court may consider evidence of negotiations and circumstances surrounding the formation of the contract. Whether the parties intend a written document to be an integration of their agreement is a question of fact." *M.A. Mortenson Co. Inc., v. Timberline Software Corp*, 93 Wn. App. 819, 827, 970 P.2d 803 (1999), *citing* Restatement (Second) of Contracts § 214.

The only evidence before this Court shows that the signed account application by the Decedent and Lori McPhillips incorporates by reference

the Membership and Account Agreement. Appellant's Opening Br. App.

B. "Section 4. The Account Agreement and Authorization provides that:

[e]ach person who signs this Agreement requests that McChord Credit Union open the account(s) designated, and agrees that the following terms apply to each account: . . . Each account and MCU practices are subject to the terms of . . . checking agreements and disclosure statements . . . and to MCU's bylaws, policies, and practices.

Appellant's Opening Br. App. B.

The Membership and Account Agreement further provides that unless otherwise specified, a joint account is an account with rights of survivorship. CP 24; CP 208. Accordingly, these terms become integrated into the Account Application signed by the Decedent and Lori McPhillips thus making the account one of joint tenancy with rights of survivorship.

E. **THE HARBORSTONE ACCOUNT WAS A JOINT ACCOUNT WITH RIGHTS OF SURVIVORSHIP BECAUSE THE PARTIES AGREED TO HOLD THE ACCOUNT AS JOINT TENANTS WITH RIGHTS OF SURVIVORSHIP.**

Under Washington law, the intention of the depositors controls whether a joint account has rights of survivorship. *In re Bonness' Estate* at 312. "There are many forms by which such survivorship rights may be implicitly expressed." *Id.* When interpreting a contract, the court must determine the intent of the parties by examining the language of the contract read as a whole, the subject matter and objective of the contract,

the circumstances surrounding the making of the contract, the subsequent acts and conduct of the parties to the contract, and the reasonableness of the parties' interpretations. *See Berg v. Hudesman*, 115 Wn.2d 657, 667, 801 P.2d 222 (1990); *Tanner Elec v. Puget Sound*, 128 Wn.2d 656, 674, 911 P.2d 1301 (1996).

In this instance, the best evidence regarding the intent of the depositors is contained within the account application and agreement. CP 18; CP 24; CP 208; Appellant's Opening Br. App. B. The Decedent and Lori McPhillips as co-owners on the account affirmatively stated their intent to be joint tenants. *Id.* Harborstone Credit Union and the joint tenants further agreed that the account would be held with rights of survivorship. *Id.* Each of the account agreements in effect between the Credit Union and the joint tenants explicitly provided that "[u]nless otherwise stated . . . a joint account is an account with rights or [sic] survivorship." *Id.* There is no dispute that the Harborstone account was joint in nature as the account application clearly states it was to be made joint, and the Agreement provides that "[a]n account owned by two or more persons is a joint account." CP 21; CP 164; CP 24; CP 207-208.

From the time the account was opened in 1993 until the Decedent's death in 2007, the parties treated the Harborstone account as a joint

account with rights of survivorship. CP 18-19. For nearly fourteen (14) years, the Decedent and Lori McPhillips maintained this joint account with both of their names being listed as co-owners. Appellant's Opening Br. App. B; CP 18-19.

The agreement between Harborstone Credit Union and the parties was further evidenced by Harborstone's acknowledgment via a letter dated March 18, 2009 confirming the account in dispute was held as a joint account with rights of survivorship. CP 29.

Mitchell Williams attempts to speculate as to what the Decedent and Lori McPhillips may, or may not, have been told, or may, or may not, have intended. *See* Appellant's Opening Br. The facts and record in this case reflect that the Decedent and Lori McPhillips set up a joint account with rights of survivorship, and then jointly maintained that account for fourteen (14) years. CP 18-19; Appellant's Opening Br. App. B.

In lieu of focusing on what actually occurred, Mitchell Williams asks the court to focus on what "could have been done." Appellant's Opening Br. 18. The Appellate Court (much like the trial court) only has the record presented before it, which unequivocally evidences an intent on the part of the Decedent and Lori McPhillips to hold the account jointly with rights of survivorship. Appellant's Opening Br. App. B. There is

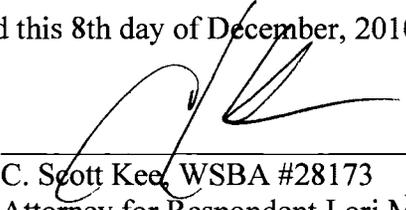
nothing controverting the intent to hold the account with rights of survivorship. Mitchell Williams has failed to offer any evidence indicating an intent on the part of the Decedent or Lori McPhillips to maintain an account without rights of survivorship.

Accordingly, the Superior Court affirmed the parties' agreement by granting the motion for summary judgment and enforcing the expressed desires of the joint tenants, and the explicit terms of the agreement between the Decedent, Lori McPhillips, and Harborstone Credit Union. CP 258-59.

VI. CONCLUSION

The Order Granting Summary Judgment should be affirmed as the account agreement provides that the account was a joint tenancy account with rights of survivorship and Washington law favors the presumption of a joint tenancy account with rights of survivorship.

Respectfully submitted this 8th day of December, 2010.



C. Scott Kee, WSBA #28173
Attorney for Respondent Lori McPhillips

APPENDIX

- A. All-in-One Account Application signed August 4, 1993
and August 10, 1993.....A-1 to A-3
- B. All-in-One Account Application signed June 22, 1993.....B-1 to B-2
- C. McChord Credit Union Membership Guide: Account
and Loan Information.....C-1 to C-3
- D. Membership and Account Agreement with Harborstone
Credit Union.....D-1
- E. Letter from Harborstone Credit Union dated March 18, 2009.....E-1

APPENDIX A

Mr. Ms.
 Mrs. Miss
 Other _____ Name _____
Last (Str./Jr.) First Middle

All-in-One Account Application McChord Credit Union

WILLIAMS, MICHELYN
Last (Str./Jr.) First Middle

New Members: Joining McChord Credit Union requires a \$5 membership fee and savings account ownership.

Current Members: Where requested, provide your complete account number. (See your statement for account number.)

Please print clearly, in ink, and bring or mail to any office.

MEMBERSHIP INFORMATION

Account Number 56444

Street Address _____

City _____ State _____ Zip Code _____

Home Phone () _____ Work Phone () _____

I am eligible to join because I am (please check one):

- part of an active or reserve military unit at McChord Air Force Base
- retired military
- living or working in Lakewood Steilacoom Parkland or Spanaway (and am not eligible to be a member of another local credit union)
- living or working in the greater Pile/Milton area
- a McChord Air Force Base government civilian employee
- a retired government employee living in Pierce County
- a Tacoma Naval and Marine Reserve Center employee
- a relative of a McChord Credit Union member
(relative's name: _____ your relationship: _____)
- other: _____

ACCOUNT OWNERSHIP/BENEFICIARY OPTIONS

The person(s) signing this card agree as follows: (check one)

- Individual:** That the signature on this card is the only authorized signature.
- Joint Tenants With Right of Survivorship:** That all funds in this account are our joint property and are owned by us as joint tenants with right of survivorship. We authorize the credit union to pay all or part of the funds to any of us during our natural lives, or to the surviving owner(s). If there are two or more surviving owners, the account shall continue as a joint account with right of survivorship.
- Joint Trustee:** That we as trustees or the surviving trustee(s) shall hold all funds in this account jointly and in trust for the beneficiary named below. We each have the right to withdraw all or part of the funds in this account for any purpose. Upon death of the surviving trustee(s), the credit union may pay all funds in this account to the beneficiary named below.
- Individual Trustee:** That I will hold all funds in this account in trust for the beneficiary named below. I have the right to withdraw all or part of the funds in this account for any purpose. Upon my death, the credit union may pay all funds in this account to the beneficiary named below.
- Uniform Gift to Minors:** That I hold all funds in this account as custodian for _____ under the Washington Uniform Gift to Minors act.

Name of minor on UGMA account _____ Minor's Social Security Number _____

For All Joint Accounts: Each of the joint owners or trustees appoints each of the others as attorney to endorse all checks or drafts to be cashed or deposited. All shares held by joint owners or trustees may be pledged as collateral by any or all of them.

Beneficiary Designation: I/we designate on _____

Name of Beneficiary _____
Address _____ Relationship _____
as beneficiary of any trust funds. The beneficiary designation is changed by completing a new membership card.

ACCOUNT SELECTION

Savings Account (\$25 minimum deposit and a \$5 membership fee are required.)
Checking Account
McChord Credit Union offers three highly competitive checking accounts. Please check your choice after reviewing the features and benefits of each:

- Interest Plus Checking
- Unlimited Checking
- Jet Set Checking

MCU 1/5-8 Nov 93

ACCOUNT AGREEMENT AND AUTHORIZATION

Each person who signs this Agreement requests that McChord Credit Union open the account(s) designated, and agrees that the following terms apply to each account:
■ McChord Credit Union (MCU) is authorized to recognize any of the signatures subscribed hereto in the payment of funds or the transaction of business.
■ Each account and MCU practices are subject to the terms of The Exchange/ATM card, Money Express, electronic fund transfer, and checking agreements and disclosure statements, to federal and state laws and regulations, and to MCU's bylaws, policies, and practices. If this account becomes inactive, the credit union may impose a charge or cease payment of dividends. The credit union's authority under this agreement can only be changed by written notice. Prior transactions will not be affected by such notice.
■ I/we will pay all applicable charges and follow all of MCU's practices set forth in the enclosed disclosure statements and fee schedule.
■ I/we will abide by all future changes to the terms and charges for my account. I am free to decline such changes by discontinuing the transactions or account to which the changes relate.

OPTIONAL INFORMATION TO HELP US SERVE YOU BETTER

Please complete the following. This information is for confidential credit union use only.
I currently rent own my home. I am a new current member of MCU.
My marital status is: single married separated divorced widowed
Number of children under the age of 18 living with me at this address: _____
Gender: male female
Education level last completed: High School/GED Associate's Degree
 Some College Bachelor's Degree Master's Degree Ph. D./M.D./J.D.
Occupation: _____
My income range is: under \$10,000 \$10,000-15,999 \$16,000-24,999
 \$25,000-34,999 \$35,000-44,999 \$45,000-59,999 Over \$60,000
My total household income range is: Under \$20,000 \$20,000-29,999
 \$30,000-39,999 \$40,000-49,999 \$50,000-59,999 \$60,000-69,999
 \$70,000-79,999 \$80,000-89,999 \$90,000-99,999 Over \$100,000
I am employed: full-time part-time retired not employed

TAXPAYER INFORMATION

The federal government requires McChord Credit Union to obtain a Taxpayer Identification (Social Security or Employer Identification) Number under which MCU will report any interest earned to the Internal Revenue Service.
Social Security or Employer Identification # _____
Unless I indicate that I am subject to backup withholding by checking the box below, by signing this agreement, under penalties of perjury, I certify that: 1) I have not been notified by the IRS that I am subject to backup withholding as a result of failure to report all interest or dividends, or 2) I have been notified by the IRS that I am no longer subject to backup withholding.
 I am subject to backup withholding.

7. IDENTIFICATION SIGNATURES

Member MICHELYN WILLIAMS
Name (print) LORI K. McPHILLIPS
Social Security # 537-82-8066 Birth date 10-7-62
Drivers License # and State MEPHLK 293PG
Mother's Maiden Name Michelyn McCay
I/we agree to conform to MCU's bylaws and amendments and maintain at least five \$5 shares on deposit. I/we have received the disclosures which describe the terms and charges for each account opened with this application. The number shown on this form is my correct Taxpayer Identification Number.
Member Signature Michelyn Williams Date 8-4-93
Joint Owner or X Lori K. McPhillips Date 8-10-93
Joint Owner or LORI
Trustee #2 Signature _____ Date _____
ID Verified _____
Membership Officer Approval _____ Date _____

**All-in-One Account Application
McChord Credit Union**

- Mr. Ms.
 Mrs. Miss
 Other

Name WILLIAMS, MICHELYN
Last (Sr./Jr.) First Middle

- New Members:** Joining McChord Credit Union requires a \$5 membership fee and savings account ownership.
 Current Members: Where requested, provide your complete account number. (See your statement for account number.)

Please print clearly, in ink, and bring or mail to any office.

1. MEMBERSHIP INFORMATION

Account Number 56494
 Street Address _____
 City _____ State _____ Zip Code _____
 Home Phone () _____ Work Phone () _____

I am eligible to join because I am (please check one):

- part of an active or reserve military unit at McChord Air Force Base
 retired military
 living or working in Lakewood Steilacoom Parkland or Spanaway (and am not eligible to be a member of another local credit union)
 living or working in the greater Fife/Milton area
 a McChord Air Force Base government civilian employee
 a retired government employee living in Pierce County
 a Tacoma Naval and Marine Reserve Center employee
 a relative of a McChord Credit Union member
 (relative's name: _____ your relationship: _____)
 other: _____

2. ACCOUNT OWNERSHIP/BENEFICIARY OPTIONS

The person(s) signing this card agree as follows: (check one)

- Individual:** That the signature on this card is the only authorized signature.
 Joint Tenants With Right of Survivorship: That all funds in this account are our joint property and are owned by us as joint tenants with right of survivorship. We authorize the credit union to pay all or part of the funds to any of us during our natural lives, or to the surviving owner(s). If there are two or more surviving owners, the account shall continue as a joint account with right of survivorship.
 Joint Trustee: That we as trustees or the surviving trustee(s) shall hold all funds in this account jointly and in trust for the beneficiary named below. We each have the right to withdraw all or part of the funds in this account for any purpose. Upon death of the surviving trustee(s), the credit union may pay all funds in this account to the beneficiary named below.
 Individual Trustee: That I will hold all funds in this account in trust for the beneficiary named below. I have the right to withdraw all or part of the funds in this account for any purpose. Upon my death, the credit union may pay all funds in this account to the beneficiary named below.
 Uniform Gift to Minors: That I hold all funds in this account as custodian for

Name of minor on UGM account _____ Minor's Social Security Number _____
 under the Washington Uniform Gift to Minors act.

For All Joint Accounts: Each of the joint owners or trustees appoints each of the others as attorney to endorse all checks or drafts to be cashed or deposited. All shares held by joint owners or trustees may be pledged as collateral by any or all of them.

Beneficiary Designation: I / we designate on _____
Date

Name of Beneficiary _____

Address _____ Relationship _____

as beneficiary of any trust funds. The beneficiary designation is changed by completing a new membership card.

3. ACCOUNT SELECTION

Savings Account (\$25 minimum deposit and a \$5 membership fee are required.)

Checking Account

McChord Credit Union offers three highly competitive checking accounts. Please check your choice after reviewing the features and benefits of each:

- Interest Plus Checking Unlimited Checking Jet Set Checking

4. ACCOUNT AGREEMENT AND AUTHORIZATION (NON-TRANSFERABLE)

Each person who signs this Agreement requests that McChord Credit Union open the account(s) designated, and agrees that the following terms apply to each account:

- McChord Credit Union (MCU) is authorized to recognize any of the signatures subscribed hereto in the payment of funds or the transaction of business.
- Each account and MCU practices are subject to the terms of The Exchange/ATM card, Money Express, electronic fund transfer, and checking agreements and disclosure statements, to federal and state laws and regulations, and to MCU's bylaws, policies, and practices. If this account becomes inactive, the credit union may impose a charge or cease payment of dividends. The credit union's authority under this agreement can only be changed by written notice. Prior transactions will not be affected by such notice.
- I/we will pay all applicable charges and follow all of MCU's practices set forth in the enclosed disclosure statements and fee schedule.
- I/we will abide by all future changes to the terms and charges for my account. I am free to decline such changes by discontinuing the transactions or account to which the changes relate.

5. OPTIONAL INFORMATION TO HELP US SERVE YOU BETTER

Please complete the following. This information is for confidential credit union use only.

I currently rent own my home. I am a new current member of MCU.
 My marital status is: single married separated divorced widowed
 Number of children under the age of 18 living with me at this address: _____
 Gender: male female

Education level last completed: High School/GED Associate's Degree
 Some College Bachelor's Degree Master's Degree Ph. D/MD/JD

Occupation: _____

My Income range is: under \$10,000 \$10,000-15,999 \$16,000-24,999
 \$25,000-34,999 \$35,000-44,999 \$45,000-59,999 Over \$60,000

My total household income range is: Under \$20,000 \$20,000-29,999
 \$30,000-39,999 \$40,000-49,999 \$50,000-59,999 \$60,000-69,999
 \$70,000-79,999 \$80,000-89,999 \$90,000-99,999 Over \$100,000

I am employed: full-time part-time retired not employed

6. TAXPAYER INFORMATION

The federal government requires McChord Credit Union to obtain a Taxpayer Identification (Social Security or Employer Identification) Number under which MCU will report any interest earned to the Internal Revenue Service.

Social Security or Employer Identification #

Unless I indicate that I am subject to backup withholding by checking the box below, by signing this agreement, under penalties of perjury, I certify that: 1) I have not been notified by the IRS that I am subject to backup withholding as a result of failure to report all interest or dividends, or 2) I have been notified by the IRS that I am no longer subject to backup withholding.

I am subject to backup withholding.

7. IDENTIFICATION SIGNATURES

Member MICHELYN WILLIAMS
 Name (print) LORI K. McPHILLIPS
 Social Security # 537-82-8066 Birth date 10-7-62
 Drivers License # and State MO PHILK 383 PG
 Mother's Maiden Name Michelyn McCay

I/we agree to conform to MCU's bylaws and amendments and maintain at least five \$5 shares on deposit. I/we have received the disclosures which describe the terms and charges for each account opened with this application. The number shown on this form is my correct Taxpayer Identification Number.

Member Signature Michelyn Williams Date 8-4-93

Joint Owner or Trustee #1 Signature Lori K. McPhillips Date 8-10-93

Joint Owner or Trustee #2 Signature _____ Date _____

ID Verified _____

Membership Officer Approval _____ Date _____

APPENDIX B

All-in-One Account Application
McChord Credit Union

Mr. Ms.
 Mrs. Miss
 Other Name WILLIAMS MICHELYN
 Last (S/L) First Middle

New Members: Joining McChord Credit Union requires a \$5 membership fee and savings account ownership.

Current Members: Where requested, provide your complete account number. (See your statement for account number.)

Please print clearly, in ink, and bring or mail to any office.

MEMBERSHIP INFORMATION

Account Number 5640401

Street Address 1216 160TH ST CT E

City TACOMA State WA Zip Code 98445-237

Home Phone (206-535-0639) Work Phone ()

I am eligible to join because I am (please check one):

- part of an active or reserve military unit at McChord Air Force Base
- retired military
- living or working in Lakewood Steilacoom Parkland or Spanaway (and am not eligible to be a member of another local credit union)
- living or working in the greater Puyallup area
- a McChord Air Force Base government civilian employee
- a retired government employee living in Pierce County
- a Tacoma Naval and Marine Reserve Center employee
- a relative of a McChord Credit Union member (relative's name: _____ your relationship: _____)
- Other _____

ACCOUNT OWNERSHIP/BENEFICIARY OPTIONS

The person(s) signing this card agrees to: (check one)

- Individual: That the person(s) on this card is the only authorized signatory.
- Joint Tenants with Right of Survivorship: That all funds in this account are our joint property and are owned by us as joint tenants with right of survivorship. We authorize the credit union to pay all or part of the funds to any of us during our natural lives, or (if the surviving owner(s) there are two owners) to the surviving owner(s) after our death. If we continue as a joint account with right of survivorship.
- Joint Trustee: That we as trustee or the surviving trustee(s) shall hold all funds in this account jointly and in trust for the beneficiary named below. We each have the right to withdraw all or part of the funds in this account for any purpose. Upon death of the surviving trustee(s), the credit union may pay all funds in this account to the beneficiary named below.
- Individual Trustee: That I will hold all funds in this account in trust for the beneficiary named below. I have the right to withdraw all or part of the funds in this account for any purpose. Upon my death, the credit union may pay all funds in this account to the beneficiary named below.
- Uniform Gift to Minors: That I hold all funds in this account as custodian for _____ under the Washington Uniform Gift to Minors act.

_____ Name of minor on UGMA account _____ Minor's Social Security Number _____ under the Washington Uniform Gift to Minors act.

For All Joint Accounts: Each of the joint owners or trustees appoints each of the others as attorney to endorse all checks or drafts to be cashed or deposited. All shares held by joint owners or trustees may be pledged as collateral by any or all of them.

Beneficiary Designation: I/we designate on 06/22/93

Name of beneficiary _____
 Address _____
 as beneficiary of any trust funds. The beneficiary designation is changed by completing a new membership card.

ACCOUNT SELECTION

Savings Account (\$25 minimum deposit and a \$5 membership fee are required.)

Checking Account

McChord Credit Union offers three highly competitive checking accounts. Please check your choice after reviewing the features and benefits of each:

- Interest Plus Checking
- Unlimited Checking
- Jet-Set Checking

ACCOUNT AGREEMENT AND AUTHORIZATION

Each person who signs this Agreement requests that McChord Credit Union open the account(s) designated, and agrees that the following terms apply to each account:
 ■ McChord Credit Union (MCU) is authorized to recognize any of the signatures subscribed hereto in the payment of funds or the transaction of business.
 ■ Each account and MCU practices are subject to the terms of The Exchange/ATM card, Money Express, electronic fund transfer, and checking agreements and disclosure statements, to federal and state laws and regulations, and to MCU's bylaws, policies, and practices. If this account becomes inactive, the credit union may impose a charge or cease payment of dividends. The credit union's authority under this agreement can only be changed by written notice. Prior transactions will not be affected by such notice.
 ■ I/we will pay all applicable charges and follow all of MCU's practices set forth in the enclosed disclosure statements and fee schedule.
 ■ I/we will abide by all future changes to the terms and charges for my account. I am free to decline such changes by discontinuing the transactions or account to which the changes relate.

OPTIONAL INFORMATION TO HELP US SERVE YOU BETTER

Please complete the following. This information is for confidential credit union use only.

I currently rent own my home. I am a new current member of MCU.
 My marital status is: single married separated divorced widowed
 Number of children under the age of 18 living with me at this address: _____
 Gender: male female
 Education level last completed: High School/GED Associate's Degree
 Some College Bachelor's Degree Master's Degree Ph. D./M.D.
 Occupation: _____
 My income range is: under \$10,000 \$10,000-15,999 \$16,000-24,999
 \$25,000-34,999 \$35,000-44,999 \$45,000-59,999 Over \$60,000
 My total household income range is: Under \$20,000 \$20,000-29,999
 \$30,000-39,999 \$40,000-49,999 \$50,000-59,999 \$60,000-69,999
 \$70,000-79,999 \$80,000-89,999 \$90,000-99,999 Over \$100,000
 I am employed: full-time part-time retired not employed

TAXPAYER INFORMATION

The federal government requires McChord Credit Union to obtain a Taxpayer Identification (Social Security or Employer Identification) Number under which MCU will report any interest earned to the Internal Revenue Service.

Social Security or Employer Identification # 515-30-9580
 Unless I indicate that I am subject to backup withholding by checking the box below, by signing this agreement, under penalties of perjury, I certify that: 1) I have not been notified by the IRS that I am subject to backup withholding as a result of failure to report all interest or dividends, or 2) I have been notified by the IRS that I am no longer subject to backup withholding.
 I am subject to backup withholding.

7. IDENTIFICATION SIGNATURES

Member MICHELYN WILLIAMS
 Name (print) _____
 Social Security # 515-30-9580 Birth date 08/06/37
 Drivers License # and State _____
 Mother's Maiden Name _____
 I/we agree to conform to MCU's bylaws and amendments and maintain at least five \$5 shares on deposit. (We have received the disclosures which describe the terms and charges for each account opened with this application. The number shown on this form is my correct Taxpayer Identification Number.)
 Member Signature Michelyn Williams Date 6-22-93
 Joint Owner or Trustee #1 Signature _____ Date _____
 Joint Owner or Trustee #2 Signature _____ Date _____
 ID Verified TC 2314-KS 36-51
 Membership Officer Approval W. H. Bowering Date 6-22-93

**All-in-One Account Application
McChord Credit Union**

Mr _____ Ms _____
X Mrs _____ Miss _____

Other _____ Name WILLIAMS MICHELYN
Last (Sr./Jr) First Middle

New Members: Joining McChord Credit Union requires a \$5 membership fee and savings account ownership

Current Members: Where requested, provide your complete account number (See your statement for account number)

Please print clearly, in ink, and bring or mail to any office

1. MEMBERSHIP INFORMATION

Account Number 5649401
Street Address 1216 160TH ST CT E
City TACOMA State WA Zip Code 98445-237
Home Phone (206-535-0639) Work Phone ()

I am eligible to join because I am (please check one):

part of an active or reserve military unit at McChord Air Force Base
 retired military

I am subject to backup withholding

7. IDENTIFICATION SIGNATURES

Member MICHELYN WILLIAMS

Name (print) _____

Social Security # 515-30-9580 Birth date 08/06/37

Drivers License # and State _____

Mother's Maiden Name _____

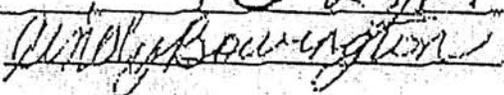
I/we agree to conform to MCU's bylaws and amendments and maintain at least five \$5 shares on deposit. I/we have received the disclosures which describe the terms and charges for each account opened with this application. The number shown on this form is my correct Taxpayer Identification Number

Member Signature  Michelyn Williams Date 6-22-93

Joint Owner or Trustee #1 Signature _____ Date _____

Joint Owner or Trustee #2 Signature _____ Date _____

ID Verified TC 2314-KS 36-51

Membership Officer Approval  Date 6-22-93

APPENDIX C

McChord Credit Union



Main Office
P.O. Box 4207
Tacoma, Washington 98438-0207
(206) 584-2763 • 1-800-634-6506
Within WA: 1-800-523-3641

Lakewood Office
6019 Lake Grove S.W.

McChord AFB Office
Building 530 "A" Street

Fife Office
4210-20th Street East

McChord AFB Office
136 167th Street

*Account
and
Loan
Information*

McChord Credit Union is your full service financial institution with three offices to serve you citywide.

P.O. Box 4207
Tacoma, Washington 98438-0207
(206) 584-2763 or 1-800-634-6506

Lakewood Office
6019 Lake Grove S.W.

McChord AFB Office
Building 530 "A" Street

Fife Office
4210-20th Street East

Spanaway Office
136 167th Street

Accounts

- ~~Share Savings Accounts~~
- ~~Share Draft Checking Accounts~~
- ~~High Yield Savings Accounts~~
- Individual Retirement Accounts (IRA)
- Certificates of Deposit
- IRA Certificates of Deposit
- ~~Christmas Club Savings~~

CONSUMER LOANS

- Cars & Trucks
- Aircrafts
- Motorcycles
- Boats
- Furniture/Appliance/Computer
- Recreational Vehicles
- ~~Mobile Homes~~
- Personal Lines of Credit
- Bill Consolidation

Home Mortgage Loans

- First Mortgages
- Fixed Rate Second Mortgages
- ~~FHA Title I Home Improvement Loans~~
- Home Equity Line of Credit
- ~~United Guaranty Mortgage~~
- ~~Home Improvement Loans for any purpose~~

V A

Credit Cards

- Visa Credit Card
- Visa Cash Advances

check

Cash Cards Exchange

- Visa Rebit Card
- Plus System ATM Card

Insurances

- Credit Life
- Credit Disability
- Homeowners
- Auto
- ~~Dentist's Dental~~
- Accidental Death and Dismemberment

Jet Set Services

- 50 or Better Seniors Program
- Saturday Hours
- Drive Up Window Service
- Night Depository
- Direct Deposit
- Automatic Payment Withdrawals
- American Express Travelers Cheques
- Payroll Deduction
- Bank By Mail
- Wire Transfer of Funds
- Photocopies
- Free Notary Service
- Travelers Express Money Orders

Your Membership and Account Agreement with McChord Credit Union

This Membership and Account Agreement (Agreement) is the contract of deposit which covers your and our rights and responsibilities concerning membership and accounts offered to you. In this Agreement, the words "you" and "yours" mean those who sign the Account Application. The words "we," "us," "our," and "credit union" mean McChord Credit Union. The word "account" means any one or more deposit accounts you have with the credit union.

The classification and form of ownership of your accounts are set forth on your Account Application. By signing the Account Application that is part of the Agreement, each of you, jointly and separately, agree to the terms and conditions in the Agreement, including the Funds Availability Policy, ATM/POS/VISA check card, Money Express Agreement, and the Truth-in-Savings Disclosures (Rate and Fee Schedule) accompanying this Agreement, and any account receipt, and the credit union's bylaws and policies, and any amendments which collectively govern your membership and accounts. You agree that additional accounts and services you request in the future will be governed by this Agreement.



Membership Eligibility

To be eligible for membership in McChord Credit Union, you must be an individual or entity qualifying within the credit union's field of membership and must purchase and maintain at least five shares (the membership share) as required by the credit union's bylaws and pay a membership fee.

You authorize us to check your account, credit and employment history, and obtain a credit report from third parties, including credit reporting agencies, to verify your eligibility for accounts and services.

Individual Accounts.

An individual account is an account owned by one member, including any individual, trust, or other organization qualified for credit union membership. If the account is an individual account, the interest of a deceased individual owner will pass, subject to applicable law, to the descendant's estate or payable on death ("POD") beneficiary.

Joint Accounts.

An account owned by two or more persons is a joint account.

MEMBERSHIP

MEMBERSHIP

For a joint account, with rights of survivorship upon the death of one of the joint account owners, that person's interest will pass to the surviving owners. For a joint account without right of survivorship, the interest of a deceased owner will pass to the descendant's estate. Unless otherwise stated on the Account Application, a joint account is an account with rights or survivorship.

Control of Joint Account

Any joint account owner is authorized and deemed to act for the other joint owner(s) and the credit union may accept orders and instructions regarding the account and requests for future services from any other account owner. Each joint account owner guarantees the signature of the other owner(s). Any account owner may withdraw all funds in the account, stop payment on items drawn on an account, transfer or pledge all or any part of the shares of any account (except the membership share) without the consent of the other account owner(s) and the credit union shall have no duty in such event to notify any other account owner(s). The credit union reserves the right to require written consent of all account owners for a change of ownership or termination of the joint account. If the credit union receives written notice of a dispute between account owners or receives inconsistent instructions from them, the credit union may suspend or terminate the account, require a court order to act or require that all account owners agree in writing to any transaction concerning the account.

Joint Account Owner Liability

If any item deposited in a joint account is returned unpaid or an account is overdrawn, or if we do not receive final payment on any transaction, each of the joint account owners is jointly and separately liable to the credit union for the amount of the returned item, overdraft, or unpaid amount and any charges, regardless of who created the overdraft, deposited or cashed the item or benefited from the transaction. If any account owner is indebted to the credit union, the credit union may enforce its rights against any or all funds in the account regardless of who contributed the funds to the joint account.

Business Days

Our business days are Monday through Friday. Holidays are not included.

Payable On Death/Trust Accounts ^{LIVING}

A Payable on Death (POD) designation or trust account designation is an instruction to the credit union that the account is payable to the owner or owners during their lifetime, and upon the death of the joint account owner, payable to any named and surviving beneficiary designated on your Account Application. Accounts payable to more than one surviving beneficiary are owned jointly by such beneficiaries without right of survivorship. Any POD or trust beneficiary designation shall not apply

... agreement accounts which shall be governed by a separate beneficiary designation. The credit union shall at no time have any obligation to notify any beneficiary of the existence of any account or the vesting of the beneficiary's interest in any account, except as otherwise provided by law.

Minor Accounts

The credit union reserves the right to require all minor accounts to be joint accounts, with parental joint owner(s) who is at least eighteen (18) years of age and shall be jointly and separately liable to the credit union for any returned item, overdraft, or unpaid charges or amounts on such account. The credit union may not authorize minor account withdrawals or any transactions by the minor until the minor reaches age eighteen (18). The credit union may transact account withdrawals directly to the minor without regard to his or her age through the completion of an Account Application designating a joint account. This alone authorizes the credit union to provide payment and access to the account as long as the credit union has had reasonable opportunity to act on the notice. The credit union may and upon request of the minor change the account status when the minor reaches age eighteen (18). The credit union has no duty to inquire of the use or purpose of any transaction by the minor or joint owner.

Living Trust Accounts

An account for a ^{LIVING} living trust is an account held by one or more trustees of a trust for the benefit of one or more beneficiaries. Account eligibility is determined according to the credit union's policy and applicable law. Upon request of the credit union, the trustee shall sign an Account Application and provide any other evidence of the trustee's authority the credit union requires. Trustee warrants that a valid living trust has been created, is currently existing, and that the ~~trustee~~ ^{trustee} and primary beneficiary are eligible for membership in the credit union. The credit union does not act as a trustee and is under no obligation to inquire as to the powers or duties of the trustee(s). The trustee(s) agrees to notify the credit union in writing if a change of trustee occurs. The credit union may withhold payment of funds to any party until proper evidence of authority is provided. The credit union may rely upon the directions of any one trustee until a written notice of revocation of the living trust or an updated Account Application is received. Funds may be released to any one trustee acting alone or with a co-trustee. The trustee(s) agrees to indemnify and hold the credit union harmless of any liability, claim, damage or loss arising as a result of unauthorized acts of any trustee or former trustee or acts of any trustee upon which the credit union relies prior to notice of any account change or revocation of the trust. This Membership and Account Agreement shall be binding on the trust any trustee, successor trustee and beneficiaries. ^{LIVING}

APPENDIX D

Your Membership and Account Agreement with Harborstone Credit Union

This Membership and Account Agreement (Agreement) is the contract of deposit that covers your and our rights and responsibilities concerning membership and accounts offered to you. In this Agreement, the words "you" and "yours" mean those who sign the All-in-One Account Application. The words "we," "us," "our," and "credit union" mean Harborstone Credit Union. The word "account" means any one or more deposit accounts you have with the credit union.

The classification and form of ownership of your accounts are set forth on your All-in-One Account Application. Unless you waive your rights, you understand that certain account designations, such as a joint ownership with right of survivorship or payable on death ("POD") beneficiary may be invalidated upon the credit union's receipt of notice of marriage dissolution or a testamentary disposition, as required by applicable law. By signing the All-in-One Account Application that is part of the Agreement, each of you, jointly and separately, agree to the terms and conditions in the Agreement, including the Funds Availability Policy, ATM/POS/VISA® check card, Money Express™ Agreement, and the Truth-in-Savings Disclosures (Rate and Fee Schedule) accompanying this Agreement, and any account receipt, and the credit union's bylaws and policies, and any amendments that collectively govern your membership and accounts. You agree that additional accounts and services you request in the future will be governed by this Agreement.

I. Membership

1. Membership Eligibility. To be eligible for membership in Harborstone Credit Union, you must be an individual or entity qualifying within the credit union's field of membership and must purchase, maintain at least five shares (the membership share) as required by the credit union's bylaws, and pay a

membership fee. You authorize us to check your account, credit and employment history, and obtain a credit report from third parties, including credit reporting agencies, to verify your eligibility for accounts and services.

2. Individual Accounts. An individual account is an account owned by one member, including any individual, trust, or other organization qualified for credit union membership. If the account is an individual account, the interest of a deceased individual owner will pass, subject to applicable law, to the decedent's estate or payable on death beneficiary.

3. Joint Accounts. An account owned by two or more persons is a joint account.

a. **Rights of Survivorship.** For a joint account, with rights of survivorship upon the death of one of the joint account owners, that person's interest will pass to the surviving owners. For a joint account without right of survivorship, the interest of a deceased owner will pass to the decedent's estate. Unless otherwise stated on the All-in-One Account Application, a joint account is an account with rights of survivorship.

b. **Control of Joint Account.** Any joint account owner is authorized and deemed to act for the other joint owner(s) and the credit union may accept orders and instructions regarding the account and requests for future services from any other account owner. Each joint account owner guarantees the signature of the other owner(s). Any account owner may withdraw all funds in the account, stop payment on items drawn on an account, transfer or pledge all or any part of the shares of any account (except the membership share) without the consent of the other account owner(s) and the credit union shall have no duty in such event to notify any other account owner(s). The credit union reserves the right to require written consent of all account owners for a change of ownership or termination of the joint account. If the credit union receives written notice of a dispute between account owners or receives inconsistent instructions from them, the credit union may suspend or terminate the account, require a court

APPENDIX E

Dream. Plan. Achieve.



March 18, 2009

RE: Michelyn Williams/Lori K McPhillips

To Whom It May Concern:

This is in regards to your request concerning the Harborstone Credit Union Account for **Lori K McPhillips under account number 8675800**. Our records indicate this account as a joint account with Michelyn Williams who also has the right of survivorship according to the signature date August 3, 1992 on file.

For the account in the name of **Michelyn Williams, under account number 5649400**, our records indicate this account as a joint account with Lori McPhillips who has the right of survivorship as joint person according to the signature date of August 4, 1993.

Should you have any question please contact me at 205-584-2260, extension 8213.

Sincerely,

A handwritten signature in cursive script that reads 'D. Dugger'.

D. Dugger
Call Center Representative

No One Takes Better Care of