



July 16, 2013

To the Shareholders of Valley Community Bancshares, Inc.:

We are pleased to announce that effective July 15, 2013, the merger of Valley Community Bancshares, Inc. ("Valley") and its financial institution subsidiary, Valley Bank, with and into Heritage Financial Corporation, and its financial institution subsidiary, Heritage Bank, respectively, was completed.

As a result of the merger, holders of shares of Valley common stock are entitled to receive \$19.50 in cash, without interest, and 1.3611 shares of Heritage common stock, for each share of Valley common stock held by them on the effective time of the merger.

Our records show that you are the owner of Valley common stock. These certificate(s) must be returned in order for you to receive the cash and stock consideration described above. We have enclosed an Exchange Form for this purpose.

To exchange your Valley common stock certificate(s) for the cash and stock consideration you must complete and sign the enclosed Exchange Form (including the Substitute Form W-9 contained therein) in accordance with the accompanying instructions and deliver the completed, signed Exchange Form (including the Substitute Form W-9), along with your Valley common stock certificate(s), to our paying agent, Computershare Trust Company, N.A. ("Computershare"), in the enclosed pre-addressed envelope. If you choose to send these items by U.S. mail rather than other delivery services, we recommend that you use registered mail, properly insured, with return receipt requested. **Do not send stock certificates to Valley Bank, Heritage Bank, Heritage Financial Corporation or any third party other than Computershare.**

Please read carefully the instructions provided in the Exchange Form. We ask that you return your Valley stock certificate(s) as soon as possible.

If you have any questions you may call Computershare at 1-855-396-2084 or in writing at Computershare, Attn: Corporate Actions, 250 Royall Street, Canton, MA 02021.

Sincerely,

A handwritten signature in black ink that reads "B. Vance".

Brian L. Vance
President and Chief Executive Officer
Heritage Financial Corporation