



COMMERCIAL INTERNET BANKING RESOLUTION

Commercial Customer: _____ Account #: _____

I, the undersigned, hereby certify to Heritage Bank that I am the _____
(Title)

and designated keeper of the records and minutes of the Commercial Customer identified above; I have full authority to make the representations set forth in these Resolutions on behalf of the Commercial Customer; and that the following is a true and correct copy of Resolutions duly adopted by the Board of Directors (if a corporation), partners (if a partnership), members/managers (if a limited liability company), proprietor (if a sole proprietorship) or other governing authority of the Commercial Customer at a meeting held on the ____ day of _____, 20____, at which a quorum was present and acting throughout, or adopted by the written consent of those entitled or required to act to bind the Commercial Customer, and that such Resolutions are in full force and effect and have not been amended or rescinded:

Resolved, that the person executing the Commercial Internet Banking Agreement and Enrollment Form is hereby authorized, on behalf of the Commercial Customer and in its name, to execute and deliver said forms, and to thereby bind the Commercial Customer to Heritage Bank’s Commercial Internet Banking Agreement, Automated Clearing House Agreement, and Funds Transfer Agreement (as applicable), as amended from time to time, for the purpose of enabling representatives of the Commercial Customer to obtain account information, perform fund transfers between the Commercial Customer’s account(s), and/or to make payments from the Commercial Customer’s account(s) through the use of the internet banking network according to the terms and conditions of those Agreements.

Resolved, that each person named on the attached Commercial Internet Banking Agreement and Enrollment Form, acting alone, is hereby authorized to act on the Commercial Customer’s behalf in all matters relative to the Commercial Customer’s passwords, including but not limited to the right to (i) establish additional User IDs on the Commercial Customer’s behalf; (ii) terminate or cancel any/all existing User IDs; (iii) change the Commercial Customer’s account(s) associated with User IDs; (iv) change the activity level of an account associated with any User ID; (v) name additional persons who will have maintenance authority over the Commercial Customer’s User IDs; (vi) terminate the authority of any person with maintenance authority over the Commercial Customer’s User IDs; or (vii) execute and deliver amended or additional agreements with Heritage Bank regarding commercial internet banking services.

Resolved, that the foregoing Resolutions shall remain in full force and effect and the authority herein given to all of said persons shall remain irrevocable as far as Heritage Bank is concerned until three (3) business days after Heritage Bank is notified in writing of the revocation of such authority and that receipt of such notice shall not affect any action taken by Heritage Bank prior thereto.

Resolved, that this authorization supersedes any contrary provision in any resolution, signature card or other document currently on file with Heritage Bank that limits authority over any specific account or over the Commercial Customer’s accounts. This authorization shall remain in force and effect notwithstanding any subsequent change in such specific or general account resolution, signature card or related documentation.

In Witness Whereof, and intending to bind the Commercial Customer, I have hereunto subscribed my name as of the date set forth below.

Secretary / Assistant Secretary, or other
Appropriate authorized representative

Date: _____



COMMERCIAL INTERNET BANKING AGREEMENT AND ENROLLMENT FORM

By executing this Commercial Internet Banking Agreement and Enrollment Form (the “Agreement”), the Commercial Customer of Heritage Bank (referred to as “you” or “yours”) agrees to the following terms and conditions of enrollment in the Internet banking network maintained by Heritage Bank:

1. AVAILABLE SERVICES

You request the following services of Heritage Bank through its Internet banking network:

- | | |
|---|--|
| <input type="checkbox"/> Balance inquiry | <input type="checkbox"/> Bill Payment |
| <input type="checkbox"/> Transfer of funds between accounts | <input type="checkbox"/> Wire Transfers
(Requires Attachment 1) |
| <input type="checkbox"/> Stop payment initiation | <input type="checkbox"/> Automated Clearing House
(Requires Attachment 2) |
| <input type="checkbox"/> Check copy request | |
| <input type="checkbox"/> Access to various reports | |

You agree to pay the following fees for such services: \$12.00 base fee (this includes the first 10 accounts; each additional account is \$3.00), \$13.00 Wire Transfers capability, \$25.00 Automated Clearing House capability fee (this includes the first 100 items; each additional item is \$.06). Our fees do not include, and you are solely responsible for payment of, any sales, use, excise, value added, utility, or other similar taxes relating to the services provided for in this Agreement. We may change the fees schedule from time to time after thirty (30) days written notice to you.

2. NEW SERVICES

We may make new services using our Internet banking network available to you from time to time in the future. By using such new services as they become available, you agree to be bound by the terms and conditions contained in this Agreement. Notification of the availability of such new services will be made on Heritage Bank’s website: www.heritagebankwa.com.

3. PERSONAL IDENTIFICATION NUMBER SECURITY

After you have completed the forms Heritage Bank requires and you have selected a user identification name (“User ID”) and a personal identification number (“PIN”) for access to the internet banking network, you will be solely responsible for any use of your internet banking User ID and PIN, whether authorized by you or not. You are responsible for implementing and maintaining security procedures and safeguards to prevent unauthorized use of your User ID and PIN. You and your Primary Administrator (as identified in this Agreement) are solely responsible for managing the addition or deletion of any of your authorized users of the internet banking system with access to your User ID and PIN. You authorize Heritage Bank to act on all instructions received under your User ID and PIN. Heritage Bank will rely on instructions received under your User ID and PIN, and will have no duty to further verify the identity of any internet banking system user accessing our internet banking network using your User ID and PIN. You agree that Heritage Bank is not responsible for any damages you may incur as a result of instructions Heritage Bank receives from a user using your User ID and PIN.

You also agree to be liable for any account shortage resulting from charges or overdrafts, whether caused by you or a user with your User ID and PIN. This includes liability for Heritage Bank’s costs to collect the deficit including reasonable attorneys’ fees. You will also be responsible for any account service charges such as overdraft charges resulting from your use or the use of anyone accessing our Internet banking system using your User ID and PIN. These account service charges may be deducted from your account. A schedule of account service charges is available at any branch. Heritage Bank reserves the right to change the account service charges and other fees applicable to your accounts.

4. REASONABLE TIME

You will allow Heritage Bank a reasonable time in which to complete your enrollment after you submit the necessary forms, including your Commercial Internet Banking Resolution, this Agreement, and where applicable the Automated Clearing House (ACH) Agreement and/or the Funds Transfer Agreement. You will allow Heritage Bank a reasonable time in which to process any service requests you make through the Internet banking network.

5. NOTICES AND STATEMENTS

The periodic statement issued by Heritage Bank for your accounts will reflect the activities resulting from instructions received using your User ID and PIN. We are not required to and will not provide you any other notice of such activities. You agree to notify us within a reasonable time (not to exceed thirty (30) days after you receive a periodic statement) of any discrepancy between your records and the information in the periodic statement. If you fail to notify us of any such discrepancy within such thirty (30) day period, we will not be liable for any other losses resulting from your failure to give such notice or any loss of interest with respect to activities shown on such periodic statement. If you fail to notify us of any discrepancy within one year of receipt of the periodic statement, you are precluded from asserting such discrepancy against Heritage Bank. You will be deemed to have received any notification or periodic statement on the earlier of the date you actually received it or five days from the date we sent it to you.

6. REVIEW

Heritage Bank has the right to monitor and review all banking activity conducted on its Internet banking system. Any such review, however, does not change the rights or obligations of either of us as described in this Agreement.

7. LIMITATIONS ON LIABILITY AND DAMAGES

- (a) Heritage Bank IS RESPONSIBLE ONLY FOR PERFORMING THE SERVICES EXPRESSLY PROVIDED FOR IN THIS AGREEMENT AND SHALL BE LIABLE TO YOU ONLY FOR WE FAIL TO USE REASONABLE CARE AND GOOD FAITH IN PERFORMING THOSE SERVICES.
- (b) Heritage Bank IS NOT LIABLE TO YOU OR RESPONSIBLE FOR ANY FAILURE TO PROCESS ANY INSTRUCTION PROVIDED WE ACT WITH REASONABLE CARE AND IN GOOD FAITH. HERITAGE BANK IS NOT LIABLE TO YOU OR RESPONSIBLE FOR ANY ERROR OR DELAY ON THE PART OF ANY THIRD PARTY, INCLUDING THIRD PARTIES USED BY US TO EXECUTE YOUR INSTRUCTIONS OR PERFORM ANY RELATED ACT. WE ARE ALSO NOT LIABLE TO YOU OR RESPONSIBLE FOR ANY ERROR OR DELAY IN EXECUTING ANY INSTRUCTION OR PERFORMING A RELATED ACT DUE TO ANY CAUSE OTHER THAN OUR OWN FAILURE TO EXERCISE REASONABLE CARE.
- (c) Heritage Bank IS NOT RESPONSIBLE FOR YOUR ACTS OR OMISSIONS, INCLUDING ANY ERRORS YOU MAKE IN THE AMOUNT, ACCURACY, OR TIMELINESS OF ANY INSTRUCTION. YOU ARE SOLELY RESPONSIBLE FOR THE DUE AUTHORIZATION OF ANY INSTRUCTION WE RECEIVE FROM ANY PERSON USING YOUR USER ID AND PIN. WE ARE NOT LIABLE TO YOU OR RESPONSIBLE FOR ANY IMPROPER OR UNAUTHORIZED USE OF THE SERVICES
- (d) Heritage Bank IS NOT LIABLE TO YOU OR RESPONSIBLE FOR A FAILURE OR DELAY IN PERFORMANCE OF SERVICES UNDER THIS AGREEMENT WHEN SUCH FAILURE OR DELAY IS DUE TO ANY LEGAL CONSTRAINT, EMERGENCY CONDITIONS, ACT OF GOD, NATURAL DISASTER, FIRE, FLOOD, STORM, STRIKE, LABOR UNREST, WAR, RIOT, POWER FAILURE, INTERRUPTION OF TRANSMISSION OR COMMUNICATION FACILITIES, EQUIPMENT FAILURE OR ANY OTHER CAUSE BEYOND OUR REASONABLE CONTROL.
- (e) Heritage Bank IS NOT LIABLE TO YOU OR RESPONSIBLE FOR ERRORS IN TRANSMISSION OF INSTRUCTIONS ACROSS THE INTERNET.
- (f) Heritage Bank IS NOT LIABLE TO YOU OR RESPONSIBLE FOR ANY LOSS, PROPERTY DAMAGE OR BODILY INJURY CAUSED BY ANY EQUIPMENT, SOFTWARE, INTERNET BROWSER OR INTERNET SERVICE PROVIDER YOU USE TO ACCESS OUR INTERNET BANKING NETWORK.
- (g) Heritage Bank's LIABILITY, IF ANY, SHALL BE LIMITED TO GENERAL MONETARY DAMAGES NOT TO EXCEED THE INTEREST ON THE AMOUNT TRANSFERRED OR THE AMOUNT WHICH WAS DELAYED, WHICHEVER IS APPLICABLE, FROM THE BUSINESS DAY OF RECEIPT OF AN INSTRUCTION UNTIL WE EXECUTED THAT INSTRUCTION. IN THE EVENT OF A TRANSFER OF AN ERRONEOUS AMOUNT, OUR LIABILITY WILL BE LIMITED TO A REFUND OF THE AMOUNT TRANSFERRED IN ERROR, PLUS INTEREST FROM THE DATE OF THE TRANSFER UNTIL THE DATE OF THE REFUND, BUT NOT TO EXCEED SIXTY DAYS.

- (h) IN NO EVENT SHALL Heritage Bank BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL, SPECIAL, PUNITIVE OR INDIRECT LOSS OR DAMAGE WHICH YOU MAY INCUR OR SUFFER IN CONNECTION WITH THIS AGREEMENT, EVEN IF Heritage Bank HAVE BEEN ADVISED OF THE POSSIBILITY THEREOF, INCLUDING WITHOUT LIMITATION, LOSS OR DAMAGE FROM SUBSEQUENT WRONGFUL DISHONOR RESULTING FROM Heritage Bank's ACTS OR OMISSIONS PURSUANT TO THIS AGREEMENT, AND INCLUDING ATTORNEY FEES OR COSTS.

8. INDEMNITY

You agree to indemnify and hold Heritage Bank and our officers, directors, employees, agents, representatives, insurers and assigns harmless from and against any and all claims, damages, losses, expenses, demands, penalties and suits (including without limitation, attorneys' fees, court costs and other litigation-related expenses) of any person or entity in any way related to or arising out of or from:

- (a) Failure to maintain the confidentiality of your account information, User IDs and PINs;
- (b) Except for access caused by wrongful conduct of Heritage Bank, any access to your accounts by a person (i) who has not been entrusted at any time to act for you with respect to our internet banking network, or (ii) who obtained access to your account information, User IDs and PINs or (iii) who obtained, from a source controlled by you information facilitating breach of your security procedures, regardless of how the information was obtained;
- (c) Any error with respect to your instructions, including, but not limited to, an error with respect to the amount subject to your instruction, the identity of the recipient, the account number or other identifying number of the recipient, or a duplicate instruction;
- (d) Any error in transmission across the internet;
- (e) Any violation by you or your authorized representative of any applicable Federal, State or local law, rule, order, regulation or ordinance relating to the services;
- (f) Misconduct by any of your officers, employees and agents, if any, including any deliberate acts of vandalism, theft or embezzlement;
- (g) Your breach of any provision of this Agreement or other agreements with Heritage Bank;
- (h) Any other act or omission by you, your authorized representative or any other person other than Heritage Bank.

9. TRANSFERS FROM SAVINGS ACCOUNTS

In connection with any of your savings accounts, during the period of any periodic statement you may not make more than six (6) withdrawals from your savings account or transfers from your savings account to another financial institution account of yours or to a third party by means of pre-authorized or automatic transfer or telephone order or other instruction including our internet banking network. No more than three (3) of the six (6) transfers to a third party may be made by check, draft, debit card or similar order. If you exceed these transfer limitations, Heritage Bank may close your savings account or transfer your savings account balance to a transaction account. There is no limit on the number of savings account transactions you may make in transfers to any loan account with Heritage Bank, or by transfers to another financial institution account of yours or withdrawals when such transfer or withdrawal is initiated in person, by mail, or at an ATM.

10. INTEREST

If we become liable to you for interest compensation under this Agreement or applicable law, the interest will be calculated on the basis of the average Federal Funds rate at the Federal Reserve Bank of San Francisco for each day of the period involved computed on the basis of a 365-day year and will be paid to you (1) by direct payment of cash, or (2) by providing a balance earnings credit to your account with us.

11. GOVERNING LAWS

This Agreement will be governed by and interpreted in accordance with federal law and regulation, and to the extent no such applicable federal law or regulation exists, by the laws of the State of Washington.

12. ENTIRE AGREEMENT

This Agreement, together with any account agreements and account disclosure statements and (where applicable) the Automated Clearing House (ACH) Agreement and/or the Funds Transfer Agreement, are the complete and exclusive statement of the final agreement between you and Heritage Bank with respect to our internet banking network, and this Agreement supersedes any prior negotiations, representations and agreement between us with respect this network. This Agreement may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements between us. There are no unwritten oral agreements between us.

13. ASSIGNMENTS

You may not assign this Agreement or any of the rights or duties under this Agreement to any person without our prior written consent. Heritage Bank may assign this Agreement or subcontract any services to be performed under this Agreement.

14. BINDING AGREEMENT AND BENEFIT

This Agreement shall be binding upon and inure to the benefit of you and Heritage Bank, our respective legal representatives, successors, and permitted assigns. This Agreement is not for the benefit of any other person, and no other person shall have any right against Heritage Bank or you under this Agreement.

15. WAIVER

No waiver of any provision of this Agreement shall be binding unless such waiver is in writing and signed by the party alleged to have waived such provision. No failure or delay by either of us in exercising any right, power or remedy under this Agreement will operate as a waiver of any such right, power or remedy. Any waiver by us of any default shall not operate as a waiver of any other default.

16. ARBITRATION

Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be resolved by arbitration in accordance with the provisions of R.C.W. Chapter 7.04, and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction over the parties.

17. ATTORNEY FEES

In the event of a dispute between any of the parties to this Agreement, the losing party shall pay the prevailing party reasonable attorneys' fees, costs of litigation, arbitration, mediation, or other dispute resolution process, costs of investigation, and costs of appeal.

18. AMENDMENT

Heritage Bank may amend any part of this Agreement, including any schedule hereto, from time to time after 30 days written notice to you.

19. TERMINATION

Heritage Bank reserves the right to discontinue the Internet banking network or any of the services described in this Agreement. You or Heritage Bank may terminate this Agreement at any time by giving written notice to the other party. Notwithstanding such termination, this Agreement shall remain in force and effect as to all transactions that shall have occurred prior to the date of termination.

20. OFAC

The U.S. Treasury Department's Office of Foreign Assets Control (OFAC) administers economic sanctions and embargo programs that require that assets and transactions involving the interests of target countries, target country nationals, and other specifically identified companies and individuals ("blocked parties") be frozen. All of the programs administered by OFAC involve declarations of national emergency by the President of the United States.

Like other payment mechanisms, the internet banking network is subject to compliance with OFAC regulations. All U.S. citizens and permanent resident aliens, companies located in the U.S., overseas branches of U.S. companies, and, in some cases, overseas subsidiaries of U.S. companies come under OFAC jurisdiction. This means that you need to be aware that you may be held accountable for violations of OFAC sanctions and must understand your compliance obligations.

You must be aware that you are subject to applicable U.S. law when initiating transaction using our Internet banking network. This includes, among other things, that you must not violate OFAC-enforced sanctions, and that you are not acting on behalf of, or transmitting funds to or from, any party subject to such sanctions. You should be aware that you will be held to an obligation to transact only lawful activities under this Agreement. You are strongly encouraged to obtain Specially Designated National (SDN) and other compliance information directly from OFAC. OFAC's Compliance web site <http://www.ofacompliance.com/>

21. CONFIDENTIALITY

You agree that you will have access to certain confidential information regarding our execution of Entries, the Security Procedures and the services contemplated by this Agreement. You will not disclose any such confidential information to third parties without our written consent.

CUSTOMER

Heritage Bank

By: _____

By: _____

Signature: _____

Signature: _____

Title: _____

Title: _____

Date: _____

Date: _____

ENROLLMENT FORM

This Enrollment Form is part of this Agreement regarding your use of Heritage Bank’s Internet banking network.

APPOINTMENT OF PRIMARY ADMINISTRATORS:

You hereby appoint, and Heritage Bank is hereby authorized to establish and issue separate User IDs and initial PINs (which may be changed upon initial access to the financial institution’s internet banking network) for the following Primary Administrator who have maintenance authority over your User IDs.

Name: _____

Fax Number: _____

Title: _____

E-mail: _____

Telephone: _____

AUTHORIZATION TO ISSUE USER IDS:

At the direction of the person named above as your Primary Administrator, or at the direction of any person named as your Primary Administrator in the future, you hereby authorize Heritage Bank to issue one or more User IDs and initial PIN for use with Heritage Bank’s internet banking network, as set forth in this Agreement.

ACKNOWLEDGMENT: By signing below, you acknowledge receipt of and agreement to be bound by the terms of this Agreement and this Enrollment Form.

Commercial Customer Name: _____

Name: _____

Phone: _____

Signature: _____

Date: _____

Title: _____

The following Bank account numbers to be set up on Cash Manager Online, (first 10 included in \$12.00 fee each additional account is \$3.00 per account).

