

SENNA JAMES P  
Form 4  
February 28, 2007

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

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**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
SENNA JAMES P

2. Issuer Name and Ticker or Trading Symbol  
HERITAGE FINANCIAL CORP  
/WA/ [HFWA]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)  
02/28/2007

Director  10% Owner  
 Officer (give title below)  Other (specify below)

PO BOX 1578

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

OLYMPIA, WA 98507

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V	Amount or Price		
Common Stock	02/28/2007	02/28/2007	M		1,260 A \$ 9.67	77,590	D
Common Stock	02/28/2007	02/28/2007	M		420 A \$ 8.1	78,010	D
Common Stock	02/28/2007	02/28/2007	M		840 A \$ 7.44	78,850	D
Common Stock	02/28/2007	02/28/2007	M		1,575 A \$ 11.67	80,425	D
Common Stock	02/28/2007	02/28/2007	M		1,575 A \$ 20.36	82,000	D

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Common Stock	02/28/2007	02/28/2007	M	1,050	A	\$ 20.1	83,050	D
Common Stock	02/28/2007	02/28/2007	M	525	A	\$ 20.5	83,575	D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Security (Instr. 3 and 4)	Amount or Number of Shares
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	
Non-Qualified Stock Option (right to buy)	\$ 7.44	02/28/2007	02/28/2007	M	840	04/27/2001	04/27/2008	Common Stock	840
Non-Qualified Stock Option (right to buy)	\$ 8.1	02/28/2007	02/28/2007	M	420	04/27/2000	04/27/2007	Common Stock	420
Non-Qualified Stock Option (right to buy)	\$ 9.67	02/28/2007	02/28/2007	M	1,260	03/27/2002	03/27/2009	Common Stock	1,260
Non-Qualified Stock Option (right to buy)	\$ 11.67	02/28/2007	02/28/2007	M	1,575	02/19/2003	02/19/2008	Common Stock	1,575
Non-Qualified Stock Option (right to buy)	\$ 20.1	02/28/2007	02/28/2007	M	1,050	03/18/2005	03/18/2012	Common Stock	1,050
Non-Qualified Stock Option (right to buy)	\$ 20.36	02/28/2007	02/28/2007	M	1,575	03/20/2004	03/20/2011	Common Stock	1,575
Non-Qualified Stock Option	\$ 20.5	02/28/2007	02/28/2007	M	525	02/17/2006	02/17/2011	Common Stock	525

(right to buy)

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SENNA JAMES P PO BOX 1578 OLYMPIA, WA 98507	X			

## Signatures

James P. Senna 02/28/2007  
\*\*Signature of Reporting Person Date

Edward D. Cameron for James P. Senna 02/28/2007  
\*\*Signature of Reporting Person Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.