

HERITAGE FINANCIAL CORP /WA/
Form 4
April 04, 2006

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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 *
RHODES DONALD V

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)
PO BOX 1578

(Street)

3. Date of Earliest Transaction (Month/Day/Year)
04/03/2006

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Chairman, Pres. and CEO

OLYMPIA, WA 98507

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

(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	(A) or (D)	Price		
Common Stock	04/03/2006	04/03/2006	M		7,140	A	\$ 10.6	375,215	D
Common Stock	04/03/2006	04/03/2006	M		7,140	A	\$ 8.04	382,355	D
Common Stock	04/03/2006	04/03/2006	M		5,250	A	\$ 9.29	387,605	D

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control

SEC 1474 (9-02)

number.

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 Securities (Instr. 3 and 4)	8. Amount or Number of Shares
Incentive Stock Option (right to buy)	\$ 8.04	04/03/2006	04/03/2006	M	7,140	11/19/2001 11/19/2006	Common Stock	7,140
Incentive Stock Option (right to buy)	\$ 9.29	04/03/2006	04/03/2006	M	5,250	11/17/2001 11/17/2006	Common Stock	5,250
Incentive Stock Option (right to buy)	\$ 10.6	04/03/2006	04/03/2006	M	7,140	11/19/2001 11/19/2006	Common Stock	7,140

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
RHODES DONALD V PO BOX 1578 OLYMPIA, WA 98507			Chairman, Pres. and CEO	

Signatures

Donald V. Rhodes 04/03/2006
 **Signature of Reporting Person Date
 Edward D. Cameron for Donald V. Rhodes 04/03/2006

__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.