

Conlon Christopher  
Form 4  
November 28, 2012

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287  
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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 \*  
Conlon Christopher

2. Issuer Name and Ticker or Trading Symbol  
ACADIA REALTY TRUST [AKR]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)  
11/26/2012

\_\_\_ Director \_\_\_ 10% Owner  
 Officer (give title below) \_\_\_ Other (specify below)  
Senior Vice President

C/O ACADIA REALTY TRUST, 1311 MAMARONECK AVENUE, SUITE 260

(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

WHITE PLAINS, NY 10605

(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 Shares of Beneficial Interest - \$.001 Par Value	11/26/2012		C		8,000 <sup>(1)</sup>	A	<u>(1)</u> 8,000 <sup>(2)</sup>

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)	Amount or Number of Shares	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	
Limited Partnership Units	(1)	11/26/2012		C		8,000	(1) (1)	Operating Partnership Units (1)	8,000
Operating Partnership Units	(1)	11/26/2012		C		8,000	(1) (1)	Common Shares (1)	8,000
Operating Partnership Units	(1)	11/26/2012		C		8,000	(1) (1)	Common Shares	8,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Conlon Christopher C/O ACADIA REALTY TRUST 1311 MAMARONECK AVENUE, SUITE 260 WHITE PLAINS, NY 10605			Senior Vice President	

## Signatures

Christopher  
Conlon 11/28/2012

\*\*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).

(1) These limited partnership units ("LTIP Units") in Acadia Realty Limited Partnership ("ARLP") represent a portion of the LTIPs that were granted to Mr. Conlon on March of 2009, 2010 and 2011, which vested in accordance with the terms of each grant. The LTIPs are exchangeable on a 1:1 basis for common operating partnership units of Acadia Realty Operating Partnership ("OP Units") which, in turn, are exchangeable on a 1:1 basis for common shares of beneficial interest of Acadia Realty Trust. There is no expiration date for the conversion of LTIP Units or OP Units.

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- (2) This number represents the total number of common shares held by Mr. Conlon.
- (3) This number represents the total number of LTIPs held by Mr. Conlon following the conversion of 8,000 LTIPs to OP Units, as reported in this Form 4.
- (4) This number represents the total number of OP Units held by Mr. Conlon after the conversion of 8,000 LTIPs to OP Units, as reported on this Form 4.
- (5) This number represents the total number of OP Units held by Mr. Conlon after the conversion of 8,000 OP Units into an equal number of Common Shares, as reported on this Form 4.

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. td>

8.2

195

65

0.21

Bank of Marin Bancorp

Novato, CA

BMRC

2,101

391

63.4

168

17.4

19.6

18.1

1.8

27.2

58

3.92

1.09

10.1

11.1

314

81

0.92

High

5,443

1,483

-

317

24.1

24.4

23.3

2.9

80.1

66

4.19

1.31

14.3

11.1

Explanation of Responses:

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656  
111  
0.92

Low  
2,101  
391  
-  
168  
16.9  
16.5  
14.5  
0.0  
20.1  
38  
3.08  
0.78  
9.2  
7.9  
76  
28  
0.21

Mean  
4,043  
821  
-  
222  
19.8  
18.9  
16.9  
2.0  
36.2  
56  
3.65  
1.08  
11.7  
9.3  
290  
77  
0.47

Median  
4,108  
836  
-  
196  
19.6  
18.4  
15.9  
2.1

Explanation of Responses:

29.8  
57  
3.76  
1.11  
11.1  
9.1  
291  
78  
0.42

Heritage (as of 6/30/2017)<sup>2</sup>

3,991  
799  
26.7  
213  
19.1  
20.1  
18.2  
1.9  
54.9  
65  
3.92  
1.09  
11.7  
9.7  
242  
84  
0.29

Note(s):

1: Financial information as of March 31, 2017

2: 2017e EPS do not include impact of Q2 results which include non-recurring gain on sale of "other loans" equaling approximately \$3.0mm in pretax proceeds or \$0.06 in EPS

Price/ EPS less than 0.0x is considered not meaningful, "nm"

Source: SNL Financial; Excludes merger targets

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The disclosure under the heading "THE MERGER—Opinion of Puget Sound's Financial Advisor—Heritage Net Present Value Analyses" is hereby supplemented by deleting the first sentence of this section starting on page 44 of the proxy statement/prospectus and replacing it with the following:

Sandler O'Neill performed an analysis that estimated the net present value per share of Heritage common shares assuming that Heritage performed in accordance with publicly available consensus mean analyst earnings per share estimates for the years ending December 31, 2017 and December 31, 2018, or \$1.40 and \$1.49, respectively, as well as an estimated long-term annual earnings per share growth rate and dividend payout ratio for Heritage for the years thereafter, as directed by the senior management of Heritage and their representatives. See "—Certain unaudited prospective financial information of Heritage."

The disclosure under the heading "THE MERGER—Opinion of Puget Sound's Financial Advisor—Heritage Net Present Value Analyses" is hereby supplemented by adding the following sentence after the sentence following the number 245% on page 45 of the proxy statement/prospectus:

Sandler O'Neill selected these price to earnings and tangible book value multiples based on Sandler O'Neill's review of, among other matters, the trading multiples of selected companies that Sandler O'Neill deemed to be comparable to Heritage.

The disclosure under the heading "THE MERGER—Opinion of Puget Sound's Financial Advisor—Heritage Net Present Value Analyses" is hereby supplemented by adding the following table after the Earnings Per Share Multiples chart on page 46 of the proxy statement/prospectus:

The following table describes the discount rate calculation for Heritage common stock prepared by Sandler O'Neill. In its normal course of business, Sandler O'Neill employs the Duff & Phelps valuation handbook in determining an appropriate discount rate in which the discount rate equals the sum of the risk free rate plus the product of the two year beta of the relevant company's common stock and the equity risk premium. Since this formulation utilizes a two year beta it does not use a size premium.

Risk Free Rate	2.33%	Based on Normalized 10yr US Treasury
2 Year Beta of Stock	95.7%	Per Bloomberg
Equity Risk Premium	5.86%	Per Duff & Phelps 2016 Valuation Handbook
Discount Rate	7.94%	

The disclosure under the heading "THE MERGER—Opinion of Puget Sound's Financial Advisor—Pro Forma Merger Analysis" is hereby supplemented by deleting the first sentence of this section on page 46 of the proxy statement/prospectus and replacing it with the following:

Sandler O'Neill analyzed certain potential pro forma effects of the merger. In performing this analysis, Sandler O'Neill utilized the following information and assumptions: (i) the merger closes on December 31, 2017; (ii) certain internal financial projections for Puget Sound for the years ending December 31, 2017 through December 31, 2019 and a long-term earnings per share growth rate, as provided by the senior management of Puget Sound, See "—Certain unaudited prospective financial information of Puget Sound"; (iii) publicly available consensus mean analyst earnings per share estimates for Heritage for the years ending December 31, 2017 and December 31, 2018, or \$1.40 and \$1.49, respectively, as well as an estimated long-term annual earnings per share growth rate and dividend payout ratio for Heritage for the

years thereafter, as provided by the senior management of Heritage and their representatives, See "—Certain unaudited prospective financial information of Heritage"; and (iv) certain assumptions relating to pre-tax transaction expenses of approximately \$8.9 million, recognized 100% prior to closing of the merger, purchase accounting adjustments consisting of a positive mark on loans and cost savings of approximately \$3.2 million pre-tax for the year ending December 31, 2018 and \$4.8 million for the year ending December 31, 2019, as provided by the senior management of Heritage and their representatives.

The disclosure under the heading "THE MERGER—Opinion of Puget Sound's Financial Advisor—Sandler O'Neill's Relationship" is hereby supplemented by deleting the third sentence of this section on page 46 of the proxy statement/prospectus and replacing it with the following:

Sandler O'Neill also received a fee for rendering its opinion in an amount equal to \$200,000, which fairness opinion fee will be credited in full towards the portion of the fee becoming due and payable to Sandler O'Neill on the day of closing of the merger.

#### Background of the Merger

The disclosure under the heading "THE MERGER—Background of the Merger" is hereby supplemented by adding the following sentence as the second sentence to the paragraph beginning with "On May 11, 2017..." on page 32 of the proxy statement/prospectus:

Heritage's non-binding letter of intent stated that Heritage would consider adding, at its sole discretion, a seat on its board of directors for an existing but unidentified member of Puget Sound's board of directors.

The disclosure under the heading "THE MERGER—Background of the Merger" is hereby supplemented by adding the following sentence at the end of the paragraph beginning with "On May 22, 2017..." on page 32 of the proxy statement/prospectus:

Heritage's revised non-binding letter of intent also reiterated that Heritage would consider adding, at its sole discretion, a seat on its board of directors for an existing but unidentified member of Puget Sound's board of directors.

#### Forward Looking Statements

This Current Report on Form 8-K contains forward-looking statements regarding Heritage, Puget Sound, the proposed merger and the combined company after the close of the transaction that are intended to be covered by the safe harbor for "forward-looking statements" provided by the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact are forward-looking statements. These statements involve inherent risks, uncertainties and contingencies, many of which are difficult to predict and are generally beyond the control of Heritage, Puget Sound and the combined company. We caution readers that a number of important factors could cause actual results to differ materially from those expressed in, or implied or projected by, such forward-looking statements. In addition to factors previously disclosed in reports filed by Heritage with the Securities and Exchange Commission (the "SEC"), risks and uncertainties for each institution and the combined institution include, but are not limited to, the following factors: the expected cost savings, synergies and other financial benefits from the merger might not be realized within the expected time frames or at all; conditions to the closing of the merger may not be satisfied; the shareholders of Puget Sound may fail to approve the consummation of the merger; the integration of the combined company, including personnel changes/retention, might not proceed as planned; and the combined

company might not perform as well as expected. All forward-looking statements included in this communication are based on information available at the time of the communication. Heritage and Puget Sound undertake no obligation to revise or publicly release any revision or update to these forward-looking statements to reflect new information, future events or circumstances or otherwise that occur after the date on which such statements were made.

Annualized, pro forma, projected and estimated numbers are used for illustrative purposes only, are not forecasts and may not reflect actual results.

#### Additional Information

Heritage Financial Corporation filed a registration statement on Form S-4 with the SEC in connection with the proposed transaction. The registration statement includes a proxy statement of Puget Sound that also constitutes a prospectus of Heritage, which is being sent to the shareholders of Puget Sound. Puget Sound shareholders are advised to read the proxy statement/prospectus because it contains important information about Heritage, Puget Sound and the proposed transaction. This document and other documents relating to the merger filed by Heritage can be obtained free of charge from the SEC's website at [www.sec.gov](http://www.sec.gov). These documents also can be obtained free of charge by accessing Heritage's website at [www.hf-wa.com](http://www.hf-wa.com) under the tab "Investor Relations" and then under "SEC Filings." Alternatively, these documents can be obtained free of charge from Heritage upon written request to Heritage Financial Corporation, Attn: Investor Relations, 201 Fifth Avenue S.W., Olympia, Washington 98501 or by calling (360) 943-1500 or from Puget Sound, upon written request to Puget Sound Bancorp, Inc., Attn: Investor Relations, 10500 NE 8th Street, #1500, Bellevue, Washington 98004.

#### Participants In The Solicitation

Heritage, Puget Sound and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from Puget Sound shareholders in connection with the proposed transaction under the rules of the SEC. Information about the directors and executive officers of Heritage may be found in the definitive proxy statement of Heritage filed with the SEC by Heritage on March 23, 2017. This definitive proxy statement can be obtained free of charge from the sources indicated above. Information about the directors and executive officers of Puget Sound is included in the proxy statement/prospectus filed with the SEC. Additional information regarding the interests of these participants is also included in the proxy statement/prospectus regarding the proposed transaction.



SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HERITAGE FINANCIAL CORPORATION

Date: December 22, 2017 By: /s/ Jeffrey J. Deuel

Jeffrey J. Deuel  
Executive Vice President

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