

AVALONBAY COMMUNITIES INC

Form 4

December 14, 2010

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

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

## OMB APPROVAL

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

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
SARGEANT THOMAS J

2. Issuer Name **and** Ticker or Trading  
Symbol  
AVALONBAY COMMUNITIES  
INC [AVB]

5. Relationship of Reporting Person(s) to  
Issuer

(Check all applicable)

(Last) (First) (Middle)  
C/O AVALONBAY  
COMMUNITIES,  
INC., BALLSTON TOWER, 671 N.  
GLEBE ROAD

3. Date of Earliest Transaction  
(Month/Day/Year)  
12/10/2010

\_\_\_\_ Director \_\_\_\_ 10% Owner  
\_\_\_\_X\_\_\_\_ Officer (give title \_\_\_\_ Other (specify  
below) below)  
EVP and CFO

(Street)  
ARLINGTON, VA 22203

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

6. Individual or Joint/Group Filing(Check  
Applicable Line)  
\_\_\_\_X\_\_\_\_ 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 Indirect Beneficial Ownership (Instr. 4)
Common Stock, par value \$.01 per share	12/10/2010		M	8,786 A \$ 67.86	147,993.4015 (1)	D	
Common Stock, par value \$.01 per	12/10/2010		S	18,175 D \$ 113.3707 (2)	129,818.4015 (1)	D	

share

Common  
Stock, par  
value  
\$ .01 per  
share

12/13/2010

M

8,388

A

\$ 48.6

138,206.4015  
(1)

D

Common  
Stock, par  
value  
\$ .01 per  
share

12/13/2010

S

8,388

D

\$  
112.0262  
(3)

129,818.4015  
(1)

D

Common  
Stock, par  
value  
\$ .01 per  
share

1,352 (4)

I

Owned  
by  
spouse

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 number.**

SEC 1474  
(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 Securities (Instr. 3 and 4)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Options (Right to Buy)	\$ 67.86	12/10/2010		M		8,786		02/11/2006 <sup>(5)</sup>	02/11/2015	Common Stock	8,786
Stock Options (Right to Buy)	\$ 48.6	12/13/2010		M		8,388		02/11/2010 <sup>(7)</sup>	02/11/2019	Common Stock	8,388

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SARGEANT THOMAS J C/O AVALONBAY COMMUNITIES, INC. BALLSTON TOWER, 671 N. GLEBE ROAD ARLINGTON, VA 22203			EVP and CFO	

## Signatures

Catherine T. White, as attorney-in-fact under Power of Attorney dated February 6, 2009

12/14/2010

\_\_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) The amount of securities owned following the reported transaction reflects direct ownership of all shares of common stock, including restricted shares.
- This transaction was executed in multiple trades at prices ranging from \$113.00 to \$113.50. The price reported above reflects the
- (2) weighted average sale price. The reporting person hereby undertakes to provide upon request to the SEC staff, the issuer or a security holder of the issuer full information regarding the number of shares and prices at which the transaction was effected.
- The transaction was executed in multiple trades at prices ranging from \$111.95 to \$112.14. The price reported above reflects the weighted
- (3) average sale price. The reporting person hereby undertakes to provide upon request to the SEC staff, the issuer or a security holder of the issuer full information regarding the number of shares and prices at which the transaction was effected.
- (4) No transaction is reported. The amount of securities owned indirectly following the reported transaction is included for information purposes only.
- (5) The options exercised were included in options granted under the issuer's stock option and incentive plan on February 11, 2005, which become exercisable in three annual installments beginning on February 11, 2006.
- (6) Following the reported transaction, the reporting person held a total of 202,251 options to purchase the issuer's common stock granted on various dates and with varying exercise prices and vesting dates.
- (7) The options exercised were included in options granted under the issuer's stock option and incentive plan on February 11, 2009 which became exercisable in three equal installments beginning on February 11, 2010.
- (8) Following the reported transaction, the reporting person holds a total of 193,863 options to purchase the issuer's common stock granted on various dates and with varying exercise prices and vesting dates.

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.