

AVALONBAY COMMUNITIES INC
 Form 4
 February 22, 2007

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 *
 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)

3. Date of Earliest Transaction (Month/Day/Year)
 02/20/2007

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 EVP and CFO

C/O AVALONBAY COMMUNITIES, INC., 2900 EISENHOWER AVE., SUITE 300

(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

ALEXANDRIA, VA 22314

(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 Ownership (Instr. 4) |
|--|--------------------------------------|--|--------------------------------|---|---|--|--|
| | | | | (A) or (D) | Price | | |
| | | | | Code | V | Amount | |
| Common Stock, par value \$0.01 per share | 02/20/2007 | | M | A | 10,000 | \$ 50.6 | 128,302.401 (1) D |
| Common Stock, par value \$0.01 per share | 02/20/2007 | | S | D | 10,000 | \$ 146.5687 | 118,302.401 (1) D |

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| | | | | | | | | |
|--|------------|---|-------|---|-----------|-----------------------------------|---|-----------------|
| Common Stock, par value \$0.01 per share | 02/20/2007 | M | 1,976 | A | \$ 50.6 | <u>120,278.401</u> ⁽¹⁾ | D | |
| Common Stock, par value \$0.01 per share | 02/20/2007 | F | 681 | D | \$ 146.71 | <u>119,597.401</u> ⁽¹⁾ | D | |
| Common Stock, par value \$0.01 per share | | | | | | <u>1,352</u> ⁽²⁾ | 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 Security (Instr. 3 and 4) | Amount or Number of Shares | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|----------------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Employee Stock Options (Right to Buy) | \$ 146.5687 | 02/20/2007 | | M | 10,000 | 02/12/2005 ⁽³⁾ | 02/12/2014 | Common Stock | 10,000 |
| Employee Stock Options (Right to Buy) | \$ 50.6 | 02/20/2007 | | M | 1,976 | 02/12/2005 ⁽³⁾ | 02/12/2014 | Common Stock | 1,976 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|------------|
| | Director | 10% Owner | Officer | Other |
| SARGEANT THOMAS J C/O AVALONBAY COMMUNITIES, INC. 2900 EISENHOWER AVE., SUITE 300 ALEXANDRIA, VA 22314 | | | | EVPand CFO |

Signatures

Edward M. Schulman, as attorney-in-fact under Power of Attorney dated January 1, 2000 02/22/2007

**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).
- (1) The amount of securities owned following the reported transaction reflects direct ownership of all shares of common stock, including restricted shares.
- (2) No transaction is reported. The amount of securities owned indirectly following the reported transaction is included for information purposes only.
- (3) The options exercised were included in options granted on February 12, 2004 which became exercisable in three equal annual installments, beginning on February 12, 2005.
- (4) The number of derivative securities beneficially owned following the reported transaction includes options granted in prior periods with varying exercise prices and vesting dates. Following the reported transaction, the reporting person holds 5,726 more options that expire on February 12, 2014 with an exercise price of \$50.60.
- (5) The number of derivative securities beneficially owned following the reported transaction includes options granted in prior periods with varying exercise prices and vesting dates. Following the reported transaction, the reporting person holds 3750 more options that expire on February 12, 2014 with an exercise price of \$50.60.

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.