

AVALONBAY COMMUNITIES INC  
 Form 4  
 February 27, 2006

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

OMB APPROVAL  
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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 \*  
 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., 2900 EISENHOWER AVE., SUITE 300  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 02/23/2006

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

ALEXANDRIA, VA 22314  
 (City) (State) (Zip)

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

**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, par value \$.01 per share	02/23/2006		M		10,000 A \$ 45.95	121,239.545 (1)	D
Common Stock, par value \$.01 per share	02/23/2006		S		10,000 D \$ 104.25	111,239.545 (1)	D
Common Stock, par	02/23/2006		M		1,976 A \$ 50.6	113,215.545 (1)	D

value \$.01  
per share

Common  
Stock, par  
value \$.01  
per share

02/23/2006

F

961

D

\$ 112,254.545  
104.03 (1)

D

Common  
Stock, par  
value \$.01  
per share

1,352 (2)

I

Held by  
spouse

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

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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
Employee Stock Options (Right to Buy)	\$ 45.95	02/23/2006		M	10,000	02/13/2002 <sup>(3)</sup> 02/13/2011	Common Stock	10,000
Employee Stock Options (Right to Buy)	\$ 50.6	02/23/2006		M	1,976	02/11/2005 <sup>(5)</sup> 02/11/2014	Common Stock	1,976

## Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

EVP and CFO

SARGEANT THOMAS J  
C/O AVALONBAY COMMUNITIES, INC.  
2900 EISENHOWER AVE., SUITE 300  
ALEXANDRIA, VA 22314

## Signatures

Edward M. Schulman under Power of Attorney dated January 1,  
2000

02/27/2006

\_\_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).

(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. Indirect holdings reported for information only.

(3) The options exercised were included in options granted under the issuer's stock option and incentive plan on February 13, 2001 which became exercisable in three annual installments beginning on February 13, 2002.

(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 13,371 options that expire on February 13, 2011 with an exercise price of \$45.95.

(5) The options exercised were included in options granted under the issuer's stock option and incentive plan on February 11, 2004, which become exercisable in three annual installments beginning on February 11, 2005.

(6) 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 43,226 more options that expire on February 11, 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.

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