

AVALONBAY COMMUNITIES INC  
 Form 4  
 August 07, 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)

3. Date of Earliest Transaction (Month/Day/Year)  
**08/02/2006**

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)
			Code	V	Amount or Price		
Common Stock, par value \$.01 per share	08/02/2006		M		5,000 A \$ 36.02	<u>117,276.379</u> <sup>(1)</sup>	D
Common Stock, par value \$.01 per share	08/02/2006		S		5,000 D \$ 115.6666	<u>112,276.379</u> <sup>(1)</sup>	D
Common Stock, par	08/03/2006		M		1,900 A \$ 36.02	<u>114,176,379</u> <sup>(1)</sup>	D

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value \$.01 per share								
Common Stock, par value \$.01 per share	08/03/2006	S	1,900	D	\$ 116.75	<u>112,276.379</u> (1)	D	
Common Stock, par value \$.01 per share	08/03/2006	M	1,071	A	\$ 45.95	<u>113,347.379</u> (1)	D	
Common Stock, par value \$.01 per share	08/03/2006	S	1,071	D	\$ 116.75	<u>112,276.379</u> (1)	D	
Common Stock, par value \$.01 per share	08/03/2006	M	2,029	A	\$ 50.6	<u>114,305.379</u> (1)	D	
Common Stock, par value \$.01 per share	08/03/2006	S	2,029	D	\$ 116.75	<u>112,276.379</u> (1)	D	
Common Stock, par value \$.01 per share	08/04/2006	M	5,000	A	\$ 50.6	<u>117,276.379</u> (1)	D	
Common Stock, par value \$.01 per share	08/04/2006	S	5,000	D	\$ 117.902	<u>112,276.379</u> (1)	D	
Common Stock, par value \$.01 per share						1,352 <sup>(2)</sup>	I	Owned 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	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Options (Right to Buy)	\$ 36.02	08/02/2006	M				5,000		02/12/2004 <sup>(3)</sup>	02/12/2013	Common Stock	5,000
Employee Stock Options (Right to Buy)	\$ 36.02	08/03/2006	M				1,900		02/12/2004 <sup>(3)</sup>	02/12/2013	Common Stock	1,900
Employee Stock Options (Right to Buy)	\$ 45.95	08/03/2006	M				1,071		02/13/2002 <sup>(6)</sup>	02/13/2011	Common Stock	1,071
Employee Stock Options (Right to Buy)	\$ 50.6	08/03/2006	M				2,029		02/12/2005 <sup>(8)</sup>	02/12/2014	Common Stock	2,029
Employee Stock Options (Right to Buy)	\$ 50.6	08/04/2006	M				5,000		02/12/2005 <sup>(8)</sup>	02/12/2014	Common Stock	5,000

## 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			EVP and CFO	

## Signatures

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

08/07/2006

\_\_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. 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, 2003, which become exercisable in three equal annual installments beginning on February 12, 2004.  
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 1,900 more options that expire on February 12, 2013 with an exercise price of \$36.02.
- (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 no more options that expire on February 12, 2013 with an exercise price of \$36.02.
- (6) 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.  
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 no more options that expire on February 13, 2011 with an exercise price of \$45.95.
- (8) The options exercised were included in options granted under the issuer's stock option and incentive plan on February 12, 2004, which become exercisable in three annual installments beginning on February 12, 2005.  
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 41,197 options that expire on February 12, 2014 with an exercise price of \$50.60.
- (10) 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 36,197 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.