

AVALONBAY COMMUNITIES INC  
 Form 4  
 January 22, 2007

**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 \*  
**HOREY LEO S III**

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)  
**01/18/2007**

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

**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	(A) or (D)	Price
Common Stock, par value \$.01 per share	01/18/2007		M		13,439	A	\$ 69.95
							64,019.909 (1)
Common Stock, par value \$.01 per share	01/18/2007		S		5,000	D	\$ 141.4072
							59,019.909 (1)
Common Stock, par	01/18/2007		S		5,000	D	\$ 141.346
							54,019.909 (1)

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value \$.01  
per share

Common  
Stock, par  
value \$.01  
per share

01/18/2007

S

3,439 D

\$  
141.2996

50,580.909  
(1)

D

Common  
Stock, par  
value \$.01  
per share

01/18/2007

M

6,561 A

\$ 50.6

57,141.909  
(1)

D

Common  
Stock, par  
value \$.01  
per share

01/18/2007

S

1,561 D

\$  
141.2996

55,580.909  
(1)

D

Common  
Stock, par  
value \$.01  
per share

01/18/2007

S

5,000 D

\$  
141.1406

50,580.909  
(1)

D

Common  
Stock, par  
value \$.01  
per share

01/19/2007

M

5,000 A

\$ 50.6

55,580.909  
(1)

D

Common  
Stock, par  
value \$.01  
per share

01/19/2007

S

5,000 D

\$ 143

50,580.909  
(1)

D

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

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(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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

Employee Stock Options (Right to Buy)	\$ 69.95	01/18/2007	M	13,439	02/11/2006 <sup>(2)</sup>	02/11/2015	Common Stock	13,4
Employee Stock Options (Right to Buy)	\$ 50.6	01/18/2007	M	6,561	02/12/2005 <sup>(4)</sup>	02/12/2014	Common Stock	6,56
Employee Stock Options (Right to Buy)	\$ 50.6	01/19/2007	M	5,000	02/12/2005 <sup>(6)</sup>	02/12/2014	Common Stock	5,00

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HOREY LEO S III C/O AVALONBAY COMMUNITIES, INC. 2900 EISENHOWER AVE., SUITE 300 ALEXANDRIA, VA 22314			Executive Vice President	

## Signatures

Edward M. Schulman, as attorney-in-fact under Power of Attorney dated February 13, 2003

01/22/2007

\*\*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) The options exercised were included in options granted on February 11, 2005, which become exercisable in three equal annual installments beginning on February 11, 2006.
- (3) The number of derivative securities beneficially owned following the reported transaction includes options granted in various periods with varying exercise prices and vesting dates. Following the reported transaction the reporting person holds 26,878 more options that expire on February 11, 2015 with an exercise price of \$69.95.
- (4) 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.
- (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 23,063 more options that expire on February 12, 2014 with an exercise price of \$50.60.
- (6) The options exercised were included in options granted under the issuer's stock option and incentive plan on February 12, 2004, which became exercisable in three equal annual installments beginning on February 12, 2005.

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The number of derivative securities beneficially owned following the reported transaction includes options granted in prior periods with (7) varying exercise prices and vesting dates. Following the reported transaction the reporting person holds 18,063 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.