

Dunn Lili F  
Form 4  
May 07, 2010

**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 \*  
Dunn Lili F

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)

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

BALLSTON TOWER,, 671 N. GLEBE ROAD, SUITE 800

05/05/2010

Senior Vice President

(Street)

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

6. Individual or Joint/Group Filing(Check Applicable Line)

ARLINGTON, VA 22203

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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock, Par value \$0.01 per share	05/05/2010		M		6,023	A	\$ 44.42
							31,722.3287 (1)
Common Stock, Par value \$0.01 per share	05/05/2010		M		6,989	A	\$ 34.94
							38,711.3287 (1)
	05/05/2010		M		15,760	A	\$ 49.09
							D

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Common Stock, Par value \$.01 per share						54,471.3287 <u>(1)</u>	
Common Stock, Par value \$.01 per share	05/05/2010	M	15,902	A	\$ 67.86	70,373.3287 <u>(1)</u>	D
Common Stock, Par value \$.01 per share	05/05/2010	S	37,092	D	\$ <u>105.5322</u> <u>(2)</u>	33,281.3287 <u>(1)</u>	D
Common Stock, Par value \$.01 per share	05/05/2010	M	20,448	A	\$ 96.19	53,729.3287 <u>(1)</u>	D
Common Stock, Par Value \$.01 per share	05/05/2010	S	19,409	D	\$ 107	34,320.3287 <u>(1)</u>	D

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 Underlying Securities (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Options	\$ 44.42	05/05/2010		M	6,023	02/13/2003 <sup>(3)</sup>	02/13/2012	Common Stock	6,023

(Right to Buy)

Stock Options (Right to Buy)	\$ 34.94	05/05/2010	M	6,989	02/12/2004 <sup>(5)</sup>	02/12/2013	Common Stock	6,989
Stock Options (Right to Buy)	\$ 49.09	05/05/2010	M	15,760	02/12/2005 <sup>(7)</sup>	02/12/2014	Common Stock	15,760
Stock Options (Right to Buy)	\$ 67.86	05/05/2010	M	15,902	02/11/2006 <sup>(9)</sup>	02/11/2015	Common Stock	15,902
Stock Options (Right to Buy)	\$ 96.19	05/05/2010	M	20,448	02/09/2007 <sup>(11)</sup>	02/09/2016	Common Stock	20,448

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Dunn Lili F BALLSTON TOWER, 671 N. GLEBE ROAD, SUITE 800 ARLINGTON, VA 22203			Senior Vice President	

## Signatures

Catherine T. White, as attorney-in-fact under Power of Attorney dated January 26, 2009 05/07/2010

\*\*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.
- (2) This transaction was executed in multiple trades at prices ranging from \$105.26 to \$105.91. The price reported above reflects the 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.
- (3) The options exercised were included in options granted under the issuer's stock option and incentive plan on February 13, 2002, which become exercisable in three equal annual installments beginning on February 13, 2003.
- (4) Following the reported transaction, the reporting person held a total of 88,275 options to purchase the issuer's common stock granted on various dates and with varying exercise prices and vesting dates.
- (5)

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The options exercised were included in options granted under the issuer's stock option and incentive plan on February 12, 2003, which become exercisable in three equal annual installments beginning on February 12, 2004.

- (6) Following the reported transaction, the reporting person held a total of 81,286 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 12, 2004, which became exercisable in three equal annual installments beginning on February 12, 2005.
- (8) Following the reported transaction, the reporting person held a total of 65,526 options to purchase the issuer's common stock granted on various dates and with varying exercise prices and vesting dates.
- (9) The options exercised were included in options granted under the issuer's stock option and incentive plan on February 11, 2005 which became exercisable in three equal installments beginning on February 11, 2006.
- (10) Following the reported transaction, the reporting person held a total of 49,624 options to purchase the issuer's common stock granted on various dates and with varying exercise prices and vesting dates.
- (11) The options exercised were included in options granted under the issuer's stock option and incentive plan on February 9, 2006, which became exercisable in three equal annual installments beginning on February 9, 2007.
- (12) Following the reported transaction, the reporting person holds a total of 29,176 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.

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