

AVALONBAY COMMUNITIES INC
 Form 4
 December 14, 2010

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

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2015
 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)
 C/O AVALONBAY COMMUNITIES, INC., BALLSTON TOWER, 671 N. GLEBE ROAD

3. Date of Earliest Transaction (Month/Day/Year)
 12/10/2010

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

(Street)
 ARLINGTON, VA 22203

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

(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 Beneficial Ownership (Instr. 4)
			Code	V	Amount (D)	Price	
Common Stock, par value \$.01 per share	12/10/2010		M		8,786	A \$ 67.86	147,993.4015 (1) D
Common Stock, par value \$.01 per	12/10/2010		S		18,175	D \$ 113.3707 (2)	129,818.4015 (1) D

share

Common
Stock, par
value 12/13/2010
\$.01 per
share

M 8,388 A \$ 48.6 138,206.4015
(1) D

Common
Stock, par
value 12/13/2010
\$.01 per
share

S 8,388 D \$ 112.0262 129,818.4015
(3) (1) D

Common
Stock, par
value
\$.01 per
share

1,352 (4) 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 (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 Securities (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Stock Options (Right to Buy)	\$ 67.86	12/10/2010		M	8,786	02/11/2006 ⁽⁵⁾ 02/11/2015	Common Stock 8,786
Stock Options (Right to Buy)	\$ 48.6	12/13/2010		M	8,388	02/11/2010 ⁽⁷⁾ 02/11/2019	Common Stock 8,388

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SARGEANT THOMAS J C/O AVALONBAY COMMUNITIES, INC. BALLSTON TOWER, 671 N. GLEBE ROAD ARLINGTON, VA 22203				EVP and CFO

Signatures

Catherine T. White, as attorney-in-fact under Power of Attorney dated February 6, 2009	12/14/2010
**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.

This transaction was executed in multiple trades at prices ranging from \$113.00 to \$113.50. 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.
 - (2) The transaction was executed in multiple trades at prices ranging from \$111.95 to \$112.14. 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) No transaction is reported. The amount of securities owned indirectly following the reported transaction is included for information purposes only.
 - (4) The options exercised were included in options granted under the issuer's stock option and incentive plan on February 11, 2005, which become exercisable in three annual installments beginning on February 11, 2006.
 - (5) Following the reported transaction, the reporting person held a total of 202,251 options to purchase the issuer's common stock granted on various dates and with varying exercise prices and vesting dates.
 - (6) The options exercised were included in options granted under the issuer's stock option and incentive plan on February 11, 2009 which became exercisable in three equal installments beginning on February 11, 2010.
 - (7) Following the reported transaction, the reporting person holds a total of 193,863 options to purchase the issuer's common stock granted on various dates and with varying exercise prices and vesting dates.
 - (8)

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.