

AVALONBAY COMMUNITIES INC  
 Form 4  
 February 18, 2011

**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)  
**02/16/2011**

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

**C/O AVALONBAY COMMUNITIES, INC., BALLSTON TOWER, 671 N. GLEBE ROAD**

(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

**ARLINGTON, VA 22203**

(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)
Common Stock, par value \$.01 per share	02/16/2011		A	3,409	A \$ 0 <sup>(1)</sup>	63,844.7705 <sub>(2)</sub>	D
Common Stock, par value \$.01 per share	02/16/2011		M	4,345	A \$ 49.09	68,189.7705 <sub>(2)</sub>	D
	02/16/2011		S	4,345	D		D

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Common Stock, par value \$.01 per share						\$	63,844.7705		
						116.25	<u>(2)</u>		
Common Stock, par value \$.01 per share	02/16/2011		M	10,000	A	\$ 67.86	<u>73,844.7705</u>	(2)	D
Common Stock, par value \$.01 per share	02/16/2011		S	10,000	D	\$ 116.5	<u>63,844.7705</u>	(2)	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
Employee Stock Options (Right to Buy)	\$ 115.83	02/16/2011		A	6,974	02/16/2012 <sup>(3)</sup> 02/16/2021	Common Stock
Employee Stock Options (Right to Buy)	\$ 49.09	02/16/2011		M	4,345	02/12/2005 <sup>(6)</sup> 02/12/2014	Common Stock
Employee Stock Options (Right to Buy)	\$ 67.86	02/16/2011		M	10,000	02/11/2006 <sup>(8)</sup> 02/11/2015	Common Stock

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HOREY LEO S III C/O AVALONBAY COMMUNITIES, INC. BALLSTON TOWER, 671 N. GLEBE ROAD ARLINGTON, VA 22203			Executive Vice President	

## Signatures

Catherine T. White, as attorney-in-fact under Power of Attorney dated February 23, 2009 02/18/2011

\*\*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) Reflects grant of shares of restricted stock under the Company's Stock Option and Incentive Plan, which shares are subject to vesting requirements.
  - (2) The amount of securities owned following the reported transaction reflects direct ownership of all shares of common stock, including restricted shares.
  - (3) These options vest in three annual installments, with the first installment vesting on 2/16/2012.
  - (4) Reflects grant of options under the Company's Stock Option and Incentive Plan.
  - (5) Following the reported transaction, the reporting person held a total of 147,276 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 12, 2004, which became exercisable in three equal annual installments beginning on February 12, 2005.
  - (7) Following the reported transaction, the reporting person held a total of 142,931 options to purchase the issuer's common stock granted on various dates and with varying exercise prices and vesting dates.
  - (8) 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.
  - (9) Following the reported transaction, the reporting person holds a total of 132,931 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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