

AVALONBAY COMMUNITIES INC  
 Form 4  
 February 27, 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 \*  
 NAUGHTON TIMOTHY 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)  
 02/23/2006

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
 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 Beneficial Ownership (Instr. 4)
			Code	V	Amount	(D)	Price
Common Stock, par value \$.01 per share	02/23/2006		M		4,400	A	\$ 33.75
					91,584.871	D	<u>(1)</u>
Common Stock, par value \$.01 per share	02/23/2006		S		4,400	D	\$ 104.01
					87,184.871	D	<u>(1)</u>
Common Stock, par value \$.01 per share	02/23/2006		G		100	D	\$ 0 <u>(2)</u>
					87,084.871	D	<u>(1)</u>

value \$.01  
per share

Common  
Stock, par  
value \$.01  
per share

02/24/2006	M	6,900	A	\$ 33.75	93,984.871 <u>(1)</u>	D
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Common  
Stock, par  
value \$.01  
per share

02/24/2006	S	6,900	D	\$ 104.0459	87,084.871 <u>(1)</u>	D
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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

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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 (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)	Amount or Number of Shares
Employee Stock Options (Right to Buy)	\$ 33.75	02/23/2006		M	4,400	Date Exercisable: 02/28/2001 <sup>(3)</sup> Expiration Date: 02/28/2010	Common Stock	4,400
Employee Stock Options (Right to Buy)	\$ 33.75	02/24/2006		M	6,900	Date Exercisable: 02/28/2001 <sup>(3)</sup> Expiration Date: 02/28/2010	Common Stock	6,900

## Reporting Owners

Reporting Owner Name / Address

Relationships

Director    10% Owner    Officer    Other

NAUGHTON TIMOTHY J  
C/O AVALONBAY COMMUNITIES, INC. X President  
2900 EISENHOWER AVE., SUITE 300  
ALEXANDRIA, VA 22314

## Signatures

Edward M. Schulman under Power of Attorney dated January 1, 2000 02/27/2006

\_\_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) Reflects gift of 100 shares.
- (3) The options exercised were included in options granted on February 28, 2000, which became exercisable in three equal annual installments, beginning on February 28, 2001.
- (4) The number of derivative securities beneficially owned following the reported transaction includes options with varying exercise prices and vesting dates. Following the reported transaction, the reporting person held 6,900 more options that expire on February 28, 2010 with an exercise price of \$33.75.
- (5) The number of derivative securities beneficially owned following the reported transaction includes options with varying exercise prices and vesting dates. Following the reported transaction the reporting person holds no more options that expire on February 28, 2010 with an exercise price of \$33.75.

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.