

Dunn Lili F  
Form 4  
May 07, 2010

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
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 \*  
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)  
05/05/2010

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

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

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

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|  |            |   |        |   |                                     |                           |   |
|--|------------|---|--------|---|-------------------------------------|---------------------------|---|
| Common Stock, Par value \$0.01 per share |            |   |        |   |                                     | 54,471.3287<br><u>(1)</u> |   |
| Common Stock, Par value \$0.01 per share | 05/05/2010 | M | 15,902 | A | \$ 67.86                            | 70,373.3287<br><u>(1)</u> | D |
| Common Stock, Par value \$0.01 per share | 05/05/2010 | S | 37,092 | D | \$<br><u>105.5322</u><br><u>(2)</u> | 33,281.3287<br><u>(1)</u> | D |
| Common Stock, Par value \$0.01 per share | 05/05/2010 | M | 20,448 | A | \$ 96.19                            | 53,729.3287<br><u>(1)</u> | D |
| Common Stock, Par Value \$0.01 per share | 05/05/2010 | S | 19,409 | D | \$ 107                              | 34,320.3287<br><u>(1)</u> | D |

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.**

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                              | \$ 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<br>BALLSTON TOWER,<br>671 N. GLEBE ROAD, SUITE 800<br>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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