

AVALONBAY COMMUNITIES INC  
 Form 4  
 June 17, 2011

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

OMB APPROVAL  
 OMB Number: 3235-0287  
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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)  
 06/15/2011

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
 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 Beneficial Ownership (Instr. 4)
Common Stock, par value \$.01 per share	06/15/2011		M	1,245 A	\$ 49.09 95,148.1347 (1)	D	
Common Stock, par value \$.01 per share	06/15/2011		S	1,245 D	\$ 132 93,903.1347 (1)	D	
	06/16/2011		A	56,406 A	\$ 0 (2)	D	

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Common Stock, par value \$.01 per share 150,309.1347 <sup>(1)</sup>

Common Stock, par value \$.01 per share 06/16/2011 F 11,902 <sup>(3)</sup> D \$ 128.73 138,407.1347 <sup>(1)</sup> 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 of Underlying Securities (Instr. 3 and 4)	Amount or Number of Shares
Stock Options (Right to Buy)	\$ 49.09	06/15/2011		M	1,245	02/12/2005 <sup>(4)</sup> 02/12/2014	Common Stock	1,245

## Reporting Owners

**Reporting Owner Name / Address**

**Relationships**

Director 10% Owner Officer Other

NAUGHTON TIMOTHY J  
C/O AVALONBAY COMMUNITIES, INC.  
BALLSTON TOWER, 671 N. GLEBE ROAD  
ARLINGTON, VA 22203

X

President

## Signatures

Catherine T. White, as attorney-in-fact under Power of Attorney dated January 29, 2009

06/17/2011

\_\_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) The amount of securities owned following the reported transaction reflects direct ownership of all shares of common stock, including restricted shares.  
Reflects the settlement of Deferred Stock Awards granted under the Company's 1994 Stock Option and Incentive Plan in the form of
- (2) shares of restricted and unrestricted stock following the June 16, 2011, determination by the Compensation Committee of the Company's Board of Directors that goals had been fully achieved under the Company's three year 2008 Performance Plan.
- (3) Reflects withholding of shares by the Company to cover tax withholding obligations due on receipt of unrestricted stock.
- (4) The options exercised were included in options granted on February 12, 2004, which became exercisable in three equal annual installments beginning on February 12, 2005.
- (5) Following the reported transaction, the reporting person holds a total of 415,165 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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