

AVALONBAY COMMUNITIES INC

Form 4

June 04, 2007

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

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

OMB APPROVAL

OMB
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(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)
2900 EISENHOWER AVE., SUITE
300

3. Date of Earliest Transaction
(Month/Day/Year)
05/31/2007

____ Director ____ 10% Owner
X Officer (give title ____ Other (specify
below) below)
Senior Vice President

(Street)
ALEXANDRIA, VA 22314

4. If Amendment, Date Original
Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check
Applicable Line)
X 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 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 Ownership Indirect Beneficial Ownership (Instr. 4) | |
|--|---|---|--------------------------------------|---|--|--|--|---------------------|
| | | | Code | V | Amount | (A) or (D) | Price | |
| Common Stock, par value \$.01 per share | 05/31/2007 | | M | | 5,000 | A | \$ 45.79 | 41,697.283 (1) D |
| Common Stock, par value \$.01 per share | 05/31/2007 | | S | | 5,000 | D | \$ 129.5 | 36,697.283 (1) D |
| Common Stock, par value \$.01 | 05/31/2007 | | M | | 4,352 | A | \$ 45.95 | 41,049.283 (1) D |

per share

Common

Stock, par
value \$.01

05/31/2007

F

1,533

D

\$ 39,516.283
130.39 ⁽¹⁾

D

per share

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 (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) | \$ 45.79 | 05/31/2007 | | M | 5,000 | 02/13/2003 ⁽²⁾ 02/13/2012 | Common Stock | 5,000 |
| Employee Stock Options (Right to Buy) | \$ 45.95 | 05/31/2007 | | M | 4,352 | 02/13/2002 ⁽⁴⁾ 02/13/2011 | Common Stock | 4,352 |

Reporting Owners

| Reporting Owner Name / Address | Relationships |
|--|----------------------------------|
| | Director 10% Owner Officer Other |
| Dunn Lili F 2900 EISENHOWER AVE., SUITE 300 ALEXANDRIA, VA 22314 | Senior Vice President |

Signatures

Edward M. Schulman, as attorney-in-fact under Power of Attorney dated March 1, 2005

06/04/2007

____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 stock, which may be subject to vesting requirements.

(2) The options exercised were included in options granted on February 13, 2002 which became exercisable in three equal annual installments beginning on February 13, 2003.

(3) The number of derivative securities beneficially owned following the reported transaction includes options granted in prior periods with varying exercise prices and vesting dates. Following the reported transaction the reporting person holds 5,844 more options that expire on February 13, 2012 with an exercise price of \$45.79.

(4) The options exercised were included in options granted under the issuer's stock option and incentive plan on February 13, 2001 which became exercisable in three equal annual installments beginning on February 13, 2002.

(5) The number of derivative securities beneficially owned following the reported transaction includes options granted in prior periods with varying exercise prices and vesting dates. Following the reported transaction the reporting person holds no more options that expire on February 13, 2011 with an exercise price of \$45.95.

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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