

AVALONBAY COMMUNITIES INC  
 Form 4  
 August 13, 2008

**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 \*  
**SARGEANT THOMAS 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)  
**08/11/2008**

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
 EVP and CFO

**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 Ownership (Instr. 4)
			Code	V	Amount	(D)	Price
Common Stock, par value \$.01 per share	08/11/2008		M		15,000	A	\$ 69.95
							140,189.2257 (1)
Common Stock, par value \$.01 per share	08/11/2008		M		3,750	A	\$ 50.6
							143,939.2257 (1)
Common Stock, par	08/11/2008		S		18,750	D	\$ 106.95
							125,189.2257 (1)

value \$.01 per share	<u>(2)</u>			
Common Stock, par value \$.01 per share	1,352 <sup>(3)</sup>	I		Owned by spouse

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 Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount Underlying Securities (Instr. 3 and 4)	Amount or Number of Shares
				Code	V (A) (D)	Date Exercisable Expiration Date	Title	
Employee Stock Options (Right to Buy)	\$ 50.6	08/11/2008		M	3,750	02/12/2005 <sup>(4)</sup> 02/12/2014	Common Stock	3,750
Employee Stock Options (Right to Buy)	\$ 69.95	08/11/2008		M	15,000	02/11/2006 <sup>(6)</sup> 02/11/2015	Common Stock	15,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SARGEANT THOMAS J C/O AVALONBAY COMMUNITIES, INC. 2900 EISENHOWER AVE., SUITE 300 ALEXANDRIA, VA 22314			EVP and CFO	

## Signatures

Edward M. Schulman, as attorney-in-fact under Power of Attorney dated January 1,  
2000

08/13/2008

\_\_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.  
  
The price represents the weighted average price of the shares sold. The shares were sold within a range of \$106.47 to \$107.39. The reporting person will provide, upon request by the SEC staff, the issuer, or any security holder of the issuer, full information regarding the number of shares sold at each separate price.
- (2) No transaction is reported. The amount of securities owned indirectly following the reported transaction is included for information purposes only.
- (3) 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.
- (4) Following the reported transaction, the reporting person holds a total of 219,806 options to purchase the issuer's common stock granted on various dates and with varying exercise prices and vesting dates.
- (5) The options exercised were included in options granted on February 11, 2005 which became exercisable in three equal annual installments beginning on February 11, 2006.
- (6) Following the reported transaction, the reporting person holds a total of 204,806 options to purchase the issuer's common stock granted on various dates and with varying exercise prices and vesting dates.
- (7)

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.