

AVALONBAY COMMUNITIES INC  
 Form 4  
 November 02, 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 \*  
 Morris James Richard

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  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 11/01/2006

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

ALEXANDRIA, VA 22314

(City) (State) (Zip)

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

**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	(A) or (D)	Price
Common Stock, par value \$.01 per share	11/01/2006		M		4,747	A	\$ 50.6
							23,531.247 <u>(1)</u>
Common Stock, par value \$.01 per share	11/01/2006		S		147	D	\$ 130.39
							23,384.247 <u>(1)</u>
Common Stock, par value \$.01	11/01/2006		S		4,600	D	\$ 130.09
							18,784.247 <u>(1)</u>

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per share

Common Stock, par value \$.01 per share	11/01/2006	M	1,556	A	\$ 36.02	<u>20,340.247</u> (1)	D
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Common Stock, par value \$.01 per share	11/01/2006	M	868	A	\$ 50.6	<u>21,208.247</u> (1)	D
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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
				Code V (A) (D)		Date Exercisable Expiration Date	Title	
Employee Stock Options (Right to Buy)	\$ 50.6	11/01/2006		M	4,747	02/12/2005 <sup>(2)</sup> 02/12/2014	Common Stock	4,747
Employee Stock Options (Right to Buy)	\$ 36.02	11/01/2006		M	1,556	02/12/2004 <sup>(4)</sup> 02/12/2013	Common Stock	1,556
Employee Stock Options (Right to Buy)	\$ 50.6	11/01/2006		M	868	02/12/2005 <sup>(2)</sup> 02/12/2014	Common Stock	868

# Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Morris James Richard 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 7, 2005	11/02/2006
__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) 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.  
The number of derivative securities beneficially owned following the reported transaction includes options granted in various periods with varying exercise prices and vesting dates. Following the reported transaction the reporting person holds 4,111 options that expire on February 12, 2014 with an exercise price of \$50.60.
- (4) The options exercised were included in options granted on February 12, 2003, which become exercisable in three equal annual installments beginning on February 12, 2004.  
The number of derivative securities beneficially owned following the reported transaction includes options granted in various periods with varying exercise prices and vesting dates. Following the reported transaction the reporting person holds no more options that expire on February 12, 2013 with an exercise price of \$36.02.
- (6) The number of derivative securities beneficially owned following the reported transaction includes options granted in various periods with varying exercise prices and vesting dates. Following the reported transaction the reporting person holds 3,243 options that expire on February 12, 2014 with an exercise price of \$50.60.

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.