

AVALONBAY COMMUNITIES INC  
 Form 4  
 February 22, 2007

**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 \*  
 SCHULMAN EDWARD M

2. Issuer Name and Ticker or Trading Symbol  
 AVALONBAY COMMUNITIES INC [AVB]

5. Relationship of Reporting Person(s) to Issuer  
 (Check all applicable)  
 Director  10% Owner  
 Officer (give title below)  Other (specify below)  
 SVP-General Counsel

(Last) (First) (Middle)  
 C/O AVALONBAY COMMUNITIES, INC., 2900 EISENHOWER AVE., SUITE 300  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 02/20/2007

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 or Price		
Common Stock, par value \$.01 per share	02/20/2007		M		9,102 A \$ 99.15	20,487.253 (1)	D
Common Stock, par value \$.01 per share	02/20/2007		S		1,500 D \$ 146.36	18,987.253 (1)	D
Common Stock, par	02/20/2007		S		200 D \$ 146.44	18,787.253 (1)	D

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value \$.01 per share							
Common Stock, par value \$.01 per share	02/20/2007	S	400	D	\$ 146.48	<u>18,387.253</u> (1)	D
Common Stock, par value \$.01 per share	02/20/2007	S	200	D	\$ 146.5	<u>18,187.253</u> (1)	D
Common Stock, par value \$.01 per share	02/20/2007	S	100	D	\$ 146.51	<u>18,087.253</u> (1)	D
Common Stock, par value \$.01 per share	02/20/2007	S	800	D	\$ 146.52	<u>17,287.253</u> (1)	D
Common Stock, par value \$.01 per share	02/20/2007	S	800	D	\$ 146.53	<u>16,487.253</u> (1)	D
Common Stock, par value \$.01 per share	02/20/2007	S	1,600	D	\$ 146.55	<u>14,887.253</u> (1)	D
Common Stock, par value \$.01 per share	02/20/2007	S	600	D	\$ 146.56	<u>14,287.253</u> (1)	D
Common Stock, par value \$.01 per share	02/20/2007	S	700	D	\$ 146.57	<u>13,587.253</u> (1)	D
Common Stock, par value \$.01 per share	02/20/2007	S	700	D	\$ 146.58	<u>12,887.253</u> (1)	D
Common Stock, par value \$.01 per share	02/20/2007	S	500	D	\$ 146.6	<u>12,387.253</u> (1)	D
Common Stock, par value \$.01	02/20/2007	S	100	D	\$ 146.61	<u>12,287.253</u> (1)	D

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per share

Common Stock, par value \$.01 per share	02/20/2007	S	200	D	\$ 146.62	12,087.253 <u>(1)</u>	D
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Common Stock, par value \$.01 per share	02/20/2007	S	200	D	\$ 146.63	11,887.253 <u>(1)</u>	D
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Common Stock, par value \$.01 per share	02/20/2007	S	300	D	\$ 146.65	11,587.253 <u>(1)</u>	D
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Common Stock, par value \$.01 per share	02/20/2007	S	202	D	\$ 146.66	11,385.253 <u>(1)</u>	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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(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)	\$ 99.15	02/20/2007		M	9,102	02/09/2007 <sup>(2)</sup> 02/09/2016	Common Stock	9,102

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SCHULMAN EDWARD M C/O AVALONBAY COMMUNITIES, INC. 2900 EISENHOWER AVE., SUITE 300 ALEXANDRIA, VA 22314				SVP-General Counsel

## Signatures

/s/ Edward M. Schulman                      02/22/2007

\*\*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 shares.
- (2) The options exercised were included in options granted on February 9, 2006, which became exercisable in three equal annual installments beginning on February 9, 2007.
- 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 18,205 more options that expire on February 9, 2016 with an exercise price of \$99.15.

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.