

AVALONBAY COMMUNITIES INC

Form 4

February 15, 2006

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)
02/13/2006

____ Director ____ 10% Owner
X Officer (give title below) ____ Other (specify 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 (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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock, par value \$.01 per share	02/13/2006		M		5,208	A	\$ 32
							38,183.259 (1)
Common Stock, par value \$.01 per share	02/13/2006		F		1,683	D	\$ 99.01
							36,500.259 (1)

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
Employee Stock Options (Right to Buy)	\$ 32	02/13/2006		M	5,208	02/17/2000 ⁽²⁾ 02/17/2009	Common Stock	5,208

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

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

02/15/2006

__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 17, 1999 which became exercisable in three annual installments beginning on February 17, 2000.

(3)

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The amount of securities owned following the reported transaction includes options granted on various dates with varying exercise prices and vesting dates. After the exercise described above, the reporting person has no remaining options that expire on February 17, 2009 with an exercise price of \$32.00.

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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