
Section 1: 8-K (8-K)

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) March 26, 2018

AVALONBAY COMMUNITIES, INC.

(Exact Name of Registrant as Specified in Its Charter)

Maryland

(State or Other Jurisdiction of Incorporation)

1-12672

(Commission File Number)

77-0404318

(I.R.S. Employer Identification No.)

671 N. Glebe Road, Suite 800, Arlington, Virginia

(Address of Principal Executive Offices)

22203

(Zip Code)

Registrant's telephone number, including area code (703) 329-6300

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 8.01 Other Events.

On March 15, 2018, AvalonBay Communities, Inc. (the "Company") priced a public offering (the "Offering") of an aggregate of \$300,000,000 principal amount of its 4.35% Medium-Term Notes due 2048 (the "Notes").

The Offering was made pursuant to a Pricing Supplement dated March 15, 2018, a Prospectus Supplement dated February 23, 2018 and a Prospectus dated February 23, 2018 relating to the Company's Shelf Registration Statement on Form S-3 (File No. 333-223183). The Terms Agreement, dated March 15, 2018, by and among the Company and UBS Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as representatives of the agents named therein, is filed as Exhibit 1.1 to this report.

The Notes were issued under an Indenture between the Company and The Bank of New York Mellon, as trustee (the "Trustee"), dated as of February 23, 2018 and a First Supplemental Indenture between the Company and the Trustee, dated as of March 26, 2018.

The Notes bear interest from March 26, 2018, with interest on the Notes payable semi-annually on April 15 and October 15, beginning on October 15, 2018. The Notes will mature on April 15, 2048.

The Company will use the net proceeds, after estimated issuance costs, of approximately \$296,212,000 from the sale of the Notes to reduce indebtedness outstanding under its \$1,500,000,000 unsecured revolving credit facility and for general corporate purposes, which may include the acquisition, development and redevelopment of apartment communities and repayment and refinancing of other indebtedness. Pending such uses, the Company may invest the net proceeds from the sale of the Notes in short-term demand deposits, short-term money market funds or investment grade securities or other similar investments. Borrowings under the unsecured revolving credit facility were used to fund the acquisition, development and redevelopment of apartment communities, to repay outstanding indebtedness and for general working capital purposes.

ITEM 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
1.1*	Terms Agreement, dated March 15, 2018, by and among the Company and UBS Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as representatives of the agents named therein
4.1*	First Supplemental Indenture, dated March 26, 2018, between the Company and the Trustee
5.1*	Legal Opinion of Goodwin Procter LLP, dated March 26, 2018
23.1	Consent of Goodwin Procter LLP (included in Exhibit 5.1)

* Filed herewith

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EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
1.1*	Terms Agreement, dated March 15, 2018, among the Company and the agents named therein
4.1*	First Supplemental Indenture, dated March 26, 2018, between the Company and the Trustee
5.1*	Legal Opinion of Goodwin Procter LLP, dated March 26, 2018
23.1	Consent of Goodwin Procter LLP (included in Exhibit 5.1)

* Filed herewith

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AVALONBAY COMMUNITIES, INC.

March 26, 2018

By: /s/ Kevin P. O'Shea
Name: Kevin P. O'Shea

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Section 2: EX-1.1 (EX-1.1)

Exhibit 1.1

AVALONBAY COMMUNITIES, INC.

Medium-Term Notes Due Nine Months or More From Date of Issue

TERMS AGREEMENT

March 15, 2018

AvalonBay Communities, Inc.
Ballston Tower
671 N. Glebe Rd, Suite 800
Arlington, Virginia 22203

Reference is made to that certain Amended and Restated Distribution Agreement dated as of December 16, 2013 (including any exhibits and schedules thereto, the “**Distribution Agreement**”), by and among AvalonBay Communities, Inc., a Maryland corporation (the “**Company**” or “**AvalonBay**”) and the agents named therein. The entities listed on Schedule 1 hereto are collectively referred to herein as the “**Agents**.” UBS Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated have agreed to act as the representatives (the “**Representatives**”) of the Agents in connection with this Terms Agreement (this “**Agreement**”). Capitalized terms used, but not defined, in this Agreement are used in this Agreement as defined in the Distribution Agreement. For the avoidance of doubt, as used in the Distribution Agreement, (i) the term “registration statement” shall refer to the Company’s registration statement on Form S-3ASR (File No. 333-223183) filed with the Commission on February 23, 2018, (ii) the term “Prospectus Supplement” shall refer to the prospectus supplement supplementing the registration statement and setting forth the terms of the offer of the Notes contemplated in the Distribution Agreement, filed with the Commission on February 23, 2018, and (iii) the term “Indenture” shall refer to the Indenture, dated February 23, 2018, between the Company and the The Bank of New York Mellon, as trustee, as such Indenture is amended or supplemented. This Agreement is one of the Written Terms Agreements referred to in Section 4(a) of the Distribution Agreement. The first offer of Notes (as defined below) for purposes of the term “Time of Sale Prospectus” under the Distribution Agreement shall be 5:24 p.m. Eastern Time on March 15, 2018.

In accordance with and subject to the terms and conditions stated in this Agreement, the Distribution Agreement and those certain Appointment Agreements dated as of the date hereof (the “**Appointment Agreements**”), by and between the Company and each of BB&T Capital Markets, a division of BB&T Securities, LLC, BNY Mellon Capital Markets, LLC, MUFG Securities Americas Inc., PNC Capital Markets LLC, SunTrust Robinson Humphrey, Inc. and TD Securities (USA) LLC, which agreements are incorporated herein in their entirety and made a part hereof, the Company agrees to sell to the Agents, and each of the Agents severally agrees to purchase, as principal, from the Company the aggregate principal amounts set forth opposite its name in Schedule 1 hereto of the Company’s 4.35% Notes due 2048 (the “**Notes**”), which Notes are identified on Schedule 2 hereto. If one or more of the Agents shall fail at the Settlement Date to purchase the Notes which it or they are obligated to purchase under this Agreement, the procedures set forth in Section 4(a) of the Distribution Agreement shall apply.

The obligations of the Agents to purchase Notes shall be subject, in addition to the conditions precedent listed in the Distribution Agreement, to the delivery of the following documents to the Representatives, on or before the Settlement Date:

-
1. the opinions and letters referred to in Sections 6(a), 6(b) and 6(c) of the Distribution Agreement, each dated the Settlement Date and otherwise in substantially the same form as was delivered in connection with the Company’s November 8, 2017 public offering of medium-term notes (the “**Prior Offering**”);
 2. the letters of Ernst & Young LLP referred to in Section 6(d) of the Distribution Agreement, dated the date hereof and the Settlement Date and otherwise in substantially the same forms as were delivered in connection with the Prior Offering; and
 3. the officers’ certificate referred to in Section 6(e) of the Distribution Agreement, dated the Settlement Date and otherwise in substantially the same form as was delivered in connection with the Prior Offering.

All such opinions, certificates, letters and other documents will be in compliance with the provisions hereof only if they are reasonably satisfactory in form and substance to the Representatives of the Agents and their counsel. The Company will furnish the Agents with such conformed copies of such opinions, certificates, letters and other documents as the Agents shall reasonably request.

This Agreement shall be governed by the laws of the State of New York. This Agreement, the Distribution Agreement and the

Appointment Agreements constitute the entire agreement of the parties regarding the offering of Notes contemplated by this Agreement and supersede all prior written or oral and all contemporaneous oral agreements, understandings and negotiations with respect to the subject matter hereof. This Agreement may be executed in one or more counterparts and, if executed in more than one counterpart, the executed counterparts shall each be deemed to be an original but all such counterparts shall together constitute one and the same instrument.

[Signature pages follow.]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

AVALONBAY COMMUNITIES, INC.

By: /s/ Kevin P. O'Shea
Name: Kevin P. O'Shea
Title: Chief Financial Officer

[Signature Page to Terms Agreement]

**UBS SECURITIES LLC
MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED**

For themselves and as Representatives of the Agents named on Schedule 1 hereto.

UBS SECURITIES LLC

By: /s/ Christopher Forshner
Name: Christopher Forshner
Title: Managing Director
UBS Securities LLC

By: /s/ Prath Reddy
Name: Prath Reddy
Title: Director
UBS Securities LLC

**MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED**

By: /s/ Chris Djoganopoulos
Name: Chris Djoganopoulos
Title: Managing Director
Investment Banking

[Signature Page to Terms Agreement]

Schedule 1

AGENTS' ALLOCATIONS

2048 Notes

Agent	Aggregate Principal Amount of 2048 Notes
UBS Securities LLC	\$ 48,000,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	\$ 48,000,000
Barclays Capital Inc.	\$ 22,500,000
Deutsche Bank Securities Inc.	\$ 22,500,000
Goldman Sachs & Co. LLC	\$ 22,500,000

J.P. Morgan Securities LLC	\$	22,500,000
Morgan Stanley & Co. LLC	\$	22,500,000
Wells Fargo Securities, LLC	\$	22,500,000
MUFG Securities Americas Inc.	\$	15,000,000
PNC Capital Markets LLC	\$	15,000,000
BB&T Capital Markets, a division of BB&T Securities, LLC	\$	9,750,000
BNY Mellon Capital Markets, LLC	\$	9,750,000
SunTrust Robinson Humphrey, Inc.	\$	9,750,000
TD Securities (USA) LLC	\$	9,750,000
	\$	<u>300,000,000</u>

Schedule 2

AVALONBAY COMMUNITIES, INC.

TERMS OF THE NOTES

(See Attached.)

AVALONBAY COMMUNITIES, INC.

TERMS OF THE NOTES

Medium-Term Notes—Fixed Rate

4.35 % Notes due 2048

Principal Amount: \$300,000,000

Net Proceeds (before expenses) to the Company: \$296,817,000

Stated Maturity Date: April 15, 2048

Original Issue Date: March 26, 2018

Interest Payment Dates: April 15 and October 15

Issue Price (Public Offering Price): 99.814%

Agents' Discount Commission: 0.875%

Interest Rate: 4.35%

CUSIP: 05348E BE8

First Interest Payment Date: October 15, 2018

Redemption:

- The Notes cannot be redeemed prior to the Stated Maturity Date at the option of the Company.
- The Notes may be redeemed prior to the Stated Maturity Date at the option of the Company.

Initial Redemption Date: At any time prior to the Stated Maturity Date. See Additional/Other Terms.

Initial Redemption Percentage/Redemption Price: See Additional/Other Terms.

Annual Redemption Percentage Reduction: N/A

Optional Repayment:

- The Notes cannot be required to be repaid prior to the Stated Maturity Date at the option of the Holder of the Notes.
- The Notes can be repaid prior to the Stated Maturity Date at the option of the Holder of the Notes.

Optional Repayment Dates:

Repayment Price: %

Currency:

Specified Currency: U.S. Dollars (If other than U.S. Dollars, see attached)

Minimum Denominations:

(Applicable only if Specified Currency is other than U.S. Dollars)

Original Issue Discount ("OID"): Yes No

Total Amount of OID:

Yield to Maturity:

Initial Accrual Period:

Additional/Other Terms:

Other Terms:

Debt Service Test. In connection with the issuance of the Notes, we will amend the Indenture to provide that we will not, and will not permit any of our Subsidiaries to, incur any Debt if, immediately after giving effect to the incurrence of such Debt and the application of the proceeds from such Debt on a pro forma basis, the ratio of EBITDA to Interest Expense for the four (4) consecutive fiscal quarters ended on the most recent Reporting Date prior to the incurrence of such Debt would be less than 1.50 to 1.00, and calculated on the following assumptions (without duplication): (1) such Debt and any other Debt incurred since such Reporting Date and outstanding on the date of determination had been incurred, and the application of the proceeds from such Debt (including to repay or retire other Debt) had occurred, on the first day of such four-quarter period; (2) the repayment or retirement of any other Debt since such Reporting Date had occurred on the first day of such four-quarter period; and (3) in the case of any acquisition or disposition by the Company or any of its Subsidiaries of any asset or group of assets since such Reporting Date, whether by merger, stock purchase or sale or asset purchase or sale or otherwise, such acquisition or disposition had occurred as of the first day of such four-quarter period with the appropriate adjustments with respect to such acquisition or disposition being included in such pro forma calculation. If any Debt incurred during the period from such Reporting Date to the date of determination bears interest at a floating rate, then, for purposes of calculating the Interest Expense, the interest rate on such Debt will be computed on a pro forma basis as if the average daily rate during such interim period had been the applicable rate for entire relevant four-quarter period. For purposes of the foregoing, Debt will be deemed to be incurred by a Person whenever such Person creates, assumes, guarantees or otherwise becomes liable in respect thereof.

Reopening of Issue. The Company may, from time to time and without the consent of the noteholders, reopen an issue of notes and issue additional notes having the same terms and conditions (including maturity, interest payment terms and CUSIP number) as notes issued on an earlier date, except for the issue date, issue price and, if applicable, the first payment of interest. After such additional notes are issued, they will be fungible with the notes issued on such earlier date.

Optional Redemption. The Notes may be redeemed at any time at the option of AvalonBay, in whole or in part, upon notice of not more than 45 and not less than 15 days prior to the date fixed for redemption (each, a "Redemption Date"), at a Redemption Price equal to the sum of (i) the principal amount of the Notes being redeemed, plus accrued interest thereon to the Redemption Date and (ii) the Make-Whole Amount, if any, with respect to the Notes. If the Notes are redeemed on or after 180 days prior to the Stated Maturity Date (the "Par Call Date"), the Redemption Price will equal 100% of the principal amount of the Notes being redeemed plus accrued interest thereon to the Redemption Date.

Acceleration of Maturity; Make-Whole Amount. If an Event of Default with respect to the Notes that are then outstanding occurs and is continuing, and pursuant to Section 502 of the Indenture dated as of February 23, 2018 (the "Indenture") between AvalonBay and The Bank of New York Mellon, as trustee (the "Trustee"), the Trustee or the Holders of not less than 25% in aggregate principal amount of the then outstanding Notes shall have declared the principal of, and premium, if any, on all the Notes, or such lesser amount as may be provided for in the Notes, and accrued and unpaid interest, if any, thereon to be due and payable immediately, by a notice in writing to AvalonBay (and to the Trustee if given by the Holders), then upon any such declaration such principal, or specified portion thereof, plus accrued interest to the date the Notes are paid, plus the Make-Whole Amount on the Notes, shall become immediately due and payable.

If an Event of Default set forth in Section 501(5) of the Indenture occurs with respect to the Notes, such that pursuant to Section 502 of the Indenture, the principal of, and premium, if any, on all of the Notes, or such lesser amount as may be provided for in the Notes, and accrued and unpaid interest, if any, thereon, shall be immediately due and payable, without declaration or other act on the part of the Trustee or any Holder of the Notes, then the Make-Whole Amount on the Notes, if any, shall also be immediately due and payable.

Definitions. Terms used but not defined herein shall have the meanings set forth in the Indenture. The following terms shall have the following meanings:

"Make-Whole Amount" means, in connection with any optional redemption or accelerated payment of any Note, the excess, if any, of (i) the aggregate present value as of the date of such redemption or accelerated payment of each dollar of principal being redeemed or paid and the amount of interest, calculated by AvalonBay, excluding interest accrued to the date of redemption or accelerated payment, that would have been payable in respect of such dollar amount if the redemption or accelerated payment had been made on the Par Call Date, determined by discounting, on a semi-annual basis, such principal and interest at the applicable Reinvestment Rate (determined on the third Business Day preceding the date such notice of redemption is given or declaration of acceleration is made) from the date on which such principal and interest would have been payable if such redemption or accelerated payment had been made on the Par Call Date over (ii) the aggregate principal amount of the Notes being redeemed or paid.

"Reinvestment Rate" means twenty (20) basis points plus the arithmetic mean of the yields under the respective headings "This Week" and "Last Week" published in the Statistical Release under the caption "Treasury Constant Maturities" for the maturity (rounded to the nearest month) corresponding to the remaining life to the Par Call Date, as of the payment date of the principal being redeemed or paid. If no maturity exactly corresponds to such maturity, yields for the two published maturities most closely corresponding to such maturity shall be calculated pursuant to the immediately preceding sentence and the Reinvestment Rate shall be interpolated or extrapolated from such yields on a straight-line basis, rounding in each of such relevant periods to the nearest month. For such purposes of calculating the Reinvestment Rate, the most recent Statistical Release published prior to the date of determination of the Make-Whole Amount shall be used.

"Statistical Release" means the statistical release designated "H.15(519)" or any successor publication which is published weekly by the Federal Reserve System and which establishes yields on actively traded United States government securities adjusted to constant maturities or, if

such statistical release is not published at the time of any determination of the Make-Whole Amount, then such other reasonably comparable index which shall be designated by AvalonBay.

The Company has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the Company has filed with the SEC for more complete information about the Company and this offering. You may get these documents for free by visiting the SEC Web site at www.sec.gov. Alternatively, the Company or any agent participating in the offering will arrange to send you the prospectus if you request it.

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Section 3: EX-4.1 (EX-4.1)

Exhibit 4.1

AVALONBAY COMMUNITIES, INC.

Issuer

to

THE BANK OF NEW YORK MELLON

Trustee

First Supplemental Indenture

Dated as of March 26, 2018

FIRST SUPPLEMENTAL INDENTURE, dated as of March 26, 2018 (the “First Supplemental Indenture”), between AVALONBAY COMMUNITIES, INC., a corporation organized under the laws of the State of Maryland (herein called the “Company”), and The Bank of New York Mellon, a corporation organized and existing under the laws of the State of New York, as Trustee (herein called the “Trustee”).

RECITALS OF THE COMPANY

The Company has heretofore delivered to the Trustee an Indenture dated as of February 23, 2018 (the “Indenture”), which has been filed as an exhibit to the Company’s Registration Statement on Form S-3 (file no. 333-223183), filed on February 23, 2018 with the Securities and Exchange Commission (the “Commission”) under the Securities Act of 1933, as amended, providing for the issuance from time to time of Debt Securities of the Company (the “Securities”) in an unlimited aggregate principal amount, including a series of debt securities entitled “Medium-Term Notes Due Nine Months or More from Date of Issue” currently limited to \$1,000,000,000 in aggregate initial principal amount.

The Company wishes to amend and restate the definition of “Make-Whole Amount” in Section 101 of the Indenture, and the Company also wishes to amend and restate Section 1012(3) of the Indenture, as provided in this First Supplemental Indenture.

Section 901, including without limitation Sections 901(2), 901(11) and 901(16), of the Indenture provides that the Company and the Trustee may enter into an indenture supplemental to the Indenture to add to the covenants of the Issuer with respect to all or any series of Securities issued under the Indenture, to amend or supplement any provision contained in the Indenture or to make any change that would provide any additional rights or benefits to the Holders of Securities that does not adversely affect the legal rights under the Indenture of any Holder in any material respect, subject to certain limitations with respect to outstanding Securities. This First Supplemental Indenture does not affect any outstanding Securities, and applies only to Securities issued on or after the date of this First Supplemental Indenture, which for the avoidance of doubt shall include the Company’s 3.45% Notes due 2048 (\$300,000,000 principal amount) issued on the date of this First Supplemental Indenture. The amendments herein do not and shall not adversely affect the interests of the Holders of Securities of any series in any material respect.

The Trustee is willing to enter into this First Supplemental Indenture at the Company’s request, subject to compliance with Section 901 of the Indenture, as applicable.

The Board of Directors of the Company has previously duly adopted resolutions authorizing the Company to execute and deliver this First Supplemental Indenture.

All the conditions and requirements necessary to make this First Supplemental Indenture, when duly executed and delivered, a valid and binding agreement in accordance with its terms and for the purposes herein expressed, have been performed and fulfilled.

NOW, THEREFORE, THIS FIRST SUPPLEMENTAL INDENTURE WITNESSETH:

For and in consideration of the premises and for other good and valuable consideration, the receipt of which is hereby acknowledged, it is mutually covenanted and agreed, for the equal and proportionate benefit of all Holders of any series of Securities (as defined in the Indenture) issued on or after the date hereof, as follows:

ARTICLE ONE

RELATION TO INDENTURE: DEFINITIONS

SECTION 1.1. Relation to Indenture. This First Supplemental Indenture constitutes an integral part of the Indenture.

SECTION 1.2. Definitions. For all purposes of this First Supplemental Indenture, except as otherwise expressly provided for or unless the context otherwise requires:

- (1) Capitalized terms used but not defined herein shall have the respective meanings assigned to them in the Indenture; and
- (2) All references herein to Articles and Sections, unless otherwise specified, refer to the corresponding Articles and Sections of this First Supplemental Indenture.

ARTICLE TWO

AMENDMENT OF THE INDENTURE

SECTION 2.1. Amendment and Restatement of the Definition of "Make-Whole Amount" in Section 101. The definition of "Make-Whole Amount" in Section 101 of the Indenture is hereby amended and restated to provide as follows:

"Make-Whole Amount" means, if specified to be applicable to any series of Securities by or pursuant to this Indenture or any indenture supplemental hereto, or by or in such series of Securities in connection with the issuance of such series of Securities, or with respect to any optional redemption or accelerated payment of such series of Securities: the aggregate present value as of the date of redemption or accelerated payment of each dollar of principal being redeemed or paid and the amount of interest, calculated by the Issuer, excluding interest accrued to the date of redemption or accelerated payment, that would have been payable in respect of each dollar if the redemption or accelerated payment had been made on the applicable par call date specified with respect to such series of Securities (determined by discounting, on a semi-annual basis, the principal and interest at the Reinvestment Rate, determined on the third Business Day preceding the date notice of redemption is given or declaration of acceleration is made, from the respective dates on which the principal and interest would have been payable if the redemption or accelerated payment had been made on the applicable par call date), in excess of the aggregate principal amount of the Securities being redeemed or paid. The par call date, if any, shall be the date, specified by or pursuant to this Indenture or any indenture supplemental hereto, or by or in such series of Securities in connection with the issuance of such series of

Securities, on or after which the Redemption Price of such series of Securities shall not include a Make-Whole Amount.

SECTION 2.2 Amendment and Restatement of Section 1012(3). Section 1012(3) of the Indenture is hereby amended and restated to provide as follows:

(3) Debt Service Test. The Issuer will not, and will not permit any of our Subsidiaries to, incur any Debt if, immediately after giving effect to the incurrence of such Debt and the application of the proceeds from such Debt on a pro forma basis, the ratio of EBITDA to Interest Expense for the four (4) consecutive fiscal quarters ended on the most recent Reporting Date prior to the incurrence of such Debt would be less than 1.50 to 1.00, and calculated on the following assumptions (without duplication): (1) such Debt and any other Debt incurred since such Reporting Date and outstanding on the date of determination had been incurred, and the application of the proceeds from such Debt (including to repay or retire other Debt) had occurred, on the first day of such four-quarter period; (2) the repayment or retirement of any other Debt since such Reporting Date had occurred on the first day of such four-quarter period; and (3) in the case of any acquisition or disposition by the Company or any of its Subsidiaries of any asset or group of assets since such Reporting Date, whether by merger, stock purchase or sale or asset purchase or sale or otherwise, such acquisition or disposition had occurred as of the first day of such four-quarter period with the appropriate adjustments with respect to such acquisition or disposition being included in such pro forma calculation. If any Debt incurred during the period from such Reporting Date to the date of determination bears interest at a floating rate, then, for purposes of calculating the Interest Expense, the interest rate on such Debt will be computed on a pro forma basis as if the average daily rate during such interim period had been the applicable rate for entire relevant four-quarter period. For purposes of the foregoing, Debt will be deemed to be incurred by a Person whenever such Person creates, assumes, guarantees or otherwise becomes liable in respect thereof.

ARTICLE THREE

MISCELLANEOUS PROVISIONS

SECTION 3.1. Ratification of Indenture. Except as expressly modified or amended hereby, the Indenture continues in full force and effect and is in all respects confirmed and preserved.

SECTION 3.2. Governing Law. This First Supplemental Indenture shall be governed by and construed in accordance with the laws of the State of New York. This First Supplemental Indenture is subject to the provisions of the Trust Indenture Act of 1939, as amended, and shall, to the extent applicable, be governed by such provisions.

SECTION 3.3. Counterparts. This First Supplemental Indenture may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

SECTION 3.4. Trustee. The Trustee makes no representation as to the validity or sufficiency of this First Supplemental Indenture. The recitals and statements herein are deemed to be those of the Company and not of the Trustee.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this First Supplemental Indenture to be duly executed by their respective officers hereunto duly authorized, all as of the day and year first written above.

AVALONBAY COMMUNITIES, INC.

By: /s/ Kevin P. O'Shea
Kevin P. O'Shea
Chief Financial Officer

Attest: /s/ Edward M. Schlman
Edward M. Schulman
Secretary

THE BANK OF NEW YORK MELLON,
as Trustee

By: /s/ Francine Kincaid
Name: Francine Kincaid
Title: Vice President

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Section 4: EX-5.1 (EX-5.1)

Exhibit 5.1



Goodwin Procter LLP
100 Northern Avenue
Boston, MA 02210

goodwinlaw.com
+1 617 570 1000

March 26, 2018

AvalonBay Communities, Inc.
Ballston Tower
671 N. Glebe Road, Suite 800
Arlington, VA 22203

Ladies and Gentlemen:

We have acted as counsel to you in connection with your filing of a Registration Statement on Form S-3 (File No. 333-223183) (as amended or supplemented, the "Registration Statement") filed on February 23, 2018 with the Securities and Exchange Commission (the "Commission") pursuant to the Securities Act of 1933, as amended (the "Securities Act"), relating to the registration of the offer by AvalonBay Communities, Inc., a Maryland corporation (the "Company") of an unlimited amount of any combination of securities of the types specified therein. The Registration Statement became effective pursuant to the rules of the Commission upon filing on February 23, 2018. Reference is made to our opinion letter dated February 23, 2018 and included as Exhibit 5.1 to the Registration Statement.

We are delivering this supplemental opinion letter in connection with the pricing supplement dated March 15, 2018 (the "Pricing Supplement") filed on March 16, 2018 by the Company with the Commission pursuant to Rule 424 under the Securities Act. The Pricing Supplement relates to the offering by the Company of \$300,000,000 aggregate principal amount of the Company's 4.35% Notes due April 15, 2048 (the "Notes") covered by the Registration Statement. We understand that the Notes are to be offered and sold in the manner described in the Pricing Supplement.

We have reviewed such documents and made such examination of law as we have deemed appropriate to give the opinions set forth below. We have relied, without independent verification, on certificates of public officials and, as to matters of fact material to the opinions set forth below, on certificates of officers of the Company.

We refer collectively to the Indenture, dated as of February 23, 2018, between the Company and The Bank of New York Mellon, as trustee (the "Trustee"), as amended by the First Supplemental Indenture, dated as of March 26, 2018, between the Company and the Trustee, as the "Indenture."



AvalonBay Communities, Inc.

March 26, 2018

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The opinion expressed below is limited to the law of New York and the Maryland General Corporation Law.

Based on the foregoing, and subject to the additional qualifications set forth below, we are of the opinion that, upon the execution, authentication and issuance of the Notes in accordance with the terms of the Indenture, the Notes will be valid and binding obligations of the Company, enforceable against the Company in accordance with their terms.

The opinion expressed above is subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other similar laws of general application affecting the rights and remedies of creditors and to general principles of equity. We express no opinion as to the validity, binding effect or enforceability of provisions in the Notes or the Indenture relating to the choice of forum for resolving disputes.

This opinion letter and the opinion it contains shall be interpreted in accordance with the Legal Opinion Principles issued by the Committee on Legal Opinions of the American Bar Association's Business Law Section as published in 53 *Business Lawyer* 831 (May 1998).

We hereby consent to the inclusion of this opinion as Exhibit 5.1 to the Registration Statement and to the references to our firm under the caption "Legal Matters" in the Registration Statement. In giving our consent, we do not admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations thereunder.

Sincerely,

/s/ Goodwin Procter LLP

GOODWIN PROCTER LLP

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