

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant ☒ [X]

Filed by a Party other than the Registrant ☐ []

Check the appropriate box:

☐ [] Preliminary Proxy Statement ☐ [] CONFIDENTIAL, FOR USE OF THE
COMMISSION ONLY (AS PERMITTED BY
RULE 14A-6 (E) (2))

☐ [] Definitive Proxy Statement

☒ [X] Definitive Additional Materials

☐ [] Soliciting Material Pursuant to Section 240.14a-11(c) or Section 240.14a-12

BAY APARTMENT COMMUNITIES, INC.

(Name of Registrant as Specified In Its Charter)

BAY APARTMENT COMMUNITIES, INC.

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

☒ [X] No fee required

☐ [] Fee computed on table below per Exchange Act Rules 14a-6(i) (4) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed
pursuant to Exchange Act Rule 0-11 (Set forth the amount on which
the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

☐ [] Fee paid previously with preliminary materials.

☐ [] Check box if any part of the fee is offset as provided by Exchange
Act Rule 0-11(a) (2) and identify the filing for which the offsetting fee
was paid previously. Identify the previous filing by registration statement
number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Notes:

[LETTERHEAD OF BAY APARTMENT COMMUNITIES APPEARS HERE]

June 2, 1998

Ms. Jill Lyons
Institutional Shareholder Services

Re: Bay Apartment Communities, Inc.

Dear Jill:

I am writing to confirm our earlier discussions regarding certain corporate governance matters in connection with the Bay Apartment Communities 1998 Annual Meeting of Stockholders to be held on Thursday, June 4, 1998. You have pointed out that ISS has concerns regarding certain corporate governance provisions that will be included in Bay's charter after the merger with Avalon Properties Inc. These charter provisions relate to three issues: the directors' ability to expand the size of the board of directors, the stockholders' inability to remove directors without cause, and the number of authorized shares of common stock. As we have previously discussed, Bay believes that it has taken a balanced approach to stockholder concerns in the proposed charter. However, in light of the issues you have raised, we feel that it is important to make sure that our stockholders agree with the approach we have taken. For this reason Bay's Board of Directors has agreed to take the following actions.

Immediately following the merger, the Board of Directors will amend the bylaws of Bay to provide that the maximum number of directors will not exceed 15 and to provide that the bylaw provision may not be amended without a stockholder vote. In addition, the Board of Directors will hold a special meeting of the stockholders no later than September 30, 1998 for the purpose of voting on two amendments to the charter. The first amendment will eliminate the "for cause" provision relating to the removal of directors. The second amendment will limit the maximum number of authorized shares of common stock to 140,000,000 shares.

Bay has worked hard to maintain its reputation as a stockholder friendly company. It is our goal to maintain that reputation by submitting these matters for stockholder approval at a special meeting.

Sincerely,

/s/ Gilbert G. Meyer
Gilbert G. Meyer
Chief Executive Officer and President