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**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) **February 16, 2012**

**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))
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**Item 7.01 Regulation FD Disclosure.**

**Organizational Announcement:**

AvalonBay Communities, Inc. (the "Company") has determined to implement a realignment of certain executive officer responsibilities, effective April 1, 2012, to help the Company remain focused on efficiently integrating and fully leveraging new specialized support functions while also continuing to focus on maintaining top quality, on-site customer service, leasing and asset maintenance functions.

With this realignment, Leo Horey, currently Executive Vice President-Property Operations, will assume the new role of Executive Vice President-Chief Administrative Officer. In this role, Mr. Horey will oversee a number of functions, including revenue management, strategic business services (ancillary revenue streams), property taxes, and various corporate and administrative services across all business functions including human resources and information services. He will also remain on the Company's management investment committee.

Sean Breslin, Executive Vice President — Investments and Asset Management, will assume additional responsibility for oversight of property operations while retaining his current responsibilities and remaining on the management investment committee. Directly managing national property operations and reporting to Mr. Breslin will be Bernard Ward, Senior Vice President, who during his 14 years with the Company has gained experience managing both our West Coast and East Coast property operations.

Matthew Birenbaum, Executive Vice President — Corporate Strategy, will oversee the Company's market research function while continuing to oversee the brand strategy and design groups and continuing to play an instrumental role on the Company's management investment committee.

**Compensation Policies:**

On February 16, 2012, on the recommendation of its Compensation Committee, the Company's Board of Directors adopted Executive Stock Ownership Guidelines ("Ownership Guidelines") and a Policy Regarding Shareholder Approval of Future Severance Agreements ("Severance Policy").

The Ownership Guidelines will apply to all officers with the title Executive Vice President or higher or who are otherwise subject to reporting under Section 16 of the Securities Exchange Act ("covered officers") and will be effective on March 15, 2012. Under the guidelines, covered officers are expected to maintain ownership of the Company's common stock having a value that equals a designated multiple of the officer's base salary. For the Chief Executive Officer the multiple is six times; for other officers the multiple varies depending on title. The full Ownership Guidelines are attached as an exhibit to this Report on Form 8-K and describe the shares which will count toward meeting the guidelines, the time period in which covered officers are expected to achieve compliance with the guidelines, and retention requirements that apply during periods when the guidelines are not met.

The Severance Policy states that it is the Company's policy to not enter into or bind the Company to the terms of any future severance agreement that provides that a covered officer, upon his or her departure from or termination by the Company, shall receive "benefits" in excess of 2.99 times that officer's base salary plus annual bonus, unless such future severance agreement is approved or ratified by the Company's shareholders. Under the Severance Policy, "benefits" are defined broadly but the term is also subject to various limitations and exceptions (e.g., payment of a pro rata bonus for the portion of the year served or acceleration of unvested stock and options in accordance with standard terms that generally apply widely to other groups that receive such awards). The full terms of the Severance Policy are attached as an exhibit to this Report on Form 8-K.

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**ITEM 9.01 Financial Statements and Exhibits**

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Policy Regarding Shareholder Approval of Future Severance Agreements, Adopted by the Board of Directors on February 16, 2012. (Filed herewith)
99.2	Executive Stock Ownership Guidelines, adopted February 16, 2012, effective March 15, 2012. (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.

February 23, 2012

By: /s/ Thomas J. Sargeant  
Name: Thomas J. Sargeant  
Title: Chief Financial Officer

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**EXHIBIT INDEX**

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## AvalonBay Communities, Inc.

## Policy Regarding Shareholder Approval of Future Severance Agreements

Adopted by the Board of Directors on February 16, 2012

**Policy**

It is the Policy of the Board of Directors (the “Board”) of AvalonBay Communities, Inc. (the “Company”) to not enter into or bind the Company to the terms of any Future Severance Agreement that provides that a Senior Executive, upon such Senior Executive’s departure from or termination from the Company, shall receive Benefits in excess of the Severance Limitation, unless such Future Severance Agreement is approved or ratified by the Company’s shareholders.

**Definitions**

“Senior Executive” means the Company’s Chairman of the Board, Chief Executive Officer, President, Chief Financial Officer, any Executive Vice President, and any other person who as an officer of the Company is required to file reports pursuant to Section 16 of the Securities Exchange Act of 1934.

“Future Severance Agreement” means any employment or other agreement containing severance, termination or retirement provisions entered into after February 16, 2012, or the renewal, modification, or extension of any such agreement that has been entered into on or before such date, but excluding any such agreement which is assumed by the Company as a result of a business combination or acquisition.

“Benefits” mean any of the following given to a Senior Executive upon departure from or termination from the Company in accordance with a Future Severance Agreement:

- (i) a lump-sum cash payment (including a payment in lieu of medical and other benefits or a payment in the nature of a “tax gross-up” to help reduce the imposition of a tax);
- (ii) the estimated present value of any future payment or stream of payments (including payments in respect of a non-competition agreement or consulting fees);
- (iii) any other special award or fringe benefit; and
- (iv) the value of any equity award that is given (or the value of accelerating the vesting of a previously awarded equity award).

Benefits shall in no event include the following:

- (i) salary, bonus, incentive awards or cash in lieu thereof, vacation pay and other compensation earned or accrued prior to the date of separation of service or calculated by
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- reference to the portion of the year worked prior to separation of service (e.g., a pro rata bonus for the portion of the year worked) or the portion of the period worked in the case of a multi-year performance plan;
  - (ii) the value of accelerated vesting of a previously awarded restricted equity award if such acceleration is required pursuant to the terms of the plan under which the award was made or pursuant to a model form of agreement that is used regularly for other, more junior officers or for associates of any level who receive similar types of awards;
  - (iii) payments or distributions made in accordance with, or in a manner permitted by, qualified or non-qualified plans such as a 401(k) plan, a deferred compensation plan, an employee stock purchase plan, or health, life or disability plans;
  - (iv) payments made outside of a Future Severance Agreement if the Board determines such payment to be in the best interest of the Company, including but not limited to settlement of litigation or threatened litigation or retention arrangements;
  - (v) post-termination benefits regularly provided to more junior officers or other associates, such as reimbursement of COBRA payments or outplacement services for a period of time; or
  - (vi) payments that are required by the Company’s bylaws in the nature of indemnification for claims against the Company.

“Severance Limitation” means 2.99 times the sum of (i) the Senior Executive’s annual base salary as in effect immediately prior to the date of the Senior Executive’s termination of employment plus (ii) the Senior Executive’s annual bonus amount (which may be calculated in the Board’s discretion based on the target annual bonus then in effect for the executive, or the actual annual bonus most recently paid to the executive, or an average of recent actual annual bonuses most recently paid to the executive).

**Other**

The Board delegates to the Compensation Committee full authority to make determinations regarding the interpretation of the provisions of this Policy, in its sole discretion, including without limitation, the determination of the value of any noncash items, as well as the present value of any cash or non-cash benefits payable over a period of time.

The Board shall have the right to amend, waive or cancel this Policy at any time if it determines in its sole discretion that such action would be in the best interests of the Company, provided that any such action shall be promptly disclosed.

**AvalonBay Communities, Inc.**  
**Executive Stock Ownership Guidelines**

**Adopted February 16, 2012**  
**(Effective March 15, 2012)**

The Board of Directors of AvalonBay Communities, Inc. (the “Company”) believes that significant ownership of the Company’s stock by its executive officers helps to align the interests of the Company’s management with those of its stockholders and is consistent with the Company’s commitment to sound corporate governance.

Ownership:

These Executive Stock Ownership Guidelines (the “Guidelines”) provide that members of the Company’s senior management who are considered officers for purposes of Section 16 of the Securities Exchange Act of 1934 will be subject to an equity ownership guideline established as a multiple of annual base salary (calculated by dividing base salary by the closing price of the Company’s common stock), as follows:

Chairman, Chief Executive Officer and President:	six times base salary
CFO and Executive Vice Presidents:	three times base salary
Senior Vice Presidents:	one and one-half times base salary
Vice Presidents:	one times base salary

Counting Shares Owned:

Stock that counts towards satisfaction of these Guidelines includes shares owned by the officer or his or her immediately family sharing the same household, including shares of restricted stock still subject to vesting. Shares underlying stock options shall not count toward satisfaction of these Guidelines.

Time for Compliance:

A covered officer is required to achieve compliance with these Guidelines by the later of (i) five years from the date of adoption of these Guidelines, (ii) five years from the date of promotion to the covered position, or (iii) five years from start of employment with the company.

Stock Retention Requirements:

Until such time as an officer covered by the guidelines has achieved compliance with the Guidelines, or if an officer becomes non-compliant due to a reduction in stock price, the officer will be required to retain at least 50% of “Net Shares” that are acquired as a result of vesting of restricted stock until compliance is achieved or re-achieved. “Net Shares” are newly vested shares that are owned by the officer after newly vested shares are sold or withheld to pay applicable taxes.

Administration and Reporting:

The Compensation Committee shall receive a report at least annually detailing the then current compliance with the Guidelines. For purposes of this annual report, compliance with the guidelines may be measured based on a 20 day average of the closing price of the Company’s common stock.

Hardship and Waivers:

There may be instances in which the Guidelines would place a hardship on an officer covered by the Guidelines or prevent an officer from complying with a court order, such as a divorce settlement. In these instances, the officer must submit a request in writing to the Chief Executive Officer and the General Counsel summarizing the circumstances and describing the extent to which an exemption is being requested. The CEO and the General Counsel will forward the request to the Chairman of the Compensation Committee, who may make the final decision as to whether an exemption will be granted, or may elect to present the request to the full Compensation Committee for the final decision.