
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): **June 21, 2017**

AVALONBAY COMMUNITIES, INC.
(Exact name of registrant as specified in its charter)

Maryland
(State or Other Jurisdiction of Incorporation)

1-12672
(Commission File Number)

671 N. Glebe Road, Suite 800, Arlington, Virginia
(Address of Principal Executive Offices)

77-0404318
(I.R.S. Employer Identification No.)

22203
(Zip Code)

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 or Rule 12b-2 of the Securities Exchange Act of 1934.

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 June 12, 2017, AvalonBay Communities, Inc. (the “Company”) priced a public offering (the “Offering”) of an aggregate of \$300,000,000 principal amount of its 4.15% Medium Term Notes due 2047 (the “Notes”). The Offering was made pursuant to a Pricing Supplement dated June 12, 2017, a Prospectus Supplement dated May 6, 2015 and a Prospectus dated February 19, 2015 relating to the Company’s Shelf Registration Statement on Form S-3 (File No. 333-202185). The Terms Agreement, dated June 12, 2017, by and among the Company and Goldman Sachs & Co. LLC and Wells Fargo Securities, LLC, as representatives of the agents named therein, is filed herewith as Exhibit 1.1.

The Notes were issued under an Indenture between the Company and The Bank of New York Mellon, as trustee, dated as of January 16, 1998, as supplemented by a First Supplemental Indenture dated as of January 20, 1998, a Second Supplemental Indenture dated as of July 7, 1998, an Amended and Restated Third Supplemental Indenture dated as of July 10, 2000, a Fourth Supplemental Indenture dated as of September 18, 2006, and a Fifth Supplemental Indenture dated as of November 21, 2014.

The Notes bear interest from June 21, 2017, with interest on the Notes payable semi-annually on January 1 and July 1, beginning on January 1, 2018. The Notes will mature on July 1, 2047. The Company will use the aggregate net proceeds, after underwriting discounts and other transaction-related costs, of approximately \$296,725,000 from the sale of the Notes, supplemented by cash balances on hand and (to the extent required) borrowings under its unsecured revolving credit facility, to prepay all indebtedness outstanding under the Company’s Freddie Mac secured debt pool, which matures on May 1, 2019, and to pay a related yield maintenance penalty as described below. The 5.86% per annum fixed rate debt pool was originated in April 2009 and included 12 collateral properties as of June 1, 2017, each subject to a separate mortgage and collectively subject to a master cross-collateralization agreement and a master substitution agreement. The aggregate principal amount of secured indebtedness outstanding in connection with this debt pool was \$556,312,883 as of June 1, 2017, the date for which the Company made the most recent payment of principal and interest. Prepayment of the debt pool requires the payment of a yield maintenance penalty, which was estimated to be approximately \$34,000,000 as of June 8, 2017. The yield maintenance penalty is computed based on a U.S. Treasury rate that has a remaining term commencing five business days prior to the payoff date through the expiration of the yield maintenance window, and the exact amount of the yield maintenance penalty is therefore subject to change. Settlement occurred on June 21, 2017.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
1.1*	Terms Agreement, dated June 12, 2017, among the Company and the agents named therein.
5.1*	Legal Opinion of Goodwin Procter LLP, dated June 21, 2017.
23.1	Consent of Goodwin Procter LLP (included in Exhibit 5.1).

* Filed herewith.

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SIGNATURE

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

AVALONBAY COMMUNITIES, INC.

Dated: June 21, 2017

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

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AVALONBAY COMMUNITIES, INC.

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

TERMS AGREEMENT

June 12, 2017

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**.” Goldman Sachs & Co. LLC and Wells Fargo Securities, LLC 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. 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 5:27 p.m. Eastern Time on June 12, 2017.

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 Jefferies LLC, TD Securities (USA) LLC, BB&T Capital Markets, a division of BB&T Securities, LLC, BNY Mellon Capital Markets, LLC, MUFG Securities Americas Inc. and SunTrust Robinson Humphrey, Inc., 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 4.15% Notes due 2047 (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 May 3, 2017 public offering of medium-term notes (the “**Prior Offering**”);
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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]

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

GOLDMAN SACHS & CO. LLC

By: /s/ Raffael Fiumara
Name: Raffael Fiumara
Title: Vice President

WELLS FARGO SECURITIES, LLC

By: /s/ Carolyn Hurley
Name: Carolyn Hurley
Title: Director

[Signature Page to Terms Agreement]

Schedule 1

AGENTS' ALLOCATIONS

2047 Notes

<u>Agent</u>	<u>Aggregate Principal Amount of Notes</u>
Goldman Sachs & Co. LLC	\$ 67,500,000
Wells Fargo Securities, LLC	\$ 67,500,000
Barclays Capital Inc.	\$ 43,500,000
UBS Securities LLC	\$ 43,500,000
Jefferies LLC	\$ 43,500,000
TD Securities (USA) LLC	\$ 13,500,000
BB&T Capital Markets, a division of BB&T Securities, LLC	\$ 5,250,000
BNY Mellon Capital Markets, LLC	\$ 5,250,000
MUFG Securities Americas Inc.	\$ 5,250,000
SunTrust Robinson Humphrey, Inc.	\$ 5,250,000
	<u>\$ 300,000,000</u>

Schedule 2

AVALONBAY COMMUNITIES, INC.

TERMS OF THE NOTES

(See Attached.)

Filed Pursuant to Rule 433
Supplementing the Preliminary Pricing Supplement No. 24 dated June 12, 2017
(To Prospectus dated February 19, 2015 and
Prospectus Supplement dated May 6, 2015)
Registration Statement No. 333-202185

AVALONBAY COMMUNITIES, INC.

TERMS OF THE NOTES

Medium-Term Notes—Fixed Rate

4.15% Notes due 2047

Principal Amount: \$300,000,000
Net Proceeds (before expenses) to the Company: \$297,372,000
Stated Maturity Date: July 1, 2047
Original Issue Date: June 21, 2017
Interest Payment Dates: January 1 and July 1

Issue Price (Public Offering Price): 99.999%
Agents' Discount Commission: 0.875%
Interest Rate: 4.150%
CUSIP: 05348E BB4
First Interest Payment Date: January 1, 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:

Form: ☒ Book-Entry ☐ Certificated

Additional/Other Terms:

Other Terms:

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 such 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 2.7 of the Amended and Restated Third Supplemental Indenture dated as of July 10, 2000 (the "Third Supplemental Indenture"), the Trustee or the Holders of not less than 25% in principal amount of the then outstanding Notes of this series shall have declared the principal amount (or, if the Notes of this series are Original Issue Discount Securities or Indexed Securities, such portion of the principal as may be specified in the terms hereof) of all the Notes of this series 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 of this series are paid, plus the Make-Whole Amount on this series of Notes, shall become immediately due and payable. With respect to the Notes of this series, if an Event of Default set forth in Section 501(6) of the Indenture, dated as of January 16, 1998, between AvalonBay and the Trustee (the "Indenture") occurs and is continuing, such that pursuant to Section 2.7 of the Third Supplemental Indenture all the Notes of this series are immediately due and payable, without notice to AvalonBay, at the principal amount thereof (or, if the Notes of this series are Original Issue Discount Securities or Indexed Securities, such portion of the principal as may be specified in the terms of this series of Notes), plus accrued interest to the date this series of Notes are paid, then the Make-Whole Amount on this series of Notes shall also be immediately due and payable.

Definitions. Terms used but not defined herein shall have the meanings set forth in the Indenture and the Third Supplemental 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 (exclusive of interest accrued to the date of redemption or accelerated payment) that would have been payable in respect of such dollar to the Par Call Date, determined by

discounting, on a semi-annual basis, such principal and interest at the 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 respective dates 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.

June 21, 2017

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

Re: Legality of Securities to be Registered Under Registration Statement on Form S-3

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. 333-202185) (as amended or supplemented, the "Registration Statement") filed on February 19, 2015 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 19, 2015. Reference is made to our opinion letter dated February 19, 2015 and included as Exhibit 5.1 to the Registration Statement. We are delivering this supplemental opinion letter in connection with the pricing supplement dated June 12, 2017 (the "Pricing Supplement") filed on June 13, 2017 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 4.15% Notes due July 1, 2047 (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 to (a) the Indenture, dated as of January 16, 1998, between the Company and The Bank of New York Mellon (as successor to State Street Bank and Trust Company) (the "Trustee"), (b) the First Supplemental Indenture, dated as of January 20, 1998, between the Company and the Trustee, (c) the Second Supplemental Indenture, dated as of July 7, 1998, between the Company and the Trustee, (d) the Amended and Restated Third Supplemental Indenture, dated as of July 10, 2000, between the Company and the Trustee, (e) the Fourth Supplemental Indenture, dated as

of September 18, 2006, between the Company and the Trustee and (f) the Fifth Supplemental Indenture, dated as of November 21, 2014 collectively as the "Indenture."

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