
**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 15, 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 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On January 31, 2018, the Compensation Committee of the Board of Directors approved updated forms of the following equity award agreements:

- Form of Restricted Stock Agreement for Associates.
- Form of Stock Option Agreement for Associates.
- Form of Performance-Based Restricted Stock Unit Agreement with attached Award Terms (for use in 2018-2020 performance period and for periods thereafter, subject to changes in the weightings, target levels of achievement, and metrics used in the award agreement) (the "2018 Form of Performance Award Agreement").

The forms of agreements above were updated principally to make conforming changes in light of the adoption of the Second Amended and Restated 2009 Equity Incentive Plan (approved by shareholders on May 18, 2017). The 2018 Form of Performance Award Agreement was also updated to reflect the following changes:

- At the end of a performance period, any earned units are settled in unrestricted shares of AvalonBay Communities, Inc. common stock (as opposed to shares of common stock that are subject to further vesting).
- At the end of a performance period, a participant will be paid cash equal in amount to the dividends that would have been payable on such number of earned shares during the performance period.

The 2018 Form of Performance Award Agreement also reflected changes to the weightings of certain metrics and changes to the threshold and maximum target levels of certain metrics. The weightings, target levels and metrics are subject to change in performance awards that use this form of agreement in future performance periods.

On January 31, 2018 and February 14, 2018, the Compensation Committee approved and recommended to the independent directors on the full Board of Directors who qualify for service on the Compensation Committee (the "Independent Directors"), and on February 15, 2018, the Independent Directors approved and ratified, the granting of awards to officers and associates using the aforementioned forms of agreements.

On January 31, 2018, the Compensation Committee also approved an Amended and Restated Directors' Deferred Compensation Program and updated forms of a Restricted Stock Agreement for Directors and a Restricted Unit Agreement for Directors (deferred stock award). The purpose of the Directors' Deferred Compensation Program is to allow independent directors to elect to receive, in lieu of cash and restricted stock compensation, awards of Restricted Units (deferred stock) that convert to shares of AvalonBay common stock following departure from the Board of Directors. The purpose for updating the forms of agreements and the Directors' Deferred Compensation Program was principally to make conforming changes in light of the adoption of the Second Amended and Restated 2009 Equity Incentive Plan. No awards of restricted stock, and no awards of restricted units under the Directors' Deferred Compensation Program, have been made to independent directors yet under these revised forms.

2

ITEM 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
10.1	Form of Stock Grant and Restricted Stock Agreement for use with officers and associates.
10.2	Form of Incentive Stock Option / Non-Qualified Stock Option Agreement for use with officers and associates.
10.3	Form of Agreement for Grant of Performance-Based Restricted Stock Units with attached Award Terms (subject to changes in the weightings and metrics used in the award agreement)
10.4	2018 Amended and Restated Directors Deferred Compensation Program
10.5	Form of Director Restricted Stock Agreement
10.6	Form of Director Restricted Unit Agreement (deferred stock award)

3

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 22, 2018

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

4

**AVALONBAY COMMUNITIES, INC.
RESTRICTED STOCK GRANT AND AWARD AGREEMENT**

Pursuant to the terms of the AvalonBay Communities, Inc. Second Amended and Restated 2009 Equity Incentive Plan) (as the same may be amended hereafter from time to time, the “Plan”), in consideration for services rendered and to be rendered to AvalonBay Communities, Inc. (the “Company”) and for other good and valuable consideration, which the Company has determined to be equal to the fair market value of the Shares, as defined below, the Company is issuing to the Employee named below contemporaneously herewith the Shares, upon the terms and conditions set forth herein and in the Restricted Stock Agreement Terms (the “Terms”) which are attached hereto and incorporated herein in their entirety. Capitalized terms used but not defined herein shall have the respective meanings ascribed thereto in the Terms.

Employee:
Award Date:
Vesting Commencement Date: [typically March 1 of the year after the Award Date]
Number of Shares of Common Stock Granted (“Shares”):

Vesting Schedule: Subject to the provisions of the Terms and the discretion of the Company to accelerate the vesting schedule, the Employee’s ownership interest in the Shares shall vest, and the status of the Shares as Restricted Stock and all Restrictions with respect to the Shares shall terminate, in accordance with the following schedule of events:

- 33.3% incrementally on Vesting Commencement Date,
- Additional 33.3% incrementally on the first anniversary of the Vesting Commencement Date (66.6% total vested), and
- Additional 33.4% incrementally on the second anniversary of the Vesting Commencement Date. (100.0% total vested)

The Shares shall also vest on the thirtieth day following the occurrence of the following events (or, if such day is not a business day, the next business day) provided that, if requested by the Company, the Employee signs and delivers a Separation Agreement (as hereinafter defined), and such Separation Agreement becomes effective (including through the passage without revocation of any revocation period provided therein) within 30 days of his or her termination of employment:

Termination of the Employee’s Employment by the Company, other than for Cause	100% of the Shares*
The death or Disability of the Employee	100% of the Shares*
The Employee’s Retirement	100% of the Shares*

If a Sale Event shall have occurred, then this award may vest in full thereafter as provided in the Plan in the event of a termination of employment by the Employee for Good Reason within 24 months following the Sale Event. **As provided for in the Plan**

*or, if fewer, all Restricted Shares

Notwithstanding the above, no Separation Agreement shall be required as a condition to accelerated vesting for (x) a termination of employment without cause or for Good Reason within 24 months after a Sale Event or (y) a termination of employment by reason of death, or death during the thirty days following a termination of employment).

The Administrator’s determination of the reason for termination of the Employee’s employment shall be conclusive and binding on the Employee and his or her representatives or legatees except during the 24 months after a Sale Event.

Additional Terms/Acknowledgements: The undersigned Employee acknowledges receipt of, and understands and agrees to, this Restricted Stock Grant and Award Agreement, including, without limitation, the Terms. Employee further acknowledges that as of the Award Date, this Restricted Stock Grant and Award Agreement, including, without limitation, the Terms, sets forth the entire understanding between Employee and the Company regarding the stock grant described herein and supersedes all prior oral and written agreements on that subject.

ATTACHMENT: Restricted Stock Agreement Terms

**AVALONBAY COMMUNITIES, INC.
RESTRICTED STOCK AGREEMENT TERMS**

ARTICLE I

DEFINITIONS

The following terms used below in this Agreement shall have the meaning specified below unless the context clearly indicates to the contrary. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Plan.

Section 1.1 — Cause and Good Reason

“Cause” and “Good Reason” shall have the meanings set forth for such terms in the Plan.

Section 1.2 — Common Stock

“Common Stock” shall mean the common stock of the Company, \$.01 par value.

Section 1.3 — Disability

“Disability” shall mean the Employee’s inability to perform his normal required services for the Company and its Subsidiaries for a period of six consecutive months by reason of the individual’s mental or physical disability, as determined by the Committee in good faith in its sole discretion.

Section 1.4 — Restricted Stock

“Restricted Stock” shall mean the Shares issued under this Agreement for as long as such shares are subject to the Restrictions (as hereinafter defined) imposed by this Agreement.

Section 1.5 — Restrictions

“Restrictions” shall mean the restrictions set forth in Article III of this Agreement.

Section 1.6 — Retirement

“Retirement” shall mean the termination of the Employee’s employment (and other business relationships) with the Company and its Subsidiaries, other than for Cause, following the date on which the sum of the following equals or exceeds 70 years: (i) the number of full months of the Employee’s employment and other business relationships with the Company and any predecessor Company and (ii) the Employee’s age on the date of termination (i.e., a person whose age is 55 years, 6 months and who has worked at the Company for 14 years, 6 months meets the 70 years requirement); provided that:

- (x) the Employee’s employment by (or other business relationships with) the Company and any predecessor company of the Company have continued for a period of at least 120 continuous full months at the time of termination and, on the date of termination, the Employee is at least 50 years old; and
- (y) in the case of termination of employment, the Employee gives at least six months’ prior written notice to the Company of his or her intention to retire

Section 1.7 - Secretary

“Secretary” shall mean the secretary of the Company.

Section 1.8 — Separation Agreement

“Separation Agreement” means a written agreement between the Employee and the Company, in such form as the Company may reasonably require, providing as follows:

- the Employee provides a full release of any actual or potential claim against the Company and its current and former directors, officers, associates, agents and affiliates, under any applicable law and theory of claim, to the maximum extent permitted by law;
- the Employee agrees to provide reasonable cooperation with respect to investigation and litigation matters;
- the Employee acknowledges and agrees to return all Company property and not use any Company property or proprietary information;
- the Employee agrees not to disparage the Company or its officer, directors, agents or management, subject to reasonable exceptions set forth in the agreement; and
- for a period of at least 12 months following the Employee’s termination of employment with the Company the Employee shall not, without the prior written consent of the Company, solicit or attempt to solicit for employment with or on behalf of any Competing Enterprise any employee of the Company or any of its affiliates or any person who was formerly employed by the Company or any of its affiliates within the preceding six months, unless such person’s employment was terminated by the Company or any of such affiliates.

In addition, in connection with a termination of employment due to Retirement a Separation Agreement shall provide that, for a period of at least 12 months following the Employee’s termination of employment with the Company the Employee shall not, without the prior written consent of the Company, become associated with, or engage in any “Restricted Activities” with respect to any “Competing Enterprise,” as such terms are hereinafter defined, whether as an officer, employee, principal, partner, agent, consultant, independent contractor or shareholder. “Competing Enterprise,” for purposes of this section, shall mean any person, corporation, partnership, venture or other entity which is engaged in the business of managing, owning, leasing, or joint-venturing multifamily rental real estate within 30 miles of multifamily rental real estate owned or under management by the Company or its affiliates. “Restricted Activities,” for purposes of this section, shall mean executive, managerial, directorial, administrative, strategic, business development or supervisory responsibilities and activities relating to any aspects of multifamily rental real estate ownership, management, multifamily rental real estate franchising, and multifamily rental real estate joint-venturing.

It should be noted that no provision in any required Separation Agreement shall (i) preclude an Employee from communicating with federal, state or local governmental or regulatory agencies, (ii) require an Employee to inform the Company about any such communication, or (iii) preclude an Employee from collecting a government program bounty to which the Employee may be entitled.

ARTICLE II

RESTRICTED STOCK

Section 2.1 - Restricted Stock

Any shares of Common Stock granted pursuant to this Agreement which vest on a date other than the Award Date shall be considered Restricted Stock for purposes of this Agreement and shall be subject to the Restrictions until such time or times and except to the extent that the Employee’s ownership interest in Shares vests in accordance with the Vesting Schedule set forth on the first page of this Agreement.

Section 2.2 - Escrow

If the Restricted Stock is certificated, the Secretary or such other escrow holder as the Company may from time to time appoint shall retain physical custody of the certificates representing Restricted Stock, until all of the Restrictions expire or shall have been removed; provided, however, that in no event shall the Employee retain physical custody of any certificates representing Restricted Stock issued to him. The Company may cause a book entry deposit of Restricted Stock at the Company's transfer agent in lieu of physical custody.

Section 2.3 - Rights as Stockholder

From and after the Award Date, the Employee shall have all the rights of a stockholder with respect to the Shares, subject to the Restrictions herein (including the provisions of Article IV), including the right to vote the Shares and to receive all dividends or other distributions paid or made with respect to the Shares unless and to the extent that the Employee's interest in Restricted Stock shall have terminated and the Restricted Stock reverts to the Company as provided in Section 3.1 of this Agreement.

ARTICLE III

RESTRICTIONS

Section 3.1 - Reversion of Restricted Stock

Except as provided in Section 2.3, this Section 3.1, and the Vesting Schedule set forth on the first page of this Agreement, the Restricted Stock shall be the property of the Company for as long as and to the extent that the Shares are Restricted Stock pursuant to Section 2.1. In the event that the Employee's employment by the Company terminates for any reason other than (a) death, (b) Disability, (c) Retirement, (d) termination of the Employee's employment by the Company other than for Cause, or (e) termination by the Employee for Good Reason within 24 months following a Sale Event, any interest of the Employee in Shares that are Restricted Stock shall thereupon immediately terminate and all rights with respect to the Restricted Stock shall immediately revert to and unconditionally be the property of the Company; provided, however, that the Employee shall be entitled to retain any cash dividends paid before the date of such event on the Restricted Stock.

Section 3.2 - Restricted Stock Not Transferable

No Restricted Stock or any interest or right therein or part thereof shall be liable for the debts, contracts or engagements of the Employee or his successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law or judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect; provided, however, that the Employee may designate one or more trusts or other similar arrangements for the benefit of the Employee or members of his immediate family as the registered holders of Restricted Stock if and as long as the Employee acts as trustee or in a similar capacity with respect to such trust or arrangement. Any Restricted Stock so registered shall for all purposes hereunder be deemed to be held of record by the Employee and shall be subject to all of the terms and conditions of this Agreement, including but not limited to the Restrictions and the provisions of Article III of this Agreement.

Section 3.3 - Legend

Certificates representing shares of Restricted Stock or book entries for shares of Restricted Stock issued pursuant to this Agreement shall, until all Restrictions lapse and new certificates are issued pursuant to Section 3.4, bear the following legend:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN VESTING REQUIREMENTS AND MAY BE SUBJECT TO FORFEITURE TO AVALONBAY COMMUNITIES, INC. (THE "COMPANY") UNDER THE TERMS OF THAT CERTAIN RESTRICTED STOCK AGREEMENT BY AND BETWEEN THE COMPANY AND THE HOLDER OF THE SECURITIES. PRIOR TO VESTING OF OWNERSHIP IN THE SECURITIES, THEY MAY NOT

BE, DIRECTLY OR INDIRECTLY, OFFERED, TRANSFERRED, SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF UNDER ANY CIRCUMSTANCES. COPIES OF THE ABOVE REFERENCED AGREEMENT ARE ON FILE AT AND MAY BE OBTAINED ON REQUEST AND WITHOUT CHARGE FROM THE OFFICES OF THE COMPANY AT 671 NORTH GLEBE ROAD, SUITE 800, ARLINGTON, VA 22203."

Section 3.4 - Lapse of Restrictions

Upon the vesting of some or all of the Restricted Stock as provided in the Vesting Schedule set forth on the first page of this Agreement, and subject to the conditions to issuance set forth in Article IV, if such Shares are certificated, the Company shall cause new certificates to be issued with respect to such vested Shares and delivered to the Employee or his legal representative, free from the legend provided for in Section 3.3.

ARTICLE IV

MISCELLANEOUS

Section 4.1 - Conditions to Issuance of Stock

The Company shall not be required to issue or deliver any certificate or certificates for shares of stock or enter the Employee's name as the stockholder of record on the books of the Company pursuant to this Agreement prior to fulfillment of all of the following conditions:

- (a) The admission of such shares to listing on all stock exchanges on which such class of stock is then listed; and
- (b) The completion of any registration or other qualification of such shares under any state or Federal law or under rulings or regulations of the Securities and Exchange Commission or of any other governmental regulatory body, which the Company shall deem necessary or advisable; and
- (c) The obtaining of any approval or other clearance from any state or Federal governmental agency which the Company shall, in its absolute discretion, determine to be necessary or advisable; and

(d) The payment by the Employee of all amounts required to be withheld under federal, state and local tax laws, with respect to the issuance of Restricted Stock and/or the lapse or removal of any of the Restrictions.

Section 4.2 - Notices

Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of its Secretary, and any notice to be given to the Employee shall be addressed to him at his address as set forth in the Company's records. By a notice given pursuant to this Section 4.2, either party may hereafter designate a different address for notices to be given to it or him. Any notice which is required to be given to the Employee shall, if the Employee is then deceased, be given to the Employee's personal representative if such representative has previously informed the Company of his status and address by written notice under this Section 4.2. Any notice shall have been deemed duly given when enclosed in a properly sealed envelope or wrapper addressed as aforesaid and deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service.

Section 4.3 - Titles

Titles and captions are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

Section 4.4 - Amendment

This Agreement may be amended only by a writing executed by the parties hereto which specifically states that it is amending this Agreement.

Section 4.5 - Tax Withholding

The Company's obligation (i) to issue or deliver to the Employee any certificate or certificates for unrestricted shares of stock or (ii) to pay to the Employee any dividends or make any distributions with respect to the Common Stock issued under this Agreement is expressly conditioned on the Company's satisfaction of its obligation, if any, to withhold taxes. The Employee shall, not later than the date as of which the receipt of this Award becomes a taxable event for Federal income tax purposes, pay to the Company or make arrangements satisfactory to the Administrator for payment of any Federal, state, and local taxes required by law to be withheld on account of such taxable event. The Company shall satisfy any required minimum tax withholding obligation (or such greater tax withholding as the Administrator may approve) by withholding from shares of Stock to be issued or released by the transfer agent a number of shares of Stock with an aggregate Fair Market Value that would satisfy the withholding amount due (with the resulting number being rounded up to the nearest whole share of Stock). In addition, by acceptance of this Award, the Employee agrees that for all outstanding Awards not yet vested under the Plan, the Company shall satisfy any required minimum tax withholding obligation (or such greater tax withholding as the Administrator may approve) by withholding from shares of Stock to be issued under such awards a number of shares of Stock with an aggregate Fair Market Value that would satisfy the minimum tax withholding amount due (with the resulting number being rounded up to the nearest whole share of Stock).

Section 4.6 — Governing Law

The laws of the State of Maryland shall govern the interpretation, validity, administration, enforcement and performance of the terms of this Agreement regardless of the law that might be applied under principles of conflicts of laws.

Section 4.7 - Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 4.8 - No Special Employment Rights

This Agreement does not, and shall not be interpreted to, create any right on the part of the Employee to continue in the employ of the Company or any subsidiary or affiliate thereof, nor to any continued compensation, prerequisites or other current or future benefits or other incidents of employment.

Section 4.9 — Non-Solicitation

Employee hereby agrees that, for a period of at least 12 months following Employee's termination of employment with the Company for any reason, Employee shall not, without the prior written consent of the Company, solicit or attempt to solicit for employment with or on behalf of any other person, firm or entity any employee of the Company or any of its affiliates or any person who was formerly employed by the Company or any of its affiliates within the preceding six months, unless such person's employment was terminated by the Company or any of such affiliates.

Section 4.10 — Recoupment Policy

To the extent Employee is a "Covered Officer", as defined in the Policy for Recoupment of Incentive Compensation adopted by the Company's Board of Directors, as amended from time to time (the "Recoupment Policy"), the Shares and any proceeds received in connection with any sale of such Shares shall be subject to the Recoupment Policy.

Section 4.11 — Amendment of Prior Restricted Stock Agreements

Employee hereby agrees that, to the extent the terms in this Restricted Stock Agreement (including any terms relating to accelerated vesting and conditions thereto, but not including the number of restricted shares or the vesting schedule

or calendar of vesting dates) conflict with the terms in any previously awarded and agreed to Restricted Stock Agreement, the provisions in this agreement shall apply.

Section 4.12 — Acknowledgment and Acceptance of Award

Employee hereby acknowledges that acceptance of the Restricted Stock referenced herein and/or the dividends thereon constitutes an unequivocal acceptance of this agreement and any attempted modification or objection to the terms herein will have no force or effect on the Company's right to enforce the terms and conditions stated herein. The Employee further agrees that he or she may be required to evidence his or her acknowledgement of this award and agreement to the terms hereof by accepting this award in

the Company's stock plan administrator's system, which acceptance may be required within a certain number of days from the grant date hereof in accordance with instructions and/or announcements provided by the Company to the Employee and, failing to accept this award within the Company's stock plan administrator's system within such number of days may constitute grounds for forfeiture of this award in the Company's sole and absolute discretion.

[End of Text]

AVALONBAY COMMUNITIES, INC.
[INCENTIVE][NON-QUALIFIED] STOCK OPTION AGREEMENT
(2009 EQUITY INCENTIVE PLAN)

Pursuant to the AvalonBay Communities, Inc. Second Amended and Restated 2009 Equity Incentive Plan (the "Plan"), AvalonBay Communities, Inc. (the "Company") hereby grants to the Optionee named below an Option to purchase on or prior to the tenth anniversary of the grant date of this option award as set forth below (the "Expiration Date") up to the number of shares of the Company's Common Stock, par value \$.01 per share ("Common Stock"), set forth below at the Exercise Price set forth below:

Optionee:
Grant Date:
Vesting Commencement Date: [typically March 1 of the year after the Grant Date]
Number of Shares Underlying Option (the "Option Shares"):

This option is subject to all of the terms and conditions as set forth herein, in the [Incentive][Non-Qualified] Stock Option Agreement Terms (the "Terms") which are attached hereto and incorporated herein in their entirety, and in the Plan. Capitalized terms used but not defined herein or in the Terms shall have the respective meanings ascribed thereto in the Plan.

Incentive Stock Option: This Option [shall be construed in a manner to][does not] qualify it as an "incentive stock option" under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code").

Vesting Schedule: Subject to the provisions of Section 4 and 6 of the Terms and the discretion of the Company to accelerate the vesting schedule, this Option shall vest as to exercisability to purchase the Option Shares as follows:

33.3% incrementally on the Vesting Commencement Date,
Additional 33.3% incrementally on the first anniversary of the Vesting Commencement Date (66.6% total vested), and
Additional 33.4% incrementally on the second anniversary of the Vesting Commencement Date. (100.0% total vested)

In any event this Option shall become fully vested and exercisable with respect to all of the Option Shares on March 1 of the third year following the year of grant.

Additional Terms/Acknowledgements: The undersigned Optionee acknowledges receipt of, and understands and agrees to, this [Incentive][Non-Qualified] Stock Option Agreement, including, without limitation, the Terms. Optionee further acknowledges receipt of a copy of the Plan. Optionee further acknowledges that as of the Date of Grant, this [Incentive][Non-Qualified] Stock Option Agreement, including, without limitation, the Terms, and the Plan set forth the entire understanding between Optionee and the Company regarding the Options described herein and supersede all prior oral and written agreements on that subject.

1

ATTACHMENT: [Incentive][Non-Qualified] Stock Option Agreement Terms

2

AVALONBAY COMMUNITIES, INC.
2009 STOCK OPTION AND INCENTIVE PLAN

[INCENTIVE]. [NON-QUALIFIED] STOCK OPTION AGREEMENT TERMS

1. **Vested Option Shares.** Subject to Section 4, when this Option is vested with respect to any of the Option Shares, this Option shall continue to be exercisable with respect to such Option Shares ("Vested Option Shares") at any time or times prior to the Expiration Date.

2. **Manner of Exercise.** The Optionee may exercise this Stock Option only in the following manner: from time to time on or prior to the Expiration Date of this Option, the Optionee may give written notice to the Administrator of his or her election to purchase some or all of the Option Shares purchasable at the time of such notice. This notice shall specify the number of Option Shares to be purchased.

Payment of the purchase price for the Option Shares may be made by one or more of the following methods: (i) in cash, by certified or bank check or other instrument acceptable to the Administrator; (ii) through the delivery (or attestation to the ownership) of shares of Common Stock that have been purchased by the Optionee on the open market or that are beneficially owned by the Optionee and are not then subject to any restrictions under any Company plan and that otherwise satisfy any holding periods as may be required by the Administrator; (iii) by the Optionee delivering to the Company a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a check payable and acceptable to the Company to pay the option purchase price, provided that in the event the Optionee chooses to pay the option purchase price as so provided, the Optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the Administrator shall prescribe as a condition of such payment procedure; [for ISO's: or (iv) a combination of (i), (ii) and (iii) above.] [for NQSO's: or (iv) by a "net exercise" arrangement pursuant to which the Company will reduce the number of shares of Common Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price; or (v) a combination of (i), (ii) (iii) and (iv) above.] Payment instruments will be received subject to collection.

The transfer to the Optionee on the records of the Company or of the transfer agent of the Option Shares will be contingent upon (i) the Company's receipt from the Optionee of the full purchase price for the Option Shares, as set forth above, (ii) the fulfillment of any other requirements contained herein or in the Plan or in any other agreement or provision of laws, and (iii) the receipt by the Company of any agreement, statement or other evidence that the Company may require to satisfy itself that the issuance of Common Stock to be purchased pursuant to the exercise of Options under the Plan and any subsequent resale of the shares of Common Stock will be in compliance with applicable laws and regulations. In the event the Optionee chooses to pay the purchase price by previously-owned shares of Common Stock through the attestation method, the number of shares of Common Stock transferred to the Optionee upon the exercise of the Option shall be net of the shares attested to.

The shares of Common Stock purchased upon exercise of this Option shall be transferred to the Optionee on the records of the Company or of the transfer agent upon compliance to the satisfaction of the Administrator with all requirements under applicable laws or regulations in connection with such issuance and with the requirements hereof and of the Plan. The determination of the Administrator as to such compliance shall be final and binding on the Optionee. The Optionee shall not be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Common Stock subject to this Option unless and until this Option shall have been exercised pursuant to the terms hereof, the Company or the transfer agent shall have transferred the shares to the Optionee, and the Optionee's name shall have been entered as the stockholder of record on the books of the Company. Thereupon, the Optionee shall have full voting, dividend and other ownership rights with respect to such shares of Common Stock.

The minimum number of shares with respect to which this Option may be exercised at any one time shall be 100 shares, unless the number of shares with respect to which this Option is being exercised is the total number of shares subject to exercise under this Option at the time.

Notwithstanding any other provision hereof or of the Plan, no portion of this Option shall be exercisable after the Expiration Date hereof.

3

3. Non-transferability of Option. This Option is personal to the Optionee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution. This Option is exercisable, during the Optionee's lifetime, only by the Optionee, and thereafter, only by the Optionee's legal representative or legatee.

4. Termination of Employment. If the Optionee's employment (or other business relationship) by the Company or a Subsidiary (as defined in the Plan) is terminated, the period within which to exercise the Option may be subject to earlier termination as set forth below.

(a) Termination Due to Death. If the Optionee's employment (or other business relationship) terminates by reason of death, any Option held by the Optionee shall be automatically vested on the date of termination and shall be exercisable by the Optionee's legal representative or legatee (i) for a period of twelve (12) months from the date of termination or until the fifth anniversary of the grant date of this option award, if later, or (ii) until the Expiration Date, if earlier.

(b) Termination Due to Disability. If the Optionee's employment (or other business relationship) terminates by reason of Disability (as defined below), any Option held by the Optionee shall be automatically vested on the date of termination, and shall be exercisable (i) for a period of twelve (12) months from the date of termination or until the fifth anniversary of the grant date of this option award, if later, or (ii) until the Expiration Date, if earlier. The death of the Optionee during the period provided in this Section 4(b) shall extend such period (if it would otherwise expire) for six (6) months from the date of death or until the Expiration Date, if earlier.

(c) Termination by Reason of Retirement. If the Optionee's employment terminates by reason of Retirement (as defined below), any Option held by the Optionee shall be automatically vested on the date of termination, and shall be exercisable (i) for a period of twelve (12) months from the date of termination or until the fifth anniversary of the grant date of this option award, if later, or (ii) until the Expiration Date, if earlier. The death of the Optionee during the period provided in this Section 4(c) shall extend such period (if it would otherwise expire) for six (6) months from the date of death, or until the Expiration Date, if earlier.

(d) Termination for Cause. If the Optionee's employment (or other business relationship) terminates for Cause (as defined below), any Option held by the Optionee shall immediately terminate and be of no further force and effect.

(e) Termination Without Cause or for Good Reason within 24 Months of Sale Event. If the Optionee's employment (or other business relationship) is terminated by the Company without Cause or, as provided in the Plan, is terminated by the Optionee for Good Reason within 24 months of a Sale Event, any option held by the Optionee shall be automatically vested on the date of termination, and shall be exercisable (i) for a period of twelve (12) months from the date of termination or until the fifth anniversary of the grant date of this option award, if later, or (ii) until the Expiration Date, if earlier. The death of the Optionee during the period provided in this Section 4(e) shall extend such period (if it would otherwise expire) for six (6) months from the date of death, or until the Expiration Date, if earlier.

(f) Termination at the Election of the Optionee. If the Optionee's employment (or other business relationship) is voluntarily terminated at the election of the Optionee other than for Good Reason within 24 months following a Sale Event (i.e., is terminated other than for death, Disability, Retirement, or a termination at the Company's election whether for Cause or without Cause), any option held by the Optionee may be exercised, to the extent exercisable on the date of termination, for a period of three (3) months from the date of termination, or until the Expiration Date, if earlier. For clarification, it is noted that this means that the remaining unvested portion of the Option shall terminate immediately and be of no further force or effect.

Notwithstanding the foregoing, the Company may require, as a condition to vesting of the unvested portion of the Option, that the Optionee sign and deliver a Separation Agreement (as hereinafter defined), and such Separation Agreement becomes effective (including through the passage without revocation of any revocation period provided therein) within 30 days of his or her termination of employment, provided that no Separation Agreement shall be required as a condition to accelerated vesting for (x) a termination of employment without cause or for Good Reason

4

within 24 months after a Sale Event or (y) a termination of Optionee by reason of death, or death during the thirty days following a termination of employment).

For this purpose, neither a transfer of employment from the Company to a Subsidiary (or from a Subsidiary to the Company) nor an approved leave of absence shall be deemed a "termination of employment." The Administrator's determination of the reason for termination of the Optionee's employment shall be conclusive and binding on the Optionee and his or her representatives or legatees except during the 24 months after a Sale Event.

For purposes of this Option, following terms shall have the meaning specified below:

"Cause" and "Good Reason" and "Sale Event" shall have the meanings set forth for such terms in the Plan.

"Disability" shall mean the Optionee's inability to perform his normal required services for the Company and its Subsidiaries for a period of six consecutive months by reason of the individual's mental or physical disability, as determined by the Committee in good faith in its sole discretion.

"Retirement" shall mean the termination of the Optionee's employment (and other business relationships) with the Company and its Subsidiaries, other than for Cause, following the date on which the sum of the following equals or exceeds 70 years: (i) the number of full months of the Optionee's employment and other business relationships

with the Company and any predecessor Company and (ii) the Optionee's age on the date of termination (i.e., a person whose age is 55 years, 6 months and who has worked at the Company for 14 years, 6 months meets the 70 years requirement); provided that:

- (x) the Optionee's employment by (or other business relationships with) the Company and any predecessor company of the Company have continued for a period of at least 120 continuous full months at the time of termination and, on the date of termination, the Optionee is at least 50 years old;
- (y) in the case of termination of employment, the Optionee gives at least six months' prior written notice to the Company of his or her intention to retire.

"Separation Agreement" means a written agreement between the Optionee and the Company, in such form as the Company may reasonably require, providing as follows:

- the Optionee provides a full release of any actual or potential claim against the Company and its current and former directors, officers, associates, agents and affiliates, under any applicable law and theory of claim, to the maximum extent permitted by law;
- the Optionee agrees to provide reasonable cooperation with respect to investigation and litigation matters;
- the Optionee acknowledges and agrees to return all Company property and not use any Company property or proprietary information;
- the Optionee agrees not to disparage the Company or its officer, directors, agents or management, subject to reasonable exceptions set forth in the agreement; and
- for a period of at least 12 months following the Optionee's termination of employment with the Company the Optionee shall not, without the prior written consent of the Company, solicit or attempt to solicit for employment with or on behalf of any Competing Enterprise any employee of the Company or any of its affiliates or any person who was formerly employed by the Company or any of its affiliates within the preceding six months, unless such person's employment was terminated by the Company or any of such affiliates.

5

In addition, in connection with a termination of employment due to Retirement a Separation Agreement shall provide that, for a period of at least 12 months following the Optionee's termination of employment with the Company the Optionee shall not, without the prior written consent of the Company, become associated with, or engage in any "Restricted Activities" with respect to any "Competing Enterprise," as such terms are hereinafter defined, whether as an officer, employee, principal, partner, agent, consultant, independent contractor or shareholder. "Competing Enterprise," for purposes of this section, shall mean any person, corporation, partnership, venture or other entity which is engaged in the business of managing, owning, leasing, or joint-venturing multifamily rental real estate within 30 miles of multifamily rental real estate owned or under management by the Company or its affiliates. "Restricted Activities," for purposes of this section, shall mean executive, managerial, directorial, administrative, strategic, business development or supervisory responsibilities and activities relating to any aspects of multifamily rental real estate ownership, management, multifamily rental real estate franchising, and multifamily rental real estate joint-venturing.

It should be noted that no provision in any required Separation Agreement shall (i) preclude an Optionee from communicating with federal, state or local governmental or regulatory agencies, (ii) require an Optionee to inform the Company about any such communication, or (iii) preclude an Optionee from collecting a government program bounty to which the Optionee may be entitled.

5. Option Shares. The Option Shares are shares of the Common Stock of the Company as constituted on the date of this Option, subject to adjustment as provided in the Plan.

6. Acknowledgment and Acceptance of Grant. Optionee agrees that he or she may be required to evidence his or her acknowledgement of this award and agreement to the terms hereof by accepting this award in the Company's stock plan administrator's system, which acceptance may be required within a certain number of days from the grant date hereof in accordance with instructions and/or announcements provided by the Company to the Optionee and, failing to accept this award within the Company's stock plan administrator's system within such number of days may constitute grounds for forfeiture of this award in the Company's sole and absolute discretion.

7. No Special Employment Rights. This Option will not confer upon the Optionee any right with respect to continuance of employment by the Company or a Subsidiary, nor will it interfere in any way with any right of the Optionee's employer to terminate the Optionee's employment at any time.

8. Rights as a Shareholder. The Optionee shall have no rights as a shareholder with respect to any shares of Common Stock that may be purchased upon exercise of this Option unless and until a certificate or certificates representing such shares are duly issued and delivered to the Optionee. Except as otherwise expressly provided in the Plan, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such stock certificate is issued.

9. [For ISO's: Qualification under Section 422. It is understood and intended that the Option granted hereunder shall qualify as an "incentive stock option" as defined in Section 422 of the Code, but the Company does not represent or warrant that this Stock Option qualifies as such. The Optionee should consult with his or her own tax advisors regarding the tax effects of this Option and the requirements necessary to obtain favorable income tax treatment under Section 422 of the Code, including, but not limited to, holding period requirements. To the extent any portion of this Option does not so qualify as an "incentive stock option," such portion shall be deemed to be a non-qualified stock option. If the Optionee intends to dispose or does dispose (whether by sale, gift, transfer or otherwise) of any Option Shares within the one-year period beginning on the date after the transfer of such shares to him or her, or within the two-year period beginning on the day after the grant of this Option, he or she will so notify the Company within 30 days after such disposition.][For NQSO's: Omitted.]

10. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Stock Option shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. In the event of any discrepancy or inconsistency between this Agreement and the Plan, the terms and conditions of the Plan shall control.

6

11. Withholding Taxes. The Optionee shall, not later than the date as of which the exercise of this Option becomes a taxable event for federal income tax purposes, pay to the Company (or make arrangements satisfactory to the Company for payment of) any Federal, state and local taxes required by law to be withheld on account of such taxable event. The Optionee may elect to have the minimum required tax withholding obligation satisfied, in whole or in part, by authorizing the Company to withhold from shares of Stock to be issued a number of shares of Stock with an aggregate Fair Market Value that would satisfy the withholding amount due.

12. Non-Solicitation. Optionee hereby agrees that, for a period of at least 12 months following Optionee's termination of employment with the Company for any reason, Optionee shall not, without the prior written consent of the Company, solicit or attempt to solicit for employment with or on behalf of any other person, firm or entity any employee of the Company or any of its affiliates or any person who was formerly employed by the Company or any of its affiliates within the preceding six months, unless such person's employment was terminated by the Company or any of such affiliates.

13. Recoupment Policy. To the extent Optionee is a "Covered Officer", as defined in the Policy for Recoupment of Incentive Compensation adopted by the Company's Board of Directors, as amended from time to time (the "Recoupment Policy"), the Option, and shares of common Stock received pursuant to exercise of the Option, and any proceeds received in connection with any sale of shares of Common Stock shall be subject to the Recoupment Policy.

14. Miscellaneous. Notices hereunder shall be mailed or delivered to the Company at its principal place of business, 671 North Glebe Road, Suite 800, Arlington, Virginia 22203, Attention: Director of Compensation and Benefits, and shall be mailed or delivered to Optionee at his address set forth in the Company's records, or in either case at such other address as one party may subsequently furnish to the other party in writing. This Option shall be governed by the laws of the State of Maryland, except to the extent such law is preempted by federal law.

[End of Text]

Personal Performance Award Agreement Exhibit
for the
Three Year Performance Period Ending December 31, 2020

Name: [Name - #]

Initial Target Dollar Value of Award: [Dollar - #]

As an officer of AvalonBay Communities, Inc., you have been awarded two performance awards with an aggregate total target dollar value as listed above:

Sixty percent of such total dollar value is allocated to a performance award that employs total shareholder return metrics. The number of target units for such award and other information about such award is set forth in Exhibit A attached hereto.

Forty percent of such total dollar value is allocated to a performance award that employs operating performance metrics. The number of target units for such award and other information about such award is set forth in Exhibit B attached hereto.

In consideration of the receipt of such awards, you acknowledge receipt of, and agree to bound by, the two award agreements attached hereto and the Award Terms attached hereto in Exhibit C, the Plan, and any exhibits to the Award Terms (all as defined pursuant to the attached exhibits).

AVALONBAY COMMUNITIES, INC.

Timothy J. Naughton,
Chairman and CEO

Agreed and Acknowledged:

The recipient of this award shall agree and acknowledge receipt of this award and its terms through acceptance of the award via the grant acceptance functionality at the recipient's Merrill Lynch Benefits Online account.

[Note: This form of Performance Award Agreement with attached Award Terms reflects the performance vesting terms used for the 2018-2020 Performance Period Award grants made in February 2018. The metrics, weightings between metrics, and threshold, target and maximum target achievement levels for each metric are subject to change for future performance periods or future award grants.]

Personal Performance Award Agreement Exhibit
for
Total Shareholder Return (TSR) Metrics Units
(2018 Award — Maturing December 31, 2020)

Name: [Name-#]

Date of Grant: ·

Dollar Value for TSR Units: [A-#]

Valuation per Unit (Monte Carlo value): ·

Number of TSR Target Units: [B-#]

Performance Period: January 1, 2018 – December 31, 2020

Threshold/Target/Max Multiplier: 50%/100%/200%

As an officer or associate of AvalonBay Communities, Inc. (“AvalonBay” or the “Company”), you have been awarded Performance-Based Restricted Stock Units (“Units”) that employ total shareholder return (TSR) metrics as outlined below. The award described herein is subject to the “Award Terms of Performance-Based Restricted Stock Units” as most recently approved by the Board of Directors and its Compensation Committee on or before the Date of Grant, a copy of which has been distributed to you with this Award Agreement (the “Award Terms”). Capitalized terms used herein and not defined herein have the meanings ascribed thereto in the Award Terms.

This Personal Performance Award Agreement Exhibit contains specific information about the awards being made this year that employ TSR metrics for the indicated Performance Period as well as information about your specific award.

TSR Performance Metrics:

Your award consists initially of the number of Target Units indicated above but you could earn less or more than that number based on the threshold/target/max multiplier above and the terms described herein. The final number of Units you may earn shall be determined following the completion of the Performance Period based on the Total Shareholder Return of a share of AvalonBay common stock over the Performance Period, expressed as an annualized rate of return (i.e., the rate of return which, when compounded annually over the Performance Period, equals the Total Shareholder Return for the period) (“AVB Annualized Performance”).

You have been awarded [B-#] of Target Units that employ TSR-based Performance Metrics. The Performance Metrics that will determine the final number of Units you may earn are as follows:

1. Absolute TSR Metric: Twenty-five percent (25%) of the Target Number of TSR Units may be earned based on comparing the AVB Annualized Performance to absolute targets as follows:

AVB Annualized Performance	Percentage of 25.0% Earned
less than 3.00%	0%
3.00% (threshold*)	50%
8.00 % (target*)	100%
13.00% (maximum*)	200%

*For results between threshold and target, or between target and maximum, the percentage of twenty-five percent of the Target Number of TSR Units earned shall be based on interpolation.

2

2. Relative Metric against the FTSE NAREIT Apartment Index: Fifty percent (50%) of the Target Number of TSR Units may be earned based on comparing the AVB Annualized Performance to the annualized total shareholder return of the FTSE NAREIT Equity Apartments Index (FNAPTTR, FN18) (the “Apt Index”) for the Performance Period as follows:

AVB Annualized Performance below (-) or above (+) the Apt Index Return	Percentage of 50.0% Earned
more than -300 basis points below	0%
-300 basis points(threshold*)	50%
0 basis points (target*)	100%
+300 basis points (maximum*)	200%

*For results between threshold and target, or between target and maximum, the percentage of fifty percent of the Target Number of TSR Units earned shall be based on interpolation.

3. Relative Metric against the FTSE NAREIT Equity REITs Index: Twenty-five percent (25%) of the Target Number of TSR Units may be earned based on comparing the AVB Annualized Performance to the annualized total shareholder return of the FTSE NAREIT Equity REITs Index (FNRETR)(1) (the “REIT Equity Index”) for the Performance Period as follows:

AVB Annualized Performance below (-) or above (+) the REIT Equity Index Return	Percentage of 25.0% Earned
more than -500 basis points below	0%
-500 basis points (threshold*)	50%
0 basis points (target*)	100%
+500 basis points (maximum*)	200%

*For results between threshold and target, or between target and maximum, the percentage of twenty-five percent of the Target Number of Units earned shall be based on interpolation.

It is noted that each performance metric is independent of the others. For example, if the threshold is not achieved for the Absolute TSR metric, but target performance is achieved for the Apt Index TSR metric and the REIT Equity Index TSR metric, the number of units earned would equal (50% x 100% x Target Number of Units) + (25% x 100% x Target Number of Units). Earned Units shall be rounded to the nearest whole value.

Settlement in Unrestricted AvalonBay Common Stock and Payment of Cash Equal to Accrued Dividends Thereon: Following the end of the Performance Period and the effectiveness of the Compensation Committee’s final determination of (i) the Company’s Total Shareholder Return for the Performance Period and how it compared to the TSR Performance Metrics and goals set forth in this award, and (ii) the number of Units earned by you on account thereof, the earned portion of this Award (i.e., the earned Units) shall be settled with the issuance to you of unrestricted shares of AvalonBay Common Stock effective March 1 of the year following the end of the Performance Period or, if not a business day, the next business day. I.e., for a Performance Period ending December 31, 2020, your shares of unrestricted stock will be issued Monday, March 1, 2021. On or about the time of the issuance of such shares of unrestricted stock to you (but in no event later than March 15 of such year), the Company will pay to you, as additional compensation and subject to tax withholding, cash equal in amount to the dividends that would have been payable on such number of shares during the Performance Period based on New York Stock Exchange ex-dividend dates (and not dividend payment dates) that

(1) Note: The FTSE NAREIT Equity REITs index (FNRETR) is described by FTSE as spanning the commercial real estate space across the U.S. economy and contains all equity REITs not designated as timber REITs or infrastructure REITs.

3

occurred during the Performance Period, without any supplement thereto in the nature of interest or compounding thereon.

Forfeiture of Units; Sale Event: As provided in the Award Terms, no Units may be earned if your employment terminates for any reason prior to the completion of the first year of the Performance Period. Thereafter, you may vest in a portion of the award, to be earned and settled in unrestricted shares of AvalonBay common stock and a cash payment equal in amount to the accrued dividends thereon as described above, if your employment terminates due to death, Disability, Retirement, or termination without cause at a time when you meet the age and service requirements for Retirement eligibility. The Award terms describe special rules that apply in the event of a Sale Event.

[End of Text]

4

Personal Performance Award Agreement Exhibit
For
Operating Metrics
(2018 Award – Maturing December 31, 2020)

Name: [Name-#]
Date of Grant: ·
Dollar Value for Operating Metrics Units: [C-#]
Valuation per Unit (Based on Stock Price): ·
Number of Operating Metrics Target Units: [D-#]
Performance Period: January 1, 2018 – December 31, 2020
Threshold/Target/Max Multiplier: 50%/100%/200%

As an officer or associate of AvalonBay Communities, Inc. (“AvalonBay” or the “Company”), you have been awarded Performance-Based Restricted Stock Units (“Units”) that employ operating performance metrics as outlined below. The award described herein is subject to the “Award Terms of Performance-Based Restricted Stock Units” as most recently approved by the Board of Directors and its Compensation Committee on or before the Date of Grant, a copy of which has been distributed to you with this Award Agreement (the “Award Terms”). Capitalized terms used herein and not defined herein have the meanings ascribed thereto in the Award Terms.

This Personal Performance Award Agreement Exhibit contains specific information about the awards being made this year that employ operating performance metrics for the indicated Performance Period as well as information about your specific award.

Operating Performance Metrics:

Your award consists initially of the number of Target Units indicated above but you could earn less or more than that number based on the threshold/target/max multiplier above and the terms described herein. The final number of Units you may earn shall be determined following the completion of the Performance Period based on (AvalonBay’s performance on two operating performance metrics measured over the Performance Period.

You have been awarded [D-#] of Target Units that employ operating performance metrics. The Performance Metrics that will determine the final number of Units you may earn are as follows:

1. Core Funds from Operations (“Core FFO”) per share growth, measured over the Performance Period and expressed as a compound annual growth rate, as compared against the peer group. A percentage of 66.7% of the Target Number of Operating Metric Units may be earned based on comparing AvalonBay’s Core FFO(2) growth as compared to the peer group(3):

(2) The determination of Core FFO and Core FFO per share growth rates for AvalonBay and the Peer Group shall be approved by the Compensation Committee taking into account published Core FFO/share amounts and adjustments deemed appropriate to derive comparable results between the Core FFO and Core FFO per share growth of the Company and its peers, which may include adjustments deemed appropriate in the event of special dividends and distributions to shareholders as a result, for example, of portfolio sales. Core FFO is calculated (before such adjustments, if any) as presented in the Company’s earnings releases.

(3) The peer group consists of the following companies, identified by their stock symbols (the “Peer Group”), and may be adjusted as the Compensation Committee of the Board of Directors reasonably deems necessary to take into account unanticipated events, such as merger or acquisition or going private activity by a constituent member: AIV, CPT, EQR, ESS, MAA, and UDR.

AVB Performance Period Core FFO/share growth below (-) or above (+) the Peer Group	Percentage of 66.7% Earned
OFF/share growth	
more than -300 basis points below	0%
-300 basis points (threshold*)	50%
0 basis points (target*)	100%
+300 basis points (maximum*)	200%

*For results between threshold and target, or between target and maximum, the percentage of 66.7% of the Target Number of Operating Metric Units earned shall be based on interpolation.

2. Net Debt (i.e., outstanding indebtedness less cash on the balance sheet) divided by Core Earnings before Interest, Depreciation and Amortization (EBITDA), measured at the end of each quarter during the Performance Period and averaged, as compared against the simple average of the same calculation done for the Peer Group companies over the performance period. A percentage of 33.3% of the Target Number of Operating Metric Units may be earned based on comparing AvalonBay’s Net Debt/EBITDA(4) during the performance period as compared to the Peer Group:

AVB Performance Period Net Debt/Core EBITDA more than or less than the Peer Group average	Percentage of 33.3% Earned
(AVB Net Debt/Core EBITDA calculation minus Peer Group calculation) is more than 1.5	0%
(AVB Net Debt/Core EBITDA calculation minus Peer Group calculation) equals 1.5 (threshold*)	50%
(AVB Net Debt/Core EBITDA calculation minus Peer Group calculation) equals 0 (target*)	100%
(AVB Net Debt/Core EBITDA calculation minus Peer Group calculation) is -1.5 (negative 1.5) or less (i.e., a larger negative number) (maximum*)	200%

*For results between threshold and target, or between target and maximum, the percentage of 33.3% of the Target Number of Operating Metric Units earned shall be based on interpolation.

It is noted that each performance metric is independent of the others. For example, if the threshold is not achieved for the Core FFO metric but target performance is achieved for the Net Debt/Core EBITDA metric, the number of units earned would equal (33.3% x 100% x Target Number of Operating Metric Units). Earned Units shall be rounded to the nearest whole value.

Settlement in Unrestricted AvalonBay Common Stock and Payment of Cash Equal to Accrued Dividends Thereon: Following the end of the Performance Period and the effectiveness of the Compensation

(4) The determination of Net Debt/Core EBITDA for AvalonBay and the Peer Group shall be approved by the Compensation Committee taking into account published debt and Core EBITDA amounts and adjustments deemed appropriate to derive comparable results between the Net Debt/Core EBITDA of the Company and its peers. Net Debt/Core EBITDA is calculated (before such adjustments, if any) as presented in the Company's earning releases.

6

Committee's final determination of (i) the Company's performance for the Performance Period and how it compared to the Operating Performance Metrics and goals set forth in this award, and (ii) the number of Units earned by you on account thereof, the earned portion of this Award (i.e., the earned Units) shall be settled with the issuance to you of unrestricted shares of AvalonBay Common Stock effective March 1 of the year following the end of the Performance Period or, if not a business day, the next business day. I.e., for a Performance Period ending December 31, 2020, your shares of unrestricted stock will be issued Monday, March 1, 2021. On or about the time of the issuance of such shares of unrestricted stock to you (but in no event later than March 15 of such year), the Company will pay to you, as additional compensation and subject to tax withholding, cash equal in amount to the dividends that would have been payable on such number of shares during the Performance Period based on New York Stock Exchange ex-dividend dates (and not dividend payment dates) that occurred during the Performance Period, without any supplement thereto in the nature of interest or compounding thereon.

Forfeiture of Units; Sale Event: As provided in the Award Terms, no Units may be earned if your employment terminates for any reason prior to the completion of the first year of the Performance Period. Thereafter, you may vest in a portion of the award, to be earned and settled in unrestricted shares of AvalonBay common stock and a cash payment equal in amount to the accrued dividends thereon as described above, if your employment terminates due to death, Disability, Retirement, or termination without cause at a time when you meet the age and service requirements for Retirement eligibility. The Award terms describe special rules that apply in the event of a Sale Event.

[End of Text]

7

[Exhibit C – Award Terms Distributed with 2018-2020 Performance Award]

**AWARD TERMS OF
PERFORMANCE-BASED RESTRICTED STOCK UNITS**

**GRANTED UNDER THE
AVALONBAY COMMUNITIES, INC.
SECOND AMENDED AND RESTATED 2009 EQUITY INCENTIVE PLAN**

(As most recently approved by the Board of Directors and its Compensation Committee on or before the Date of Grant)

Introduction	You have been granted performance-based restricted stock units under the AvalonBay Communities, Inc. Second Amended and Restated 2009 Equity Incentive Plan (as the same has or may be amended, the "Plan"), subject to the following Award Terms. This grant is also subject to the terms of (i) your Personal Performance Award Agreement Exhibit(s) ("Personal Exhibit"), as further explained herein, and (ii) the Plan, which is hereby incorporated by reference. To the extent that an Award Term conflicts with the Plan, the Plan shall govern.
Type of Award	You are being awarded performance-based restricted stock units (the "Units"). Units are bookkeeping entries only, and you shall have no rights as a stockholder of the Company, and no dividend and voting rights, with respect to the Units, nor shall a notional amount be reinvested in respect of "phantom dividends" for the purpose of crediting your account with additional Units.
Certain Principal Terms	Your Personal Exhibit sets forth certain principal terms about the Units awarded for the applicable Performance Period, such as the performance metrics which will apply to determine the final number of Units earned. The terms included in your Personal Exhibit include the following: <ul style="list-style-type: none">· Date of Grant· Number of Target Units Awarded· Performance Period· Total Shareholder Return and/or Operating Performance Metrics
No Transfers	You may not sell, gift, or otherwise transfer or dispose of any of the Units.
Performance Metrics	If you remain an active employee of AvalonBay from the Date of Grant through the last day of the Performance Period, then the number of Units you will earn at the end of the Performance Period will be based upon the performance of (i) the Company's Total Shareholder Return, and/or (ii) the Company's performance as measured against certain metrics of operating performance, in each case over the Performance Period and as described in your Personal Exhibit.

8

The Company's Total Shareholder Return represents the change in the value of an investment in one share of AvalonBay common stock over the Performance Period, expressed as a percentage, assuming the following:

Beginning Stock Price: average closing price of a share of AvalonBay common stock over the 20 trading days immediately prior to the first day of the Performance Period.

Ending Stock Price: average closing price of a share of AvalonBay common stock over the last 20 trading days of the Performance Period.

Dividends reinvested in additional shares of AvalonBay common stock on the ex dividend date for such dividend at the closing price of a share of AvalonBay common stock.

If the Company's Total Shareholder Return is measured on a relative basis against an index, the Total Shareholder Return of the index will be measured by using a 20 trading day average of the beginning and ending price or level of the index.

The Compensation Committee of the Board of Directors (the "Compensation Committee"), as promptly as practicable (but in no event later than 60 days) following the conclusion of the Performance Period, shall determine (i) the performance of the Company's Total Shareholder Return over the Performance Period as compared against the Performance Metrics established for the period and/or the achievement of other operating metrics by the Company, and (ii) the actual number of Units that are earned by you, which shall be a percentage (from zero to 200%) of the Target Units you are awarded at the beginning of the Performance Period. You shall forfeit any portion of this Award that is not earned upon the conclusion of the Performance Period (i.e., any Target Units you are awarded that are in excess of the number of Units earned at the end of the Performance Period, as determined by the Compensation Committee, shall be forfeited).

Forfeiture for Termination of Employment During First Year of Measurement Period; Vesting Provisions After First Year

In the event your employment terminates for any reason before the completion of the first year of a Performance Period (i.e., for a Performance Period beginning on January 1, 20xx, if your last day of employment is before December 31, 20xx), whether with or without cause, or by reason of death or disability or your voluntary departure or retirement, you shall forfeit all Units and none of the Units shall be earned.

9

In the event your employment terminates on or after the completion of the first year of employment (i.e., on or after December 31, 20xx for a Performance Period beginning on January 1, 20xx), then the following shall apply:

(A) In the event your employment terminates on account of any of the following (each, a "Qualifying Termination"):

- death,
- Disability (as defined in the Company's standard form of Restricted Stock Agreement as in effect on March 1 of the first year of the Performance Period (the "Restricted Stock Agreement Form" or, if not defined therein, as defined in the Plan),
- Retirement (as defined in the Restricted Stock Agreement Form or, if not defined therein, as defined in the Plan), or
- termination without cause at a time when the age and service requirements for Retirement are met,⁽⁵⁾

then you shall vest in a percentage of the Performance Award (carried out to the nearest hundredth percentage point), such percentage (the "Percentage") equaling the number of days of employment served during the Performance Period divided by the total number of days in the Performance Period. Thereafter, when the Performance Period ends, you shall earn the Percentage of Units that otherwise would have been earned by you had your employment continued through to the end of the Performance Period, and all the shares issued to you at the completion of the Performance Period on account of such pro rated number of earned Units shall be fully vested (unrestricted). The Company may require, as a condition to your retaining an interest in the Performance Award following a termination of employment, that you sign and deliver, and do not revoke, a Separation Agreement (as defined in the Restricted Stock Agreement Form or, if not defined therein, as defined in the Plan) within 30 days of the termination of your employment. For example, with respect to a Performance Award with 1000 target Units, if

- (i) your employment terminates in a Qualifying Termination after the completion of one year of service during the Performance Period and you sign a Separation Agreement as described above,
- (ii) you served for 45% of the Performance Period, and
- (iii) it is determined that 150% of target is achieved for that award,

(5) Note: In summary, and subject to the full definition of Retirement, the age and service requirements for Retirement are: employment with the Company for at least 10 years, age is at least 50, and number of months of employment plus age equals at least 70 years. Additional requirements to qualify for Retirement include at least six months notice given and signing of a non-compete and non-solicitation agreement.

10

then after the Performance Period is completed you would receive 675 fully vested and unrestricted shares of Company common stock (1000 target Units x 150% achievement x 45% vesting = 675),

To meet the age and service requirements of Retirement eligibility you must meet the minimum age and the required months of service required for Retirement, and your age plus number of months of service must sum to at least the required number of years required for Retirement.

- (B) In the event your employment terminates on account of any reason other than those listed in (A) immediately above (and thus including a termination with cause, a termination without cause at a time when you do not meet the age and service requirements for Retirement, or a resignation by you that is not by reason of Retirement), then you shall forfeit all Units and none of the Units shall be earned.

Leaves of Absence

In the event that you take a leave of absence during the Performance Period, then, unless prohibited by law, the Company may adjust, in its sole discretion and up to a full forfeiture, the percentage of Units that are earned hereunder to equitably reflect (in the sole discretion of the Company) such absence. Without limiting the foregoing, it is noted that such adjustment may be made, in the sole discretion of the Company, by prorating the number of Units that would otherwise be earned without a leave of absence by:

- (i) the portion of the year worked without a leave of absence during the last year of the Performance Period (e.g., if nine months are worked during the last year of the Performance Period, there may be a 25% downward adjustment in the percentage of Units that are earned (3 months absence divided by 12 months in the last year of the performance period), or
- (ii) the portion of the Performance Period worked without a leave of absence (e.g., if three months are missed due to a leave of absence during a 36 month Performance Period there may be an 8.33% downward adjustment in the percentage of Units that are earned (3 months absence divided by 36 months in the Performance Period)).

Sale Event

If a Sale Event occurs during the Performance Period, then all outstanding Performance Awards shall vest at their target value (i.e., target number of units) and one unrestricted share of AvalonBay Common Stock shall be issued to you as of the date of the Sale Event for each Unit so earned, and the Company shall promptly pay to you, subject to tax withholding, an amount of cash equal to the dividends that would have been payable on such number of shares during the Performance Period up until the date of the Sale Event based on New York Stock Exchange ex-dividend dates (and not dividend payment dates) that occurred during the Performance Period, without any

supplement thereto in the nature of interest or compounding thereon.

(It is noted that in the event that you acquired a vested interest in a Performance Award on account of a Qualifying Termination, and thereafter a Sale Event is completed, then only the percentage of the award that vested upon the Qualifying Termination shall convert at target into shares of unrestricted stock, and the cash payment related to dividend accrual shall be based on such number).

Notices

Any notice to be given under the terms of this Award Agreement to the Company shall be addressed to the Company in care of its Secretary, and any notice to be given to you shall be addressed to you at your address as set forth in the Company's records. Either party may hereafter designate a different address for notices to be given to it or him or her.

Titles

Titles and captions are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Award Agreement. Capitalized terms used but not defined herein shall have the respective meanings ascribed thereto in the Plan or as the context otherwise reasonably indicates.

Amendment

This Award Agreement may be amended only by a writing executed by the parties hereto which specifically states that it is amending this Award Agreement.

Governing Law

The laws of the State of Maryland shall govern the interpretation, validity, administration, enforcement and performance of the terms of this Award Agreement regardless of the law that might be applied under principles of conflicts of laws.

Data Privacy Consent

In order to administer the Plan and this Award Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the "Relevant Companies") may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Award Agreement (the "Relevant Information"). By entering into this Award Agreement, you (i) authorize the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waive any privacy rights you may have with respect to the Relevant Information; (iii) authorize the Relevant Companies to store and transmit such information in electronic form; and (iv) authorize the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. You shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

Electronic Delivery

The Company may, in its sole discretion, decide to deliver any documents related to

current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company. By electronically accepting the Award Agreement and participating in the Plan, you agree to be bound by the terms and conditions in the Plan and this Award Agreement.

Non-Solicitation

By accepting an award of Units, you agree that, for a period of at least 12 months following your termination of employment with the Company for any reason, you will not, without the prior written consent of the Company, solicit or attempt to solicit for employment with or on behalf of any other person, firm or entity any employee of the Company or any of its affiliates or any other person who was formerly employed by the Company or any of its affiliates within the preceding six months, unless such person's employment was terminated by the Company or such affiliates.

Recoupment Policy

The Company's Board of Directors has adopted a Policy for Recoupment of Incentive Compensation (the "Recoupment Policy"), which may be amended from time to time and is available on the Company's website at www.AvalonBay.com/investors under "Corporate Governance Documents". By accepting an award of Units, you agree that you have had an opportunity to review the Recoupment Policy

and further agree to be bound by the terms of the Recoupment Policy, including without limitation all provisions relating to the recoupment of Incentive Compensation as defined in the Recoupment Policy.

Tax Withholding

The Company's obligation (i) to issue or deliver to you any certificate or certificates for unrestricted shares of AvalonBay Common Stock ("Stock") in settlement of earned Units or (ii) to pay to you any dividends or make any distributions with respect to the shares of Stock issued in settlement of earned Units, is in each case expressly conditioned on the Company's satisfaction of its obligation, if any, to withhold taxes. You shall, not later than the date as of which the receipt of shares of Stock in settlement of earned Units becomes a taxable event for Federal income tax purposes, pay to the Company or make arrangements satisfactory to the Administrator for payment of any Federal, state, and local taxes required by law to be withheld on account of such taxable event. The Company shall satisfy any required minimum tax withholding obligation (or such greater tax withholding as the Administrator may approve) by withholding, from shares of Stock to be issued or released by the transfer agent in connection with the settlement of Units, a number of shares of Stock with an aggregate Fair Market Value that would satisfy the withholding amount due (with the resulting number being rounded up to the nearest whole share of Stock). In addition, by acceptance of this Award, you agrees that for all outstanding Awards not yet vested under the Plan, the Company shall satisfy any required minimum tax withholding obligation (or such greater tax withholding as the Administrator may approve) by withholding from shares of Stock to be issued under such awards a number of shares of Stock with an aggregate Fair Market Value that would satisfy the minimum tax withholding amount due (with the resulting number being rounded up to the nearest whole share of Stock).

Counterparts

This Award Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

**AMENDED AND RESTATED RULES AND PROCEDURES
FOR
DIRECTORS' DEFERRED COMPENSATION PROGRAM**

These amended and restated rules and procedures have been adopted on January 31, 2018 by the Compensation Committee (the "Committee") of the Board of Directors of AvalonBay Communities, Inc. (the "Company") to govern the deferral by a Non-Employee Director pursuant to Section 7(b) of the AvalonBay Communities, Inc. 1994 Stock Option Plan (the 1994 Plan) and Section 8(b) of the AvalonBay Communities, Inc. Second Amended and Restated Equity Incentive Plan (the 2009 Plan), each as may heretofore have been, or hereafter may be, amended (collectively, the "Plan"). All capitalized terms used herein shall have the same meaning as used in the 2009 Plan unless otherwise specifically provided herein.

1. Election to Defer. A Non-Employee Director may elect in advance to receive all or a portion of the cash compensation or Restricted Stock Award otherwise due him in the form of a Deferred Stock Award/Restricted Stock Unit (referred to herein as a "Deferred Stock Award"). To make such an election, the Non-Employee Director must execute and deliver to the Company an election form specifying the percentage of his cash compensation he wishes to defer and whether or not he wishes to receive his Restricted Stock Award in the form of a Deferred Stock Award. Except with respect to a newly elected or appointed Non-Employee Director, any election under this paragraph shall apply only to cash fees that are earned with respect to services to be performed beginning on or after the start of the next calendar year after such receipt and to stock awards to be granted after the start of the next calendar year. A newly elected or appointed Non-Employee Director, may, no later than his or her start date as a Non-Employee Director, file a deferral election which shall apply only to cash fees that are earned with respect to services to be performed subsequent to the election and to stock awards to be granted subsequent to the election. An election shall remain in effect from year to year, until a new election becomes effective with respect to cash fees payable, and a stock award to be granted, in the next calendar year. A Non-Employee Director may revoke or modify his deferral election with respect to cash fees that are payable, and a stock award to be granted, in the calendar year beginning after receipt by the Company of his written revocation (for clarification, this means that in the absence of a revocation or modification, an election will remain in effect for subsequent calendar years)..

2. Deferred Account. On the day following the day cash fees would otherwise have been paid to a Non-Employee Director but for his or her deferral election, the Non-Employee Director's deferred account ("Account") shall be credited with a number of whole and fractional stock units determined by dividing his aggregate deferred cash fees by the Fair Market Value of a share of Stock as of the day such cash payment would otherwise have been made. If a Non-Employee Director has elected to receive his Restricted Stock Award in the form of a Deferred Stock Award, at such time as would have otherwise been provided for issuance of Restricted Stock, his Account shall also be credited with a number of stock units equal to the number of shares that otherwise would have been issued pursuant to a Restricted Stock Award. Except as otherwise provided in the award agreement or by vote of the Board of Directors, the stock units credited in lieu of a Restricted Stock Award shall:

(1) vest on the same dates as such Restricted Stock Award would have vested, namely (as of January 31, 2018) in four installments on the following dates: September 1, December 1, March 1, and the day prior to the anniversary of the prior year's Annual Meeting (or, if earlier, the day prior to the Annual Meeting), and

(2) the director will have been deemed to have accepted the Deferred Stock Award pursuant to the terms of the most recently adopted form of Restricted Unit Agreement approved by the Compensation Committee.

3. Dividend Equivalent Amounts. Whenever dividends (other than dividends payable only in shares of Stock) are paid with respect to Stock, each Account shall be credited with a number of whole and fractional stock units determined by multiplying the dividend value per share by the stock unit balance of the Account on the record date and dividing the result by the Fair Market Value of a share of Stock on the dividend payment date.

4. Period of Deferral. The period of deferral shall cease when a Non-Employee Director ceases to serve as a member of the Board of Directors of the Company.

5. Designation of Beneficiary. A Non-Employee Director may designate one or more beneficiaries to receive payments from his Account in the event of his death. A designation of beneficiary shall apply to a specified percentage of a Non-Employee Director's entire interest in his Account. Such designation, or any change therein, must be in writing and shall be effective upon receipt by the Company. If there is no effective designation of beneficiary, or if no beneficiary survives the Non-Employee Director, the estate of the Non-Employee Director shall be deemed to be the beneficiary. All payments to a beneficiary or estate shall be made in a lump sum in shares of Stock, with any fractional share paid in cash.

6. Payment. All vested stock units credited to a Non-Employee Director's Account shall be paid in shares of Stock to the Non-Employee Director, or his designated beneficiary (or beneficiaries) or estate, in a lump sum within 30 days after the Non-Employee Director incurs a Separation from Service (within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and in accordance with the presumptions set forth in Treasury Regulation Section 1.409A-1(h)) with the Company; provided, however, that fractional shares shall be paid in cash, and provided, further, that in the event the Non-Employee Director is a 'specified employee' within the meaning of Section 409A of the Code and the regulations promulgated thereunder, such distribution shall be made upon the earlier of the Non-Employee Director's death, or six months and a day after his Separation from Service. Notwithstanding the foregoing, in the event of a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the assets of the Company, within the meaning of Section 409A of the Code and the regulations promulgated thereunder, all Accounts under this deferred compensation arrangement shall become immediately payable in a lump sum. In addition to the foregoing, this Directors' Deferred Compensation Program shall be administered in accordance with Section 409A of the Code. To the extent that any provision of this Directors' Deferred Compensation Program is ambiguous as to its compliance with Section 409A of the Code, such provision shall be read in such a manner so that all payments hereunder comply with Section 409A of the Code.

7. Adjustments. In the event of a stock dividend, stock split or similar change in capitalization affecting the Stock, or other event contemplated by Section 3d) of the 2009 Plan or the Committee shall make appropriate adjustments in the number of stock units credited to Non-Employee Directors' Accounts.

8. Nontransferability of Rights. During a Non-Employee Director's lifetime, any payment under this deferred compensation arrangement shall be made only to him. No sum or other interest under this deferred compensation arrangement shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, and any

attempt by a Non-Employee Director or any beneficiary under this deferred compensation arrangement to do so shall be void. No interest under this deferred compensation arrangement shall in any manner be liable for or subject to the debts, contracts, liabilities, engagements or torts of a Non-Employee Director or beneficiary

entitled thereto. Notwithstanding the foregoing, the Company may make payments to an individual other than a Non-Employee Director to the extent required by a domestic relations order.

9. Company's Obligations to Be Unfunded and Unsecured. The Accounts maintained under this deferred compensation arrangement shall at all times be entirely unfunded, and no provision shall at any time be made with respect to segregating assets of the Company (including Stock) for payment of any amounts hereunder. No Non-Employee Director or other person shall have any interest in any particular assets of the Company (including Stock) by reason of the right to receive payment under this deferred compensation arrangement, and any Non-Employee Director or other person shall have only the rights of a general unsecured creditor of the Company with respect to any rights under this deferred compensation arrangement.

10. Administration. This Director Deferred Compensation Program shall be administered by the Compensation Committee of the Board of Directors of AvalonBay Communities, Inc. The Committee shall also have the discretion and authority to (i) make, amend, interpret, and enforce all appropriate rules and regulations for the administration of this program and (ii) decide or resolve any and all questions including interpretations of this program, as may arise in connection with this program

AVALONBAY COMMUNITIES, INC.
STOCK GRANT AND RESTRICTED STOCK AGREEMENT

Pursuant to the terms of the AvalonBay Communities, Inc. Second Amended and Restated Equity Incentive Plan, as the same may hereafter be amended (the “Plan”), in consideration for services rendered and to be rendered to AvalonBay Communities, Inc. (the “Company”) and for other good and valuable consideration, the Company is issuing to the Director named below contemporaneously herewith the Shares, upon the terms and conditions set forth herein and in the Restricted Stock Agreement Terms (the “Terms”) which are attached hereto and incorporated herein in their entirety. Capitalized terms used but not defined herein shall have the respective meanings ascribed thereto in the Plan or in the Terms, as applicable.

Director Name:

Award Date:

Number of Shares Granted (“Shares”):

Vesting Schedule: Subject to the provisions of the Terms, the Director’s ownership interest in the Shares shall vest, and the status of the Shares as Restricted Stock and all Restrictions with respect to the Shares shall terminate, in accordance with the following schedule of events:

<u>Vesting Event</u>	<u>Incremental Shares Vested</u>	<u>Total Shares Vested After Vesting Event</u>
September 1 after the Award Date	25%	25%
December 1 after the Award Date	25%	50%
March 1 after the Award Date (following year)	25%	75%
The day prior to the first anniversary of the Annual Meeting that was held in the year of the Award Date (or, if earlier, the day prior to the Annual Meeting held in the year after the Award Date)	25%	100%
Termination of the Director’s service as a director by vote of the Company’s stockholders for any reason other than Cause	100%*	
Failure by the Board of Directors or any authorized committee thereof to nominate the Director for re-election for any reason other than for Cause	100%*	
Failure of the Company’s stockholders to re-elect the Director	100%*	
Death or Disability of the Director	100%*	
If earlier than any of the above events, a Sale Event	100%*	

*or, if fewer, all Restricted Shares

Additional Terms/Acknowledgements: The undersigned Director acknowledges receipt of, and understands and agrees to, this Stock Grant and Restricted Stock Agreement, including, without limitation, the Terms. The Director further acknowledges that as of the Award Date, this Stock Grant and Restricted Stock Agreement, including, without limitation, the Terms, sets forth the entire understanding between Director and the Company regarding the stock grant described herein and supersedes all prior oral and written agreements on that subject.

ATTACHMENT: Restricted Stock Agreement Terms

AVALONBAY COMMUNITIES, INC.

RESTRICTED STOCK AGREEMENT TERMS

ARTICLE I

DEFINITIONS

The following terms used below in this Agreement shall have the meaning specified below unless the context clearly indicates to the contrary. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Plan.

Section 1.1 — Cause

“Cause” means and shall be limited to (a) an affirmative vote of the holders of at least 75 percent of the shares entitled to vote at a meeting of stockholders called for the purpose, resolving that the Director should be removed from office or (b) a vote of the Board, the Nominating Committee, if any, or any other authorized committee of the Board resolving that the Director should not be nominated for re-election as a director, in either case, as a result of (i) conviction of a felony, (ii) declaration of unsound mind by order of a court, (iii) gross dereliction of duty, (iv) commission of any act involving moral turpitude or (v) commission of an act that constitutes intentional misconduct or a knowing violation of law if such action in either event results in both an improper substantial personal benefit to such Director and a material injury to the Company.

Section 1.2 — Common Stock

“Common Stock” shall mean the common stock of the Company, \$.01 par value.

Section 1.3 — Disability

“Disability” shall mean the Director’s inability to perform his normal required services for the Company and its Subsidiaries for a period of six consecutive months by reason of the individual’s mental or physical disability, as determined by the Administrator in good faith in its sole discretion.

Section 1.4 - Restricted Stock

“Restricted Stock” shall mean the Shares issued under this Agreement for as long as such shares are subject to the Restrictions (as hereinafter defined) imposed by this Agreement.

Section 1.5 - Restrictions

“Restrictions” shall mean the restrictions set forth in Article III of this Agreement.

Section 1.6 - Secretary

“Secretary” shall mean the secretary of the Company.

ARTICLE II

RESTRICTED STOCK

Section 2.1 - Restricted Stock

Any shares of Common Stock granted pursuant to this Agreement which vest on a date other than the Award Date shall be considered Restricted Stock for purposes of this Agreement and shall be subject to the Restrictions until such time or times and except to the extent that the Director’s ownership interest in Shares vests in accordance with the Vesting Schedule set forth on the first page of this Agreement.

2

Section 2.2 - Escrow

If the Restricted Stock is certificated, the Secretary or such other escrow holder as the Company may from time to time appoint shall retain physical custody of the certificates representing Restricted Stock, until all of the Restrictions expire or shall have been removed; provided, however, that in no event shall the Director retain physical custody of any certificates representing Restricted Stock issued to him. The Company may cause a book entry deposit of Restricted Stock at the Company’s transfer agent in lieu of physical custody.

Section 2.3 - Rights as Stockholder

From and after the Award Date, the Director shall have all the rights of a stockholder with respect to the Shares, subject to the Restrictions herein (including the provisions of Article IV), including the right to vote the Shares and to receive all dividends or other distributions paid or made with respect to the Shares unless and to the extent that the Director’s interest in Restricted Stock shall have terminated and the Restricted Stock reverts to the Company as provided in Section 3.1 of this Agreement.

ARTICLE III

RESTRICTIONS

Section 3.1 - Reversion of Restricted Stock

Except as provided in Section 2.3, this Section 3.1, and the Vesting Schedule set forth on the first page of this Agreement, the Restricted Stock shall be the property of the Company for as long as and to the extent that the Shares are Restricted Stock pursuant to Section 2.1. In the event that the Director’s service as a director of the Company terminates for any reason other than (a) death of the Director, (b) Disability of the Director, (c) removal of the Director from office by vote of the Company’s stockholders for any reason other than for Cause, (d) failure by the Board of Directors or any authorized committee thereof to nominate the Director for re-election for any reason other than for Cause or (e) failure of the Company’s stockholders to re-elect the Director, any interest of the Director in Shares that are Restricted Stock shall thereupon immediately terminate and all rights with respect to the Restricted Stock shall immediately revert to and unconditionally be the property of the Company; provided, however, that the Director shall be entitled to retain any cash dividends paid before the date of such event on the Restricted Stock.

Section 3.2 - Restricted Stock Not Transferable

No Restricted Stock or any interest or right therein or part thereof shall be liable for the debts, contracts or engagements of the Director or his successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law or judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void of no effect; provided, however, that the Director may designate one or more trusts or other similar arrangements for the benefit of the Director or members of his immediate family as the registered holders of Restricted Stock if and as long as the Director acts as trustee or in a similar capacity with respect to such trust or arrangement. Any Restricted Stock so registered shall for all purposes hereunder be deemed to be held of record by the Director and shall be subject to all of the terms and conditions of this Agreement, including but not limited to the Restrictions and the provisions of Article III of this Agreement.

Section 3.3 - Legend

Certificates representing shares of Restricted Stock or book entries for shares of Restricted Stock issued pursuant to this Agreement shall, until all Restrictions lapse and new certificates are issued pursuant to Section 3.4, bear the following legend:

“THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN VESTING REQUIREMENTS AND MAY BE SUBJECT TO FORFEITURE TO AVALONBAY COMMUNITIES, INC. (THE “COMPANY”) UNDER THE TERMS OF THAT CERTAIN

3

RESTRICTED STOCK AGREEMENT BY AND BETWEEN THE COMPANY AND THE HOLDER OF THE SECURITIES. PRIOR TO VESTING OF OWNERSHIP IN THE SECURITIES, THEY MAY NOT BE, DIRECTLY OR INDIRECTLY, OFFERED, TRANSFERRED, SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF UNDER ANY CIRCUMSTANCES. COPIES OF THE ABOVE REFERENCED AGREEMENT ARE ON FILE AT AND MAY BE OBTAINED ON REQUEST AND WITHOUT CHARGE FROM THE OFFICES OF THE COMPANY AT 671 N. Glebe Road, Suite 800, Arlington, VA 22203.”

Section 3.4 - Lapse of Restrictions

Upon the vesting of some or all of the Restricted Stock as provided in the Vesting Schedule set forth on the first page of this Agreement, and subject to the conditions to issuance set forth in Article IV, if such Shares are certificated, the Company shall cause new certificates to be issued with respect to such vested Shares and delivered to the Director or his legal representative, free from the legend provided for in Section 3.3.

ARTICLE IV

MISCELLANEOUS

Section 4.1 - Conditions to Issuance of Stock

The Company shall not be required to issue or deliver any certificate or certificates for shares of stock or enter the Director’s name as the stockholder of record on the books of the Company pursuant to this Agreement prior to fulfillment of all of the following conditions:

- (a) The admission of such shares to listing on all stock exchanges on which such class of stock is then listed; and
- (b) The completion of any registration or other qualification of such shares under any state or Federal law or under rulings or regulations of the Securities and Exchange Commission or of any other governmental regulatory body, which the Company shall deem necessary or advisable; and
- (c) The obtaining of any approval or other clearance from any state or Federal governmental agency which the Company shall, in its absolute discretion, determine to be necessary or advisable; and
- (d) The payment by the Director of all amounts required to be withheld under federal, state and local tax laws, with respect to the issuance of Restricted Stock and/or the lapse or removal of any of the Restrictions.

Section 4.2 - Notices

Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of its Secretary, and any notice to be given to the Director shall be addressed to him at the address maintained in the Company’s records. By a notice given pursuant to this Section 4.2, either party may hereafter designate a different address for notices to be given to it or him. Any notice which is required to be given to the Director shall, if the Director is then deceased, be given to the Director’s personal representative if such representative has previously informed the Company of his status and address by written notice under this Section 4.2. Any notice shall have been deemed duly given when enclosed in a properly sealed envelope or wrapper addressed as aforesaid and deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service.

Section 4.3 - Titles

Titles and captions are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

4

Section 4.4 - Amendment

This Agreement may be amended only by a writing executed by the parties hereto which specifically states that it is amending this Agreement.

Section 4.5 — Governing Law

The laws of the State of Maryland shall govern the interpretation, validity, administration, enforcement and performance of the terms of this Agreement regardless of the law that might be applied under principles of conflicts of laws.

Section 4.6 - Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 4.7 - No Special Rights

This Agreement does not, and shall not be interpreted to, create any right on the part of the Director to nomination, election or continued service as a director of the Company or any subsidiary or affiliate thereof, nor to any continued compensation, prerequisites or other current or future benefits or other incidents of such service nor shall it interfere with or restrict in any way any right or power, which is hereby expressly reserved, to remove or not to renominate the Director at any time for any reason whatsoever, with or without cause.

[End of Text]

5

**AVALONBAY COMMUNITIES, INC.
RESTRICTED UNIT AGREEMENT**

Pursuant to the terms of the AvalonBay Communities, Inc. 2009 Second Amended and Restated Equity Incentive Plan, as the same may hereafter be further amended (the “Plan”), in consideration for services rendered and to be rendered to AvalonBay Communities, Inc. (the “Company”), in order to advance the interests of the Company and its stockholders and effect the intended purposes of the Plan, and for other good and valuable consideration, which the Company has determined to be equal to the fair market value of the Units, as defined below, the Company is awarding to the Director herewith the Units, upon the terms and conditions set forth herein and in the Restricted Unit Agreement Terms (the “Terms”) which are provided herewith and incorporated herein in their entirety. Capitalized terms used but not defined herein shall have the respective meanings ascribed thereto in the Terms or in the Plan.

Director Name:

Award Date:

Number of Shares of Deferred Stock (“Units”) Awarded:

Vesting Schedule: Subject to the provisions of the Terms, the Director’s ownership interest in the Units shall vest, and the status of the Units as Unvested Units and all Restrictions with respect to the Units shall terminate, in accordance with the following schedule of events:

<u>Vesting Event</u>	<u>Incremental Shares Vested</u>	<u>Total Shares Vested After Vesting Event</u>
September 1 after the Award Date	25%	25%
December 1 after the Award Date	25%	50%
March 1 after the Award Date (following year)	25%	75%
The day prior to the first anniversary of the Annual Meeting that was held in the year of the Award Date (or, if earlier, the day prior to the Annual Meeting held in the year after the Award Date)	25%	100%
Termination of the Director’s service as a director by vote of the Company’s stockholders for any reason other than Cause	100%*	
Failure by the Board of Directors or any authorized committee thereof to nominate the Director for re-election for any reason other than for Cause	100%*	
Failure of the Company’s stockholders to re-elect the Director	100%*	
Death or Disability of the Director	100%*	
If earlier than any of the above events, a Sale Event	100%*	

*or, if fewer, all Restricted Units

Additional Terms/Acknowledgements: The Director acknowledges receipt of, and understands and agrees to, this Restricted Unit Agreement, including, without limitation, the Terms. The Director further acknowledges that as of the Award Date, this Restricted Unit Agreement, including, without limitation, the Terms, sets forth the entire understanding between the Director and the Company regarding the grant of Units described herein and supersedes all prior oral and written agreements on that subject.

PROVIDED HERewith AND INCORPORATED BY REFERENCE: Restricted Unit Agreement Terms

**AVALONBAY COMMUNITIES, INC.
RESTRICTED UNIT AGREEMENT TERMS**

**ARTICLE I
DEFINITIONS**

The following terms used below in this Agreement shall have the meaning specified below unless the context clearly indicates to the contrary. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Plan.

Section 1.1 - Cause

“Cause” means and shall be limited to (a) an affirmative vote of the holders of at least 75 percent of the shares entitled to vote at a meeting of stockholders called for the purpose, resolving that the Director should be removed from office or (b) a vote of the Board, the Nominating Committee, if any, or any other authorized committee of the Board resolving that the Director should not be nominated for re-election as a director, in either case, as a result of (i) conviction of a felony, (ii) declaration of unsound mind by order of a court, (iii) gross dereliction of duty, (iv) commission of any act involving moral turpitude or (v) commission of an act that constitutes intentional misconduct or a knowing violation of law if such action in either event results in both an improper substantial personal benefit to such Director and a material injury to the Company.

Section 1.2 - Common Stock

“Common Stock” shall mean the common stock of the Company, \$.01 par value.

Section 1.3 — Deferred Stock

“Deferred Stock” shall mean phantom stock of the Company. Each share of Deferred Stock shall have the same value as each share of Common Stock and shall be ultimately distributed to the Director in the form of Common Stock.

Section 1.4 — Disability

“Disability” shall mean the Director’s inability to perform his normal required services for the Company and its Subsidiaries for a period of six consecutive months by reason of the individual’s mental or physical disability, as determined by the Administrator in good faith in its sole discretion.

Section 1.5 - Restrictions

“Restrictions” shall mean the restrictions set forth in Article III of this Agreement.

Section 1.6 - Secretary

“Secretary” shall mean the secretary of the Company.

Section 1.7 - Unvested Units

“Unvested Units” shall mean the Units (as defined in the Restricted Unit Agreement) issued under this Agreement for as long as such Units are subject to the Restrictions (as hereinafter defined) imposed by this Agreement.

ARTICLE II
RESTRICTED UNITS

Section 2.1 - Unvested Units

Any Units granted on the Award Date pursuant to this Agreement shall be considered Unvested Units for purposes of this Agreement and shall be subject to the Restrictions until such time or times and except to the extent that the Director’s ownership interest in Units vests in accordance with the Vesting Schedule set forth on the first page of this Agreement.

Section 2.2 - Rights as Stockholder

From and after the Award Date, the Director shall not have any of the rights of a stockholder with respect to the Units until the Units are distributed to the Director in the form of Common Stock, except with respect to Dividend Equivalent Rights as set forth on Section 2.3.

Section 2.3 — Dividend Equivalent Rights

All Units granted hereunder shall carry Dividend Equivalent Rights which shall entitle the Director to receive additional Units, based on the amount of actual dividends payable by the Company with respect to the Common Stock. The amount of dividend equivalents credited to the Director’s Units shall be credited on the day following the dividend payment date for such dividend based on the Fair Market Value of a share of Stock on the payment date. Such additional Units shall also carry Dividend Equivalent Rights. All additional Units credited to a Director’s account pursuant to this Section 2.3 shall be fully vested at all times.

ARTICLE III
RESTRICTIONS

Section 3.1 - Reversion of Unvested Units

Except as provided in clauses (a) through (e) of this sentence or in the following paragraph, any interest of the Director in Units that are Unvested Units shall immediately terminate if the Director’s service as a director of the Company terminates for any reason, unless such termination of service results from (a) death of the Director, (b) Disability of the Director, (c) removal of the Director from office by vote of the Company’s stockholders for any reason other than for Cause, (d) failure by the Board of Directors or any authorized committee thereof to nominate the Director for re-election for any reason other than for Cause or (e) failure of the Company’s stockholders to re-elect the Director.

Notwithstanding the provisions of the preceding paragraph, in the event that any Unvested Units are forfeited, the Director shall be entitled to payment with respect to any Units credited to his account pursuant to the Dividend Equivalent Rights accrued on the Unvested Units in accordance with Section 2.3 before the date of such event.

Section 3.2 — Units Not Transferable

No Units, whether vested or unvested, or any interest or right therein or part thereof shall be liable for the debts, contracts or engagements of the Director or his successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law or judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect; provided, however, that this Section 3.2 shall not prevent transfers by will or by applicable laws of descent and distribution until the Units are distributed to the Director in shares of Common Stock. Until such time when the shares of Common Stock are distributed to the Director, the Director’s rights under this Agreement shall be similar to that of an unsecured creditor of the Company.

Section 3.3 — Timing and Form of Distribution

To the extent not forfeited pursuant to Section 3.1, Units shall be exchanged into shares of Common Stock on a one-for-one basis and shall be distributed to the Director within 30 days after the date the Director terminates his or her services as a director of the Company. Any fractional Unit shall be distributed in cash at the same time.

ARTICLE IV MISCELLANEOUS

Section 4.1 - Conditions to Issuance of Stock

The Company shall not be required to issue or deliver any certificate or certificates or enter the Director's name as the stockholder of record on the books of the Company for shares of stock pursuant to this Agreement prior to fulfillment of all of the following conditions:

- (a) The admission of such shares to listing on all stock exchanges on which such class of stock is then listed; and
- (b) The completion of any registration or other qualification of such shares under any state or Federal law or under rulings or regulations of the Securities and Exchange Commission or of any other governmental regulatory body, which the Company shall deem necessary or advisable; and
- (c) The obtaining of any approval or other clearance from any state or Federal governmental agency which the Company shall, in its absolute discretion, determine to be necessary or advisable.

4

Section 4.2 - Administration

The Committee shall have the power to interpret the Plan, this Agreement and all other documents relating to Unvested Stock and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret, amend or revoke any such rules. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and binding upon the Director, the Company and all other interested person. No member of the Committee shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or Unvested Stock and all members of the Committee shall be fully protected by the Company in respect to any such action, determination or interpretation. The Board shall have no right to exercise any of the rights or duties of the Committee under the Plan and this Agreement.

Section 4.3 - Notices

Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of its Secretary, and any notice to be given to the Director shall be addressed to him at the address maintained in the Company's records. By a notice given pursuant to this Section 4.3, either party may hereafter designate a different address for notices to be given to it or him. Any notice which is required to be given to the Director shall, if the Director is then deceased, be given to the Director's personal representative if such representative has previously informed the Company of his status and address by written notice under this Section 4.3. Any notice shall have been deemed duly given when enclosed in a properly sealed envelope or wrapper addressed as aforesaid and deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service.

Section 4.4 - Titles

Titles and captions are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

Section 4.5 - Amendment

This Agreement may be amended only by a writing executed by the parties hereto which specifically states that it is amending this Agreement.

Section 4.6 - Governing Law

The laws of the State of Maryland shall govern the interpretation, validity, administration, enforcement and performance of the terms of this Agreement regardless of the law that might be applied under principles of conflicts of laws.

Section 4.7 - Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

5

Section 4.8 - No Special Rights

This Agreement does not, and shall not be interpreted to, create any right on the part of the Director to nomination, election or continued service as a director of the Company or any subsidiary or affiliate thereof, nor to any continued compensation, prerequisites or other current or future benefits or other incidents of such service nor shall it interfere with or restrict in any way any right or power, which is hereby expressly reserved, to remove or not to renominate the Director at any time for any reason whatsoever, with or without cause.

[End of Text]

6
