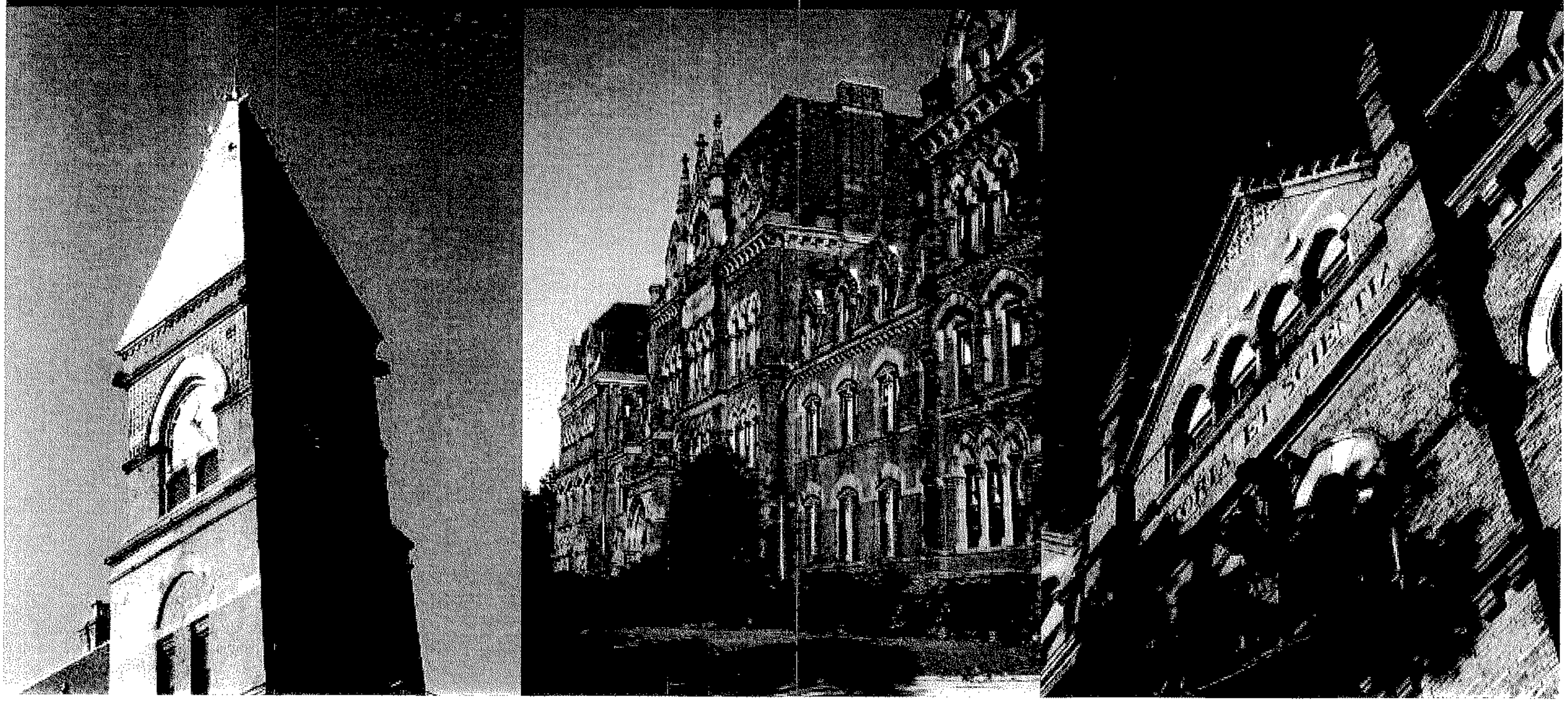
St. Paul's School

Reintroduction of Village Enhancements based on Resident Feedback

November 6, 2008

Trustee Meeting



AvalonBay
COMMUNITIES, INC.

Enhancements based on Resident Feedback

1) Increase PILOT Program
   a. First year payment to Village increased from $0 to $185,397.
   b. Payment in first 5 years increased from $79,556 to $1,024,434.
   c. Payments over 20 years increased from $3.5M to $6.1M

Stabilized Year	Current PILOT TOTAL	Proposed PILOT TOTAL
1	-	185,397
2	-	194,666
3	25,000	204,400
4	26,875	214,620
5	27,681	225,351
6	28,512	236,618
7	29,367	248,449
8	30,248	260,872
9	31,155	273,915
10	264,000	287,611
11	271,920	301,992
12	280,078	317,091
13	288,480	332,946
14	297,134	349,593
15	306,048	367,073
16	315,230	385,426
17	324,687	404,698
18	334,427	424,932
19	344,460	446,179
20	354,794	468,488
Total Payments	3,580,097	6,130,317

Enhancements based on Resident Feedback

2) Mitigate Potential School Impact

a. Adjust Apartment Home Mix

	Current	New
1BR	33	41
2BR	65	59
3BR	10	8
Total	108	108

* new construction footprint could be decreased based on new mix

Enhancements based on Resident Feedback

3) Mitigate Potential School Impact

b. 20% Senior Housing at St. Paul's

i. 21 Apartment Homes reserved for 55 years of age and above

***Preference given to Garden City Residents on Senior Apartment Homes**

Enhancements based on Resident Feedback

4) Reintroduce Immediate Tangible Benefits

a. $1,000,000 of Improvements to Cluett Hall and/or Feringa Fieldhouse

   i. Approx. $2,000,000 value to Village

   ii. Improvements to be determined by Village and Residents

Enhancements based on Resident Feedback

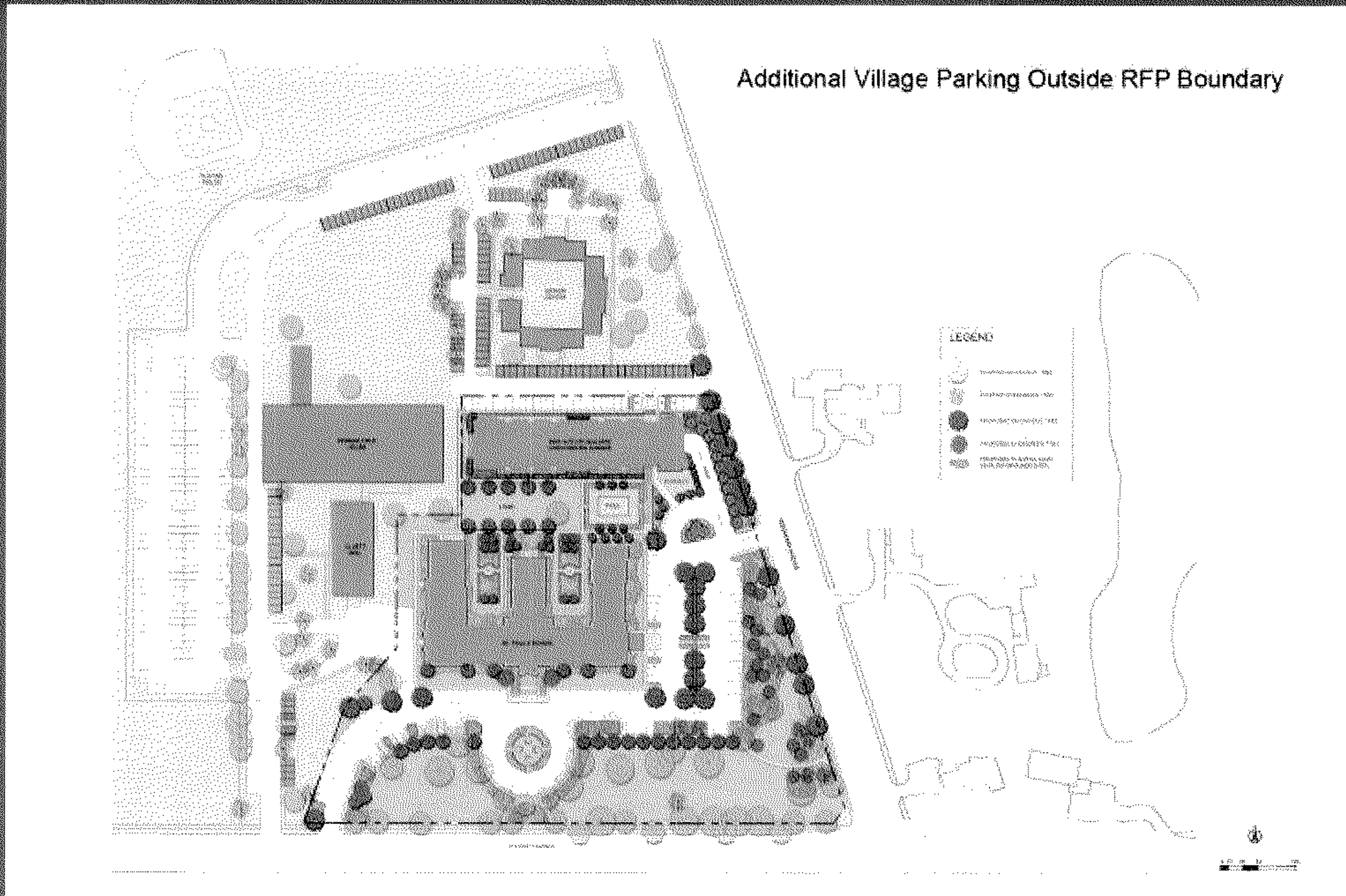
5) **Permanent full-time Public Space in Main Building**
   a. Chapel & Western Parlor
   b. Finished Space
   c. No Cost to Village Residents
   d. Use of Space Administered by Village

*This offer is assuming the Village will waive the parking requirements and the site plan will not change.

Enhancements based on Resident Feedback

6) Reconfigured Parking for Village Residents outside RFP Boundary
   a. 120 New Parking Spaces
   b. Will not disturb ballfields
   c. AvalonBay to Incur Cost

Enhancements based on Resident Feedback



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Enhancements based on Resident Feedback

7) Concerns of Selling the Building
   a. AVB would adhere to same strict controls negotiated with the Cathedral of St. John the Divine
   b. Sale Restricted to Qualified Entity
   c. Financial Protection to Village through Profit Sharing, which has already been agreed to by AVB.

Cathedral of St. John the Divine

2008 Spirit of the City Award Recipient

real estate portfolio.com

REIT.com

DEVELOPMENTS

[awards]

AvalonBay Is in the Spirit of Things

AvalonBay Communities (NYSE: AVB) was honored with the 30th Spirit of the City Award by the Cathedral Church of St. John the Divine in New York City in May. The company raised more than $400,000 for the church's education, arts programs and social welfare programs, including a homeless shelter, legal services and a soup kitchen.

"We are grateful to the Cathedral Church of Saint John the Divine for honoring AvalonBay's Fred Harris, David Seiman and Rachel Loeb with the Spirit of the City Award for their work on Avalon Morningside Park," says AvalonBay CEO and Chairman Bryce Blair. "These individuals embody AvalonBay's commitment to enhancing the lives of its residents."

REIT of the Year

Lexington Realty Trust (NYSE: LXP) received the "REIT of the Year" award at the Excellence in Property, Investment and CMBS awards, sponsored by *Real Estate Finance and Investment* magazine. Lexington was recognized for having a financially successful year despite the credit crunch.

Behringer Harvard REIT I Inc., and First Industrial Realty Trust (NYSE: FR) also were nominated. Behringer was recognized for its strength in acquisitions and First Industrial for its expansion efforts into Belgium.

"It was a great honor for Lexington to be recognized by such an important industry publication for our accomplishments in 2007," says Lexington's CEO Will Eglin.

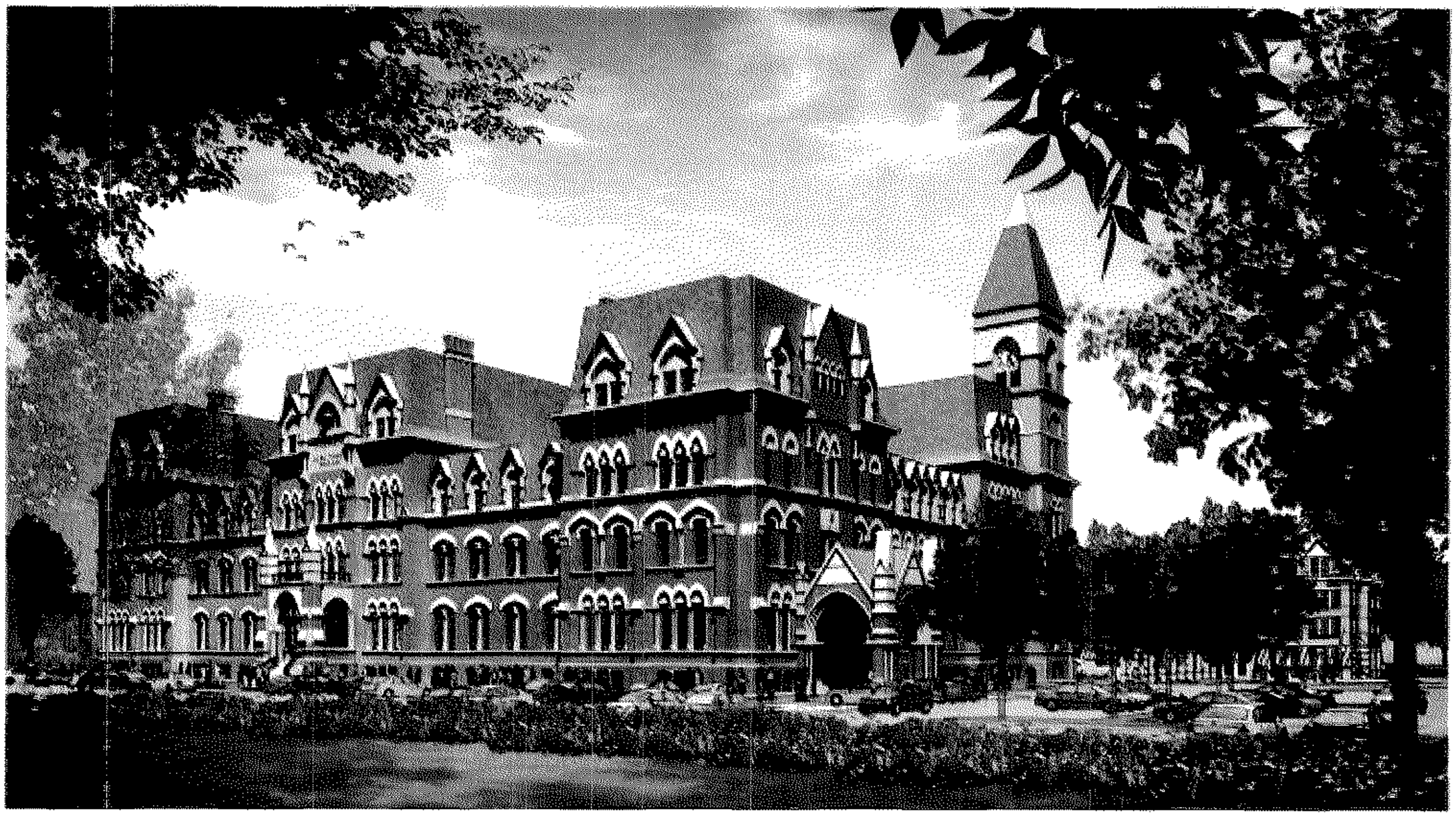
Working 9-to-5: REITs Recognized for Workplace Excellence

Many companies strive to support the needs of their employees, but two REITs, Washington Real Estate Investment Trust (NYSE: WRE)

Enhancements based on Resident Feedback

1) Increase PILOT Payments
2) Mitigate Potential School Impacts
3) Apartment Set-Aside for 55 and Above
4) Improvements to Cluett and/or Feringa
5) Permanent Full-time Public Space
6) New Resident Parking at Fields
7) Additional Village Controls on Potential Sale

AvalonBay Communities, Inc.



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