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FORM PTO-1595
1-31-92

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U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

Docket No. 250/083

101284558



To the Honorable Commissioner of Patents at _____

_____ and attached original document

01-31-2000

U.S. Patent & TMOrc/TM Mail Rcpt Dt. #54

1. Name of conveying party(ies): NERD
Avalon Properties, Inc.
1-31-00

Individual Association
 General Partnership Limited Partnership
 Corporation State: MD
 Other

Additional name(s) of conveying party(ies) attached?
 Yes No

2. Name and address of receiving party
Name: Avalon Bay Communities, Inc.
Internal Address: _____
City: Alexandria State: VA Zip: 22314
Street Address: 2900 Eisenhower Avenue, Suite 300
City: Alexandria State: VA Zip: 22314

Individual(s) Citizenship _____
 Association _____
 General Partnership
 Limited Partnership
 Corporation State MD
 Other

Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance:
 Assignment Merger
 Security Agreement Change of Name
 Other _____
Execution Date: June 4, 1998

4. Application number(s) or Trademark number(s):
If this document is being filed together with a new application, the execution date of the application is: _____

A. Trademark Application No(s): _____ B. Trademark No(s): 1,871,559

Additional numbers attached? Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:
Name: Brent D. Sokol
Internal Address: LYON & LYON LLP
633 West Fifth Street, Suite 4700
Los Angeles, CA 90071-2066
Phone: (213) 489-1600

6. Total number of applications and trademarks involved: 1

7. Total fee (37 CFR 3.41): \$ 40.00
 Enclosed
 Charge this Deposit Account if any additional fee is required

8. Deposit Account Number: 12-2475

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9. Statement and signature.
To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Brent D. Sokol Date: 1/26/00
Brent D. Sokol, Reg. No. 38,621

Total number of pages including cover sheet: 9

OMB No. 0651-0011 (exp. 4/94)

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Commissioner of Patents and Trademarks

Box Assignments

Washington, D.C. 20231

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APPROVED FOR RECORD

ARTICLES OF MERGER

06/04/98 at 3:22p .m.

YOA

MERGING

AVALON PROPERTIES, INC.
(a Corporation of the State of Maryland)

With and Into

BAY APARTMENT COMMUNITIES, INC.
(a Corporation of the State of Maryland)

30 JUN -4 1998
A

FIRST: Each of Avalon Properties, Inc., a corporation organized and existing under the laws of the State of Maryland ("Avalon"), and Bay Apartment Communities, Inc., a corporation organized and existing under the laws of the State of Maryland ("Bay"), agree that Avalon shall be merged with and into Bay. The terms and conditions of the merger and the mode of carrying the same into effect are as herein set forth in these Articles of Merger.

SECOND: Bay shall be the successor corporation in the merger and pursuant to the Articles of Amendment and Restatement of Articles of Incorporation referenced in Article SEVENTH hereof, at the Effective Time (as defined in Article TENTH hereof) shall be renamed "Avalon Bay Communities, Inc."

THIRD: The principal office of Avalon in the State of Maryland is located in Baltimore City. The principal office of Bay in the State of Maryland is located in Baltimore City.

FOURTH: Avalon owns interests in land located in the following counties of the State of Maryland: Howard County and Montgomery County.

FIFTH: The terms and conditions of the transaction set forth in these Articles of Merger were advised, authorized, and approved by each corporation party to such Articles of

STATE OF MARYLAND

I hereby certify that this is a true and complete 6/3/98 9 page document on file in this office. DATED: _____

STATE DEPARTMENT OF ASSESSMENTS AND TAXATION

By: Barbara P. Simms Custodian

This stamp replaces the previous certification system. Effective: 6/95

Merger in the manner and by the vote required by its charter and the laws of the State of Maryland. The manner of approval by Avalon and Bay of the transactions set forth in these Articles of Merger was as follows:

(A) Avalon

The Board of Directors of Avalon adopted resolutions at a meeting held on March 8, 1998, which declared that the transaction set forth in these Articles of Merger is advisable and directed that the transaction be submitted for consideration at a special meeting of the stockholders of Avalon. Notice which stated that a purpose of the meeting was to act on the transaction contemplated by these Articles of Merger was given in the manner required by the applicable provisions of the Maryland General Corporation Law ("MGCL") to each stockholder entitled to such notice. The transaction contemplated by these Articles of Merger was approved by the stockholders of Avalon at a special meeting of stockholders on June 4, 1998, by the affirmative vote of more than two-thirds of all the votes entitled to be cast on the matter in accordance with the charter of Avalon and the MGCL.

(B) Bay

The Board of Directors of Bay adopted resolutions at meetings held on March 8, 1998 and April 24, 1998, which declared that the transaction set forth in these Articles of Merger is advisable and directed that the transaction be submitted for consideration at the annual meeting of stockholders of Bay. Notice which stated that a purpose of the meeting was to act on the transaction contemplated by these Articles of Merger was given in the manner required by the applicable provisions of the MGCL to each stockholder entitled to such notice. The transaction contemplated by these Articles of Merger was approved by the stockholders of Bay

at the annual meeting of stockholders on June 4, 1998, by the affirmative vote of more than two-thirds of all the votes entitled to be cast on the matter in accordance with the charter of Bay and the MGCL.

SIXTH: The total number of shares of all classes of stock which each corporation party to these Articles of Merger has the authority to issue immediately prior to the merger contemplated by these Articles of Merger and the number of shares of each class are as follows:

(A) Avalon

The total number of shares of all classes of stock which Avalon has authority to issue immediately prior to the merger contemplated by these Articles of Merger is one hundred fifty million (150,000,000) shares, consisting of (i) twenty million (20,000,000) shares of preferred stock, par value \$.01 per share (of which 4,600,000 shares have been designated and classified 9.00% Series A Cumulative Redeemable Preferred Stock, par value \$.01 per share, and 4,600,000 shares have been designated and classified 8.96% Series B Cumulative Redeemable Preferred Stock, par value \$.01 per share); (ii) eighty million (80,000,000) shares of common stock, par value \$.01 per share; and (iii) fifty million (50,000,000) shares of excess common stock, par value \$.01 per share. The aggregate par value of all shares of all classes of Avalon stock is One Million Five Hundred Thousand Dollars (\$1,500,000).

(B) Bay

The total number of shares of all classes of stock which Bay has authority to issue immediately prior to the merger contemplated by these Articles of Merger is eighty-five million (85,000,000) shares, consisting of (i) twenty-five million (25,000,000) shares of

preferred stock, par value \$.01 per share (of which 2,308,800 shares have been designated and classified Series A Preferred Stock, par value \$.01 per share, 425,000 shares have been designated and classified Series B Preferred Stock, par value \$.01 per share, 2,300,000 shares have been designated and classified 8.50% Series C Cumulative Redeemable Preferred Stock, par value \$.01 per share, 3,450,000 shares have been designated and classified 8.00% Series D Cumulative Redeemable Preferred Stock, par value \$.01 per share, and 1,000,000 shares have been designated and classified Series E Junior Participating Cumulative Preferred Stock, par value \$.01 per share); (ii) forty million (40,000,000) shares of common stock, par value \$.01 per share; and (iii) twenty million (20,000,000) shares of excess common stock, par value \$.01 per share. The aggregate par value of all shares of all classes of Bay stock is Eight Hundred Fifty Thousand Dollars (\$850,000).

SEVENTH: Upon the Effective Time, the Articles of Amendment and Restatement of Articles of Incorporation of Bay (the "New Charter"), which are attached hereto as Exhibit A, shall be the charter of the successor corporation to be effected as part of the merger. The New Charter provides, among other things, that upon consummation of the merger contemplated by these Articles of Merger Avalon Bay Communities, Inc. ("Avalon Bay"), the successor in the merger, is authorized to issue a total of three hundred seventy million (370,000,000) shares consisting of (i) fifty million (50,000,000) shares of preferred stock, par value \$.01 per share (of which 2,308,800 shares have been designated and classified Series A Preferred Stock, par value \$.01 per share, 425,000 shares have been designated and classified Series B Preferred Stock, par value \$.01 per share, 2,300,000 shares have been designated and classified 8.50% Series C Cumulative Redeemable Preferred Stock, par value \$.01 per share, 3,450,000 shares

have been designated and classified 8.00% Series D Cumulative Redeemable Preferred Stock, par value \$.01 per share, 1,000,000 shares have been designated and classified Series E Junior Participating Cumulative Preferred Stock, par value \$.01 per share, 4,455,000 shares have been designated and classified 9.00% Series F Cumulative Redeemable Preferred Stock, par value \$.01 per share, and 4,300,000 shares have been designated and classified 8.96% Series G Cumulative Redeemable Preferred Stock, par value \$.01 per share); (ii) three hundred million (300,000,000) shares of common stock, par value \$.01 per share; and (iii) twenty million (20,000,000) shares of excess stock, par value \$.01 per share. The aggregate par value of all shares of all classes of Avalon Bay stock is Three Million Seven Hundred Thousand Dollars (\$3,700,000).

EIGHTH: Upon the Effective Time, Avalon shall be merged with and into Bay; and, thereupon, all leases, licenses, property, rights, privileges, and powers of whatever nature and description of Avalon shall be transferred to, vested in, and devolved upon Bay, without further act or deed, subject to all of the debts and obligations of Avalon. The manner and basis of converting or exchanging issued and outstanding stock of Avalon into stock of Bay in the merger is as follows:

(A) From and after the Effective Time, each holder of an outstanding certificate or certificates which prior thereto represented shares of common stock, par value \$.01 per share ("Avalon Common Stock"), of Avalon (and the attached preferred share purchase rights associated with Avalon's shareholder rights agreement) shall, upon surrender of the same, be entitled to receive a certificate representing 0.7683 of a share of common stock, par value \$.01 per share, of Bay (and the attached preferred share purchase rights associated with Bay's

shareholder rights agreement) for each share of Avalon Common Stock surrendered by such holder. Any holder of Avalon Common Stock who would otherwise be entitled to receive a fractional share of Bay common stock will receive in lieu thereof an amount of cash (without interest) equal to the product of such fraction and the average of the last sale prices of Bay common stock, as reported by the New York Stock Exchange Composite Transactions reporting system, for the five trading days immediately preceding the date on which the merger is consummated.

(B) From and after the Effective Time, each holder of an outstanding certificate or certificates which prior thereto represented shares of 9.00% Series A Cumulative Redeemable Preferred Stock ("Avalon Series A Preferred Stock"), par value \$.01 per share, of Avalon shall, upon surrender of the same, be entitled to receive a certificate representing one share of 9.00% Series F Cumulative Redeemable Preferred Stock, par value \$.01 per share, of Bay for each share of Avalon Series A Preferred Stock surrendered by such holder.

(C) From and after the Effective Time, each holder of an outstanding certificate or certificates which prior thereto represented shares of 8.96% Series B Cumulative Redeemable Preferred Stock, par value \$.01 per share ("Avalon Series B Preferred Stock"), of Avalon shall be entitled to receive a certificate representing one share of 8.96% Series G Cumulative Redeemable Preferred Stock, par value \$.01 per share, of Bay for each share of Avalon Series B Preferred Stock surrendered by such holder.

(D) Until the certificates, which prior to the Effective Time represented shares of Avalon stock, have been surrendered, the holder thereof shall not be entitled to receive any dividend or other distribution, if any, payable to Bay's stockholders, All dividends or other

distributions, if any, will be accrued and paid, without interest, to the stockholder upon surrender of his or her certificate or certificates which represented shares of Avalon stock.

NINTH: All issued and outstanding shares of Bay stock shall remain issued and outstanding stock of the same designation and class of the successor in the merger.

TENTH: These Articles of Merger shall become effective at 10:00 p.m. (Baltimore, Maryland time) on June 4, 1998 (the "Effective Time").

ELEVENTH: Each undersigned President acknowledges these Articles of Merger to be the corporate act of the respective corporate party on whose behalf he has signed, and further, as to all matters or facts required to be verified under oath, each President acknowledges that to the best of his knowledge, information and belief, these matters and facts relating to the corporation on whose behalf he has signed are true in all material respects and that this statement is made under the penalties for perjury.

[Remainder of page left blank intentionally]

IN WITNESS WHEREOF, Avalon Properties, Inc., a Maryland corporation,
and Bay Apartment Communities, Inc., a Maryland corporation, the parties to the merger,
have caused these Articles of Merger to be signed in corporate name and on their behalf by
their respective Presidents and witnessed or attested by an Assistant Secretary or Secretary all
as of the 4th day of June, 1998.

AVALON PROPERTIES, INC.,
a Maryland Corporation

By: Charles H. Berman (SEAL)
Charles H. Berman
President

Attest:

Joanne Lockridge
Joanne Lockridge
Assistant Secretary

BAY APARTMENT COMMUNITIES, INC.,
a Maryland Corporation

By: Gilbert M. Meyer (SEAL)
Gilbert M. Meyer
President

Attest:

Jeffrey B. Van Horn
Jeffrey B. Van Horn
Secretary

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