

AFFORDABLE RESIDENTIAL COMMUNITIES INC
 Form 4
 March 09, 2007

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 Willard Larry D

2. Issuer Name and Ticker or Trading Symbol
 AFFORDABLE RESIDENTIAL COMMUNITIES INC [ARC]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 7887 EAST BELLEVIEW AVENUE, SUITE 200
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 03/08/2007

Director 10% Owner
 Officer (give title below) Other (specify below)
 Chairman and CEO

ENGLEWOOD, CO 80111

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership Indirect Beneficial Ownership (Instr. 4) | | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|-----|-------|
| | | | | (A) or (D) | Code | V | Amount | (D) | Price |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative | 2. Conversion | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if | 4. Transaction | 5. Number of Derivative | 6. Date Exercisable and Expiration Date | 7. Title and Amount Underlying Security |
|------------------------|---------------|--------------------------------------|-------------------------------|----------------|-------------------------|---|---|
|------------------------|---------------|--------------------------------------|-------------------------------|----------------|-------------------------|---|---|

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| Security (Instr. 3) | or Exercise Price of Derivative Security | any (Month/Day/Year) | Code (Instr. 8) | Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | (Month/Day/Year) | (Instr. 3 and 4) | |
|---|---|-------------------------|--------------------|--|------------------|------------------|--|
| | | | | | | Code V | (A) (D) |
| Non-Qualified Stock Option (right to buy) | \$ 11.28 | 03/08/2007 | A | 10,000 | <u>(1)</u> | 07/27/2016 | Common Stock par value \$0.01 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Willard Larry D 7887 EAST BELLEVIEW AVENUE, SUITE 200 ENGLEWOOD, CO 80111 | X | | Chairman and CEO | |

Signatures

Scott Gesell by power of attorney for Larry D. Willard 03/09/2007

**Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
 - ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- Options granted under the issuer's 2003 Equity Incentive Plan. Options will vest with respect to 1/3 of the options on July 27, 2007, and (1) 1/3 vesting on July 27, 2008 and the last 1/3 vesting on July 27, 2009, subject to continued employment, and will become fully vested on a Change in Control (as defined in the plan) or in the event of the reporting person's death.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.