

Willard Larry D
Form 4
August 15, 2006

FORM 4

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

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

OMB APPROVAL

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(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)

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

08/14/2006

☐ Director ☐ 10% Owner
☒ Officer (give title below) ☐ Other (specify below)

Chairman & CEO

7887 EAST BELLEVIEW
AVENUE, SUITE 200

(Street)

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

ENGLEWOOD, CO 80111

(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 Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)			
			Code	V	Amount	(A) or (D)	Price			
Common Stock par value \$.01	08/14/2006		P		5,000	A	\$ 9.98	31,004	D	
Common Stock par value \$.01								300 ⁽¹⁾	I	Alex Willard
Common Stock par value \$.01								300 ⁽¹⁾	I	Zach Willard
Common								300 ⁽¹⁾	I	Haley

Stock par
value \$.01

Willard

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

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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 Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount of Number of Shares
Non-Qualified Stock Option (right to buy)	\$ 10.74					(2) 07/27/2016	Common stock par value \$.01 200,000

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 & CEO	

Signatures

Scott Gesell by power of attorney for Larry D.
Willard

08/15/2006

__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).

(1) Shares purchased by Mr. Willard for grandchildren's individual trusts. Mr. Willard serves as custodian of each trust and shares purchased for each may be deemed to be beneficially owned by Mr. Willard. Mr. Willard disclaims beneficial ownership of 300 shares held in trust

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for Alex Willard, 300 shares held in trust for Zach Willard and 300 shares held in trust for Haley Willard.

- (2) Option granted under the issuer's 2003 Equity Incentive Plan. Option will vest with respect to 1/3 of the shares on each of the first three anniversaries of the date of grant 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.

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