

SPONSORS

APARTMENT FINDER • AT&T • APARTMENT GUIDE • AZUMA • COINMACH
COMCAST • CORT • FOR RENT MEDIA SOLUTIONS • HD SUPPLY • MAC-GRAY
REALPAGE • RENT.COM • TIME WARNER • YARDI • VERIZON

2010 NAA OFFICERS

Chairman
Marc Rosenwasser
Chairman-Elect
Mike Gorman
Vice Chairman
Jerry Wilkinson
Treasurer
Alex Jackiw
Secretary
Brad Williams
Past Chairman
Ron Shelton

**REGIONAL
VICE PRESIDENTS**

Region I
DC-DE-MD-PA-VA-WV
Jill Levins
Cindy Clare
Mike Woodward
Region II CT-MA-ME
NH-NJ-NY-RI-VT
Mike Beirne
Tom Beaton
Region III
IL-IN-MI-MN-OH-WI
Diana Pittro
Dennis Funkhouser
Region IV
GA-KY-NC-SC-TN
Linda Page
Scott Wilkerson
David Hirsch
Mike Holmes
Region V
IA-KS-MO-NE-OK
Gary Wilson
Christine Lee
Region VI
AR-NM-TX
Marc Ross
Gary Blumberg
Jeff Lowry
Robert Tinning
Region VII
AK-AZ -ID-NV-OR-WA
Jay Olson
Mike Clow
Region VIII
CO-MT-ND-SD-UT-WY
Rex Gambrell
Gloria Froerer
Region IX
AL-FL-LA-MS
Kathy Ratchford
Susan Truesdale
Ellen Maxime
Region X
CA-HI
Rick Snyder
Malcolm Bennett

**ASSEMBLY OF DELEGATES
November 11-13, 2010**

Chairman Marc Rosenwasser presided over the Joint Board of Directors and Assembly of Delegates meeting in Indianapolis, Indiana.

The NAA Board approved the following action items from committees:

Budget & Finance Committee

- Approved the September 2011 unaudited Financial Statement.
- Accepted the 2011 NAA Operating Budget

NAA Education Institute

- Approved the 2011 NAAEI Operating Budget.

The Assembly of Delegates approved the following motions:

Board of Directors

- Ratified all the actions of the NAA Executive Committee and NAA Board in 2010.

Budget and Finance

- Approved the 2011 NAA Operating Budget.

Nominating Committee

- Approved the 2011 Slate of NAA Officers:

NAA Chairman-Elect

Jerry Wilkinson, CCIM
Wilkinson Real Estate Advisors
Atlanta, GA

NAA Vice Chairman

Alexandra Jackiw, CAPS, CPM
Buckingham Companies
Indianapolis, IN

NAA Treasurer

Brad Williams, CPM
Lincoln Property Company
Dallas, TX

NAA Secretary

Tom Beaton, CPM
The Dolben Company
Woburn, MA



**2011 NAA Chairman of the Board
Mike Gorman, CAPS, CPM, CCIM
Rose Property Group, LLC
Indianapolis, IN
with 2011 NAA Officers**

2010 ASSEMBLY OF DELEGATES SUMMARY

2011 NAA Operating Budget

	<u>2010 Budget</u>	<u>2011 Budget</u>	<u>Difference</u>	<u>% Difference</u>
Revenue	\$13,839,939	\$14,778,949	\$939,010	6.9%
Expense	\$13,818,153	\$14,753,213	\$935,060	6.8%
Net Income	\$21,786	\$25,736	\$3,950	18%

ASSOCIATION EXECUTIVE COUNCIL

President - Brenda Wells
Greater Lexington Apartment Association

2010 AEC nominating committee Chair Ken Szymanski announced the officers elected to serve in 2011. They include:

- President: Gary Scarboro, CAPS, CAE, Apartment Association of Greater Orlando (FL)
- President-Elect: Patrick McCloud, Central Virginia Apartment Association
- Secretary: Pamela Bennett, Apartment Association of Greater Philadelphia (PA)
- Immediate Past-President: Brenda Wells, CAM, Lexington Apartment Association (KY)

NAA Chairman Marc Rosenwasser thanked all the affiliates for their continued support of NAA and presented AEC President Brenda Wells with a gift on behalf of the NAA Board of Directors in recognition of her service in 2010.

NAA President Doug Culkin asked AEs to consider selecting delegates who can also serve on committees, giving them a dual purpose for attending meetings

Jeff Smedley of Call Source provided an update on the NAAEI LMS. The goal is to fully launch the program in January and have 100 affiliates utilizing the system within the next year.

NAA Vice President of Government Affairs Greg Brown discussed proposed changes in affiliate benchmarks for PAC contributions as part of a plan to raise additional funds. Greg also clarified PAC contribution guidelines.

BUDGET & FINANCE COMMITTEE

Chair - Alex Jackiw
Buckingham Management

September 2010 Financials

Alex Jackiw reported that the year to date financial statements as of September 30, 2010 included that NAA had total revenues of \$12,255,704 (\$404,642 favorable variance to budget) and total expenses of \$10,421,103 (\$511,805 favorable variance to budget)

The net income was \$1,834,601 which was a \$916,447 favorable variance to budget.

Ms. Jackiw reviewed the 2011 NAA Operating Budget.

Main Increase in Revenue between 2010 and 2011

- June Conference: \$4,730,200 in 2010 and \$5,237,845 in 2011 for increase \$507,645 or 10.7%
- Budgeting a 3% increase in registration attendance.
- Sponsorship increase of \$235,000 based upon actual results of 2010
- Lease Revenue: \$2,000,000 in 2010 and \$2,291,000 in 2011 increase of \$291,000 or 10%
 - Expect to have 10% growth
 - Current year we are ahead of budget by \$107,429 or 6.9%
- Dues: \$3,537,867 in 2010 and \$3,650,854 in 2011 for increase of \$112,987 or 3%
 - Affiliate dues estimate for 2% growth; strategic plan incorporates increase of 75,000

2010 ASSEMBLY OF DELEGATES SUMMARY

Main Increase in Expenses in 2010 and 2011

- Executive – there are two items that were not in the 2010 Budget that have been included in 2011 for a total of \$300,000

- The \$200,000 contribution to reserves, which had been eliminated from the 2010 budget, has been re-established in 2011.

- \$100,000 has been included for the annual licensing fee for the new Learning Management System (LMS). NAAEI partnered with CallSource to develop a universal online LMS that is available and utilized across all NAA affiliates and members. The LMS includes online education accessible anytime, and is comprised of course and recorded seminar content from the NAAEI, CallSource and state and local apartment associations. Offering online education provides many benefits and more value to NAA affiliates and their membership base; significantly reducing overhead costs of education employees and increasing attendance ability from affiliate members who live too far away to attend in person educational offerings.

- Lease: \$1,558,039 in 2010 and \$1,808,731 in 2011 for an increase of \$250,692 or 16%

- Mainly due to affiliate revenue share which is approximately 58% on total sales which increased by \$291,000 in revenue.

- In addition, half of a staff position has been added to provide legal research. This position will be split with Government Affairs department.

- Education Conference: \$2,137,595 in 2010 and \$4,341,395 in 2011 for increase of \$203,800 or 9.5%

- Majority of increase is due to the Opening Party which is planned to be held at the Mandalay Bay Beach. Significant increase in location fee and food costs. Location is important to meet expectations set from this past year.

- Expenses for catering, A/V, and security services are significantly higher in the Las Vegas location compared to New Orleans.

- Government Affairs: \$2,057,039 in 2010 and \$2,219,377 in 2011 for increase of \$162,338 or 7.9%

- Majority of the increase is to add 1.5 additional staff which is part of the Government Affairs Task Force recommendations in 2009. This is for an additional Manager of State and Local Affairs and a half position that would be a Research Paralegal that would be split with the Lease department.

- Also increases in travel for additional staff to travel to affiliates and printing costs for new publications and materials.

- RVP Travel: \$10,000 in 2010 and \$70,000 in 2011 for increase of \$60,000

- This would provide funding for 17 RVPs to travel to the 5 national meetings in an effort to support future and current leadership in NAA.

COMMUNICATIONS ADVISORY BOARD

Chair - Victoria Cowart

Darby Development Company

Communications Advisory Board reviewed its 2010 Strategic Goals/Plan of Work, summarizing its accomplishments. It discussed the merits and execution of the e-version of UNITS magazine and considered ways to improve its "sponsorship/advertiser" support opportunities.

The following was also discussed:

- Reviewed the display ad sales performance for UNITS magazine in 2010.

- Received an overview of the new NAA Community Site and discussed "best practices" for gaining appropriate content.

- Discussed potential session topics for the 2011 Education Conference.

- Discussed pertinent onsite operational challenges the industry faces such as bed bugs, mold, staff training and the promoting of the apartment industry career track within a company.

2010 ASSEMBLY OF DELEGATES SUMMARY

2010 CONFERENCE COMMITTEE

Chair - Tom Beaton
The Dolben Company
Co-Chair - Eric Overhage
Handytrac Systems
Co-Chair - Brenda Wells
Greater Lexington Apartment Association

Tom Beaton thanked everyone involved for all of their hard work and effort on putting together and executing an incredible conference in New Orleans.

He recognized the Conference Co-Chairs, the Chairman of the Board, all of the 2010 Education Conference sponsors, exhibitors, committee members and volunteers. He congratulated them on a job well done.

He briefly summarized the numbers:
EXHIBIT BOOTHS:
3rd Best Conference Ever

FULL CONFERENCE PAID REGISTRATIONS:
3rd Best Conference Ever

REGISTRATION REVENUE:
2nd Best Conference Ever

SPONSORSHIP REVENUE:
Highest Conference Total Ever

NET INCOME:
Best Conference Ever

He reported having a great year and recognized Alex Jackiw and the 2011 Conference Committee who were already hard at work on making the 2011 Education Conference even better!

2011 CONFERENCE COMMITTEE

Chair - Alex Jackiw
Buckingham Management
Co-Chair - Theresa Lamar
Lamar Creative LLC
Co-Chair - Gary Scarboro
Apartment Association of Greater Orlando

**2011
Education Conference & Exposition
June 23-25, 2011**

**Mandalay Bay Resort &
Convention Center**



**NAA EDUCATION
CONFERENCE & EXPOSITION**
June 23-25, 2011 | Las Vegas, Nevada



Alex Jackiw reported that Registration and Housing are now OPEN for attendees.

Exhibitor/Sponsor registration and housing will open on January 11, 2011

Exhibit Booth sales are ahead of last year's pace by about 4%.

She announced that 19 metal sponsors, including 17 Platinums, have committed to sponsor the 2011 NAA Education Conference & Exposition,

2010 ASSEMBLY OF DELEGATES SUMMARY

including 2 brand new Platinum sponsors – The Rainmaker Group and CallSource. She recognized the 19 metal sponsors who have stepped up to sponsor the 2011 Education Conference & Exposition.

PLATINUM: Apartment Finder, Apartment Guide, Appliance Warehouse of America, Inc., AT&T, AZUMA Leasing, CallSource, Coinmach Corporation, Comcast Cable, CORT, For Rent Media Solutions, HD Supply, Mac-Gray, RealPage, Rent.com, The Rainmaker Group, Time Warner Cable and Yardi

GOLD: Wilmar

BRONZE: Moen Incorporated

She reported that Keynote Speakers are: Condoleezza Rice (Thursday) and Daniel Pink (Friday)

She also announced the Thought Leaders for the education sessions including: Bonnie St. John

St. John, the first African-American Olympic ski medalist, is also a Rhodes Scholar, former White House official and successful business-woman as well as author of Live Your Joy. Her story is proof that normal is overrated and you can strive for excellence no matter what. She uses her experience as a one-legged, ski champion to encourage audiences to aim higher and achieve extraordinary results...regardless of the challenges. Learn how to question what you see as your own limitations and discover how to re-energize your performance.

Ann Rhoades

Founding Executive Vice President of People and JetBlue Airways, Rhoades is a "rule breaker" with a sense of humor who has made a habit of creating high-performance cultures where people accomplished the extraordinary. With enthusiasm, humor and candor, Rhoades urges audiences to throw away the rule book and develop and sustain a company culture that believes in people's ability to accomplish the extraordinary, thereby giving them the authority to succeed.

Kevin Carroll

Kevin Carroll uses his masterful story-telling skills to communicate his vast and varied experiences to entertain, enlighten and challenge business leaders and worldwide audiences. Using lessons garnered from the spirit and dynamics of play, Carroll helps attendees understand how to enliven and enrich their work lives, enhance innovation, and improve team dynamics and interpersonal communication.

Christine Cashen

With her humorous style, Cashen will give you the tools to identify, understand and cope with confrontations. Learn the techniques to respond differently to conflict, get new ideas to old problems and keep your cool with ideas for less stress and more fun.

NSC Sponsored Opening Party -
NO BALLROOM...BEACH PARTY!

She said that NAA is renting out the entire Beach and Pool area of Mandalay Bay for the NSC Sponsored Opening Party on Thursday, June 23. Dave Schwehm, the Opening Party Chair and the committee will be working with staff on all of the details. In addition, sponsorships have already been sold for this event. She thanked CORT and Sherwin-Williams for committing to being a sponsor of the NSC Sponsored Opening Party!

The following companies also said they too wanted to be an Opening Party sponsors during the AOD meeting:

Apartment Guide

Appliance Warehouse of America

CallSource

Coinmach

Ellipse Communications

NWP

RealPage

The Rainmaker Group

Wilmar

Yardi

She hoped to see everyone in Las Vegas.

2010 ASSEMBLY OF DELEGATES SUMMARY

NAA EDUCATION INSTITUTE

President - Jeff Lowry
McDougal Companies
Vice President - Maitri Johnson
Riverstone Residential
Secretary/Treasurer - Jerry Wilkinson
Wilkinson Real Estate Advisors

Program Administration Committee

- NAAEI discussed and received an update from CallSource about the Learning Management Beta test results. The Committee unanimously approved CallSource as the provider for the NAAEI and NAA Affiliated Associations Learning Management System
- The Committee also discussed an increase in CAMT pricing to help offset the cost of maintaining ANSI accreditation and unanimously approved an increase in CAMT Corporate Pricing for in-house training from \$421 to \$450, effective January 1, 2011. The affiliate revenue share of \$166 will not be changed.
- The Committee also unanimously approved an increase in CAMT Affiliate Pricing from \$255 to \$275, effective July 1, 2011.
- New criteria for the Apartment Institute for Maintenance Excellence (AIME) membership, an Institute for those who hold the ANSI accredited CAMT certificate, was approved. On an annual basis, AIME members will be charged \$50 membership dues and be required to report 3 continuing education credits earned from programs offered by NAAEI, NAA or state and local associations.

Curriculum Development Committee NALP Online

NALP Online launched live on October 1, 2010 and first month sales generated over \$10,000 with 37 full courses and 49 individual modules being sold.

Apartment Careers Committee

The committee reported on National Apartment Career month, February 2010 and brainstormed marketing and PR ideas with Catalyst, NAAEI's new marketing firm. The firm will work to develop state and local information on the economic impact of the apartment industry and number of jobs in the apartment industry and the number of jobs servicing the apartment industry to generate interest among reporters, resulting in stories about recession resistant, portable career paths in apartment leasing, maintenance and management.

Staff reported on a new model for building a pipeline of skilled maintenance talent at Montgomery College in Rockville, MD. Sixteen people who were out of work, underemployed or seeking a career change paid \$975 to complete the ANSI accredited CAMT curriculum and exam and take the EPA CFC Certification exam. NAAEI organized a Career Fair attended by Equity, Camden, Kettler, Southern Management, Berkshire and Riverstone Residential. Recruiters found the students to have transferrable skills from previous careers and a good apartment maintenance foundation thanks to CAMT.

NAAEI Board

The NAAEI Board approved the NAAEI Budget:

Revenue: \$1,707,856
Expense: \$1,758,231
Net Income: (\$50, 375)

NAAEI Pledges of \$300,000 in 2010 will be reduced to \$138,834 in 2011. NAAEI will reengage the Campaign Cabinet to embark upon a new capital campaign.

Staff was very conservative in budgeting revenue and expenses have been reduced as far as possible without limiting NAAEI's ability to meet the needs of NAA members. NAAEI staff is hopeful that sales of NALP Online and ANSI accredited CAMT will increase to offset this deficit.

2010 ASSEMBLY OF DELEGATES SUMMARY

INDEPENDENT RENTAL OWNERS COMMITTEE

Chair - Greg Guerrero
Apartment Services Company

The 2010 plan of work was discussed and its progress highlighted for the committee and those in attendance. The plan of work objectives will be completed by the end of December.

Topics were discussed for an upcoming conference call that will feature best practices on industry issues impacting IROs around the country. The call will be marketed to NAA IROs and will serve as member benefits tool in attracting and retaining IROs in the future.

Judy Roettig, AE of the Chicagoland Apartment Association, discussed a new partnership with the Chicago Housing Authority (CHA) that will use the Rental Owners Course (ROC) as the education component for a new initiative called the "Owners Excellence" program. The program is designed to ensure thousands of owners in the CHA housing voucher program have the necessary industry education to continue providing quality housing to their residents.

The following motion was approved by the Committee: To engage NAAEI and identify the steps (financial, timeline, education components) needed to convert the Rental Owners Course (ROC) into an NAAEI designation.

LEGISLATIVE COMMITTEE

Chair - Terry Danner
Riverstone Residential
National Issues Chair - Cindy Clare
Kettler Management
State & Local Issues Chair - Mike Beirne
The Kamson Corporation

The Legislative Committee covered a full agenda of federal items, including: updates on the mid-term elections and the outlook for the "lame-duck" session of Congress, the recent

White House event on rental housing and the upcoming bed bugs Congressional forum in which NAA is participating.

The Committee also received updates on NAAPAC and the Apartment Industry Management System (grassroots) as well as heard discussion of potential enhancements to the PAC structure under discussion within the association.

The Committee broke up into four small groups and had targeted discussions on grassroots, PAC, communications and federal legislative priorities. The goal of this small group discussion was for the Committee members to give direct and specific feedback in these areas in order to help craft priorities for 2011. Staff will be organizing this feedback into specific task items on which the Committee can focus in 2011.

NAAPAC

Chair - Mike Holmes
Easlan Management

Chairman Mike Holmes reported that NAAPAC has \$101,000 cash-on-hand as of 10/31/2010. We raised \$194,000 and disbursed \$270,500 for the year.

The bulk of the receipts were from the PAC events at the NAA conferences and the business exchanges held in Texas and Indiana.

Holmes also reported being roughly 25,000 short of the goal of 100,000 members for our grassroots network.

NAAPAC proposals were also discussed including:

- Re-establishing a PAC Board of Trustees,
- Reinvigorating the PAC Ambassadors,
- A ranking/scoring system of members of Congress and affiliate goals.

2010 ASSEMBLY OF DELEGATES SUMMARY

LEADERSHIP LYCEUM

Chair - John Ridgway
Celtic Realty Advisors

John Ridgway was pleased to announce the following graduates of the Lyceum program:

- Donna Benson-Todd
Myrtle Beach Apartment Association
- Kristi Carlson
Apartment Association of Central Oklahoma
- Victoria Cowart
Charleston Apartment Association
- Wendy Dorchester
Apartment Guide
- Kelly Durkes
Apartment Assn. of Fort Wayne/NE Indiana
- Kim Fitch
Arizona Multihousing Association
- Gary Mitchel
Lubbock Apartment Association
- Sandra Nipper
Apartment Association of Central Oklahoma
- Laura Russmann
Apartment Association of Southern Colorado
- Cherie Shaw
Apartment Association of Metro Denver
- Kim Small
Houston Apartment Association
- Ranee Taylor
Apt. Assn. of Greater Omaha & Lincoln
- Anthony Wonderly
Apartment Association of Tarrant County

The Lyceum Committee discussed promoting State and Local Lyceum program development by enhancing our repository of information, utilizing participant testimonials and promoting this initiative at the next AEC meeting.

In determining our next course of action regarding continuing education for graduates and networking options, we will track attendance of our past conferences and convene a focus group during the Capitol Conference.

MEMBERSHIP COMMITTEE

Chair - Marc Ross
Bob Ross Realty
Member Relations Chair - Carey Bradburn
Pinnacle
Member Services Chair - Rick Snyder
R.A. Snyder Properties

Membership Report

NAA currently represents 52,148 members and 5,989,646 units. Last year at this time, NAA represented 50,895 members and 5,896,441 units.

Membership Strategic Growth Fund

The NAA Board approved a motion to establish a new Strategic Growth Restricted Fund out of 2010 net income up to \$250,000.

Staff will conduct an assessment of NAA's penetration rate in major metropolitan areas, identify areas where NAA has an existing affiliate where the penetration rate is low, and conduct a preliminary SWOT Analysis (Strengths, Weaknesses, Opportunities, Threats) of the underserved areas to identify the target associations.

To be considered for funds, affiliates must complete an application, the application must include a detailed budget, goals and timelines for meeting the goals.

Staff is in the initial stages of developing the application. Funds won't be available until after the NAA audit is approved in March.

Review Preliminary SWOT Analysis

Judy Roettig, Chicagoland Apartment Association and Nicole Birge, Washington Multifamily Housing Association presented their preliminary SWOT Analysis to give the committee a gist of what a SWOT Analysis should entail.

2011 Targeted Areas

NAA has been working with the South East Florida Apartment Association as they have been the test affiliate in terms of getting the Strategic

2010 ASSEMBLY OF DELEGATES SUMMARY

Growth Initiative underway. To date, SEFAA has increased their membership by approximately 30%. Some of the targeted areas for 2011 include Illinois, Washington, California and Nevada.

The step-by-step process includes conducting an assessment of NAA's penetration rate in major metropolitan areas; identify areas where NAA has an existing affiliate where the penetration rate is low; conduct a preliminary SWOT Analysis of the underserved areas to identify the target associations and select the target associations.

California Update

Tara Bannister reported that there are now 231 California properties using the NAA Lease. Ms. Bannister reported that there had been discussions and some movement by the leadership of the 3 California affiliates to create a new state association.

IT Update

Mike Jones provided the Committee an update on the new NAA Community site. Mr. Jones highlighted the various functionalities of the site such as creating profiles, collaborate with other members and share goals and challenges, search for topics of interest and participate in social networking. Mr. Jones encouraged the Committee to navigate the site and provide feedback on how to improve this member benefit.

Finally, Mr. Ross reported that NAA had received a charter application from the Nevada State Apartment Association (NSAA). The motion was tabled until March 2011, when NSAA can submit a business plan of sustainability for the state association and include a plan to increase the penetration rate in Las Vegas.

NATIONAL SUPPLIERS COUNCIL

Chair - Eric Overhage
Handytrac Systems

The 2010 plan of work was discussed and its progress highlighted for the committee and those in attendance. The plan of work objectives were almost complete.

The 2011 NSC Executive Committee was announced.
Chairman Theresa Lamar with
Lamar Creative LLC

Vice Chairman Margette Getto with
The Apartment Guide

Secretary Dave Schwehm with
Time Warner Cable

Past Chairman Eric Overhage with
HandyTrac Systems

Executive Committee Members Appointed by the NSC Officers:

Judy Gogol – For Rent Media Solutions
BJ Rosow – Azuma Leasing
Michelle Childers – Apartment Finder
Terri Nicholson – LeasingDesk
Pete Regules – CORT

The 2011 NAA Student Housing and Education Conferences was also discussed.

2010 ASSEMBLY OF DELEGATES SUMMARY

NOMINATING COMMITTEE

Chair - Ron Shelton
Amalgamated Management Corporation

Ron Shelton reported that pursuant to Article X Section 2 of the NAA Bylaws, the Nominating Committee proposed the following slate of officers for 2011 which was approved by the Assembly of Delegates:

Chairman-Elect:
Jerry Wilkinson, CCIM
Wilkinson Real Estate Advisors
Atlanta, GA

Vice Chairman:
Alexandra Jackiw, CAPS, CPM
Buckingham Companies
Indianapolis, IN

Treasurer:
Brad Williams, CPM
Lincoln Property Company
Dallas, TX

Secretary:
Tom Beaton, CPM
The Dolben Company
Woburn, MA

PRIVATIZED MILITARY HOUSING COMMITTEE

Chair - Sam Merrick
Lincoln Military Housing

Sam Merrick reported that the Committee had discussed the following:

- An update was provided by Forest City regarding the progress of developing a website that will be utilized by all of the private partners for online resident referrals.

- The Education Subcommittee provided an update regarding the status of plans for military housing education classes to be held at the 2011 Education Conference.

- The committee began planning timing and issues for its Annual Privatized Military Housing Roundtable which will be held during the 2011 Capitol Conference.

STUDENT HOUSING COMMITTEE

Co-Chair - Mike Peter
Campus Advantage
Co-Chair - Stacey Lecoche
Phoenix Property Company

The Student Housing Committee met to discuss updates and progress on planning of the 2011 NAA Student Housing Conference, which will be held February 21-23, 2011 at Caesars Palace in Las Vegas.

The conference will kick off with an opening party on the 21st followed by two days of education and a trade show. To date 68 booths have been sold to 62 exhibiting companies. All 16 education sessions have been selected.

The conference will offer 3 general sessions. The opening session will feature "The Young Turks of Student Housing." The very successful student panel will return featuring students from 5 colleges and universities from across the U.S.

Erik Wahl will be the featured keynote at the closing general session luncheon.

To date we have secured 6 sponsors, Student Housing Business, Grand Campus Living, Capture the Market, Campus Advantage, University Furnishings, and RealPage.

Targeted and focused marketing will continue to increase as we get closer to the conference.

2010 ASSEMBLY OF DELEGATES SUMMARY

TASK FORCE REPORTS

AFFORDABLE HOUSING

Chair - Robert Tinning

Churchill Residential

The Affordable Housing Task Force met on June 24 and had a full agenda.

The Affordable Housing Task Force met and discussed status of several pieces of pending legislation, including the Tax Credit Exchange Program, Section 8 reform legislation and affordable housing preservation bills.

The Task Force also discussed two emerging issues for affordable housing – a pilot program in Dallas to use zip codes instead of Metropolitan Statistical Areas to determine Fair Market Rents and inspection oversight protocols of federally-assisted housing specifically as it relates to bed bug infestations.

GOVERNANCE

Chair - Ron Shelton

Amalgamated Management Corporation

The Committee discussed the role of the Regional Vice President.

Mr. Shelton read the position description for a RVP which included:

THE NAA IS ORGANIZED INTO TEN REGIONAL ENTITIES. EACH REGION SHALL ELECT ONE REGIONAL VICE PRESIDENT (RVP) TO SERVE A TWO-YEAR TERM. EACH REGION MAY ALSO ELECT ONE ADDITIONAL NON-VOTING REGIONAL VICE PRESIDENT (RVP) WHO MAY ACT AND VOTE AT A NAA BOARD MEETING IN THE ABSENCE OF THE VOTING RVP. IN ADDITION, THE DELEGATES IN REGIONS PAYING THE FIRST AND SECOND HIGHEST PERCENTAGE OF NATIONAL DUES, AS OUTLINED IN THE POLICIES & PROCEDURES, SHALL ELECT TWO ADDITIONAL REGIONAL VICE PRESIDENTS.

THE REGIONS PAYING THE THIRD, FOURTH, AND FIFTH HIGHEST PERCENTAGES OF NATIONAL DUES SHALL EACH ELECT ONE ADDITIONAL REGIONAL VICE PRESIDENT. REGIONS 1, 3, 5, 7, AND 9 ELECT REGIONAL PRESIDENTS TO SERVE BEGINNING IN AN ODD YEAR (2011-2012).

REGIONS 2, 4, 6, 8, AND 10 ELECT REGIONAL VICE PRESIDENTS TO SERVE BEGINNING IN AN EVEN YEAR (2012-2013). EACH REGIONAL VICE PRESIDENT MUST BE EITHER AN OWNER, DEVELOPER, BUILDER, OPERATOR OR MANAGER OF RENTAL HOUSING.

A Regional Vice President:

- Serves as a member of the Board of Directors & attend the 5 annual meetings (17 voting RVPs and 10 non-voting RVPs)

- Assists AE Regional liaison in obtaining affiliate reports for Regional Report. Report other regional activities at each Board of Directors meeting.

- Set Agenda and Preside over all Regional meetings at the 3 National meetings

- Bring questions and/or concerns from your region to the Board of Directors

- Actively support the AE's for the promotion/registration of the June Education Conference

- Appoint one owner/manager member to serve on the Nominating Committee with a minimum of 3 years national volunteer experience with the National Apartment Association preferably having served on the NAA Board or the Assembly of Delegates

- Elect or appoint NAA committee members from within your region each year

- Enforce the NAA Bylaws and Policies & Procedures

2010 ASSEMBLY OF DELEGATES SUMMARY

- Assist NAA's efforts to establish new affiliates within your region

- Assist NAA affiliates within your region in reporting members and units appropriately and encourage affiliates to submit dues on a timely basis

- Attend local affiliate meetings as a representative of NAA, visiting each affiliate in your region at least once during a two-year period

- Mentor the new/alternate RVP and assist in finding new members within your region to serve in the leadership

- Respond to member questions and needs

The Committee discussed reinstating a Board/RVP Orientation each year.

Other (possible) RVP thoughts included:

- Develop a RVP Manual in electronic format;
- If an orientation is not possible at the first meeting, conduct a Webinar
- Get more new members involved in future leadership
- Regional Report is pertinent and should be continued. Affiliates should be encouraged to participate in this "best practices" dialogue.

Schedule challenges of committee meetings was also discussed. It was agreed that we should move in the direction of:

- Standardized times for committee meetings at the 3 National Meetings
- Explore alternative meeting formats
- Have Webinars before and/or after to conduct committee business not completed during meeting time
- Have specialized committees meet at the same time (Student Housing, Privatized Military Housing, IROC).

Processes should be formalized and these processes should be communicated to all.

2010 ASSEMBLY OF DELEGATES SUMMARY

STATE AND LOCAL UPDATE NOVEMBER 2010

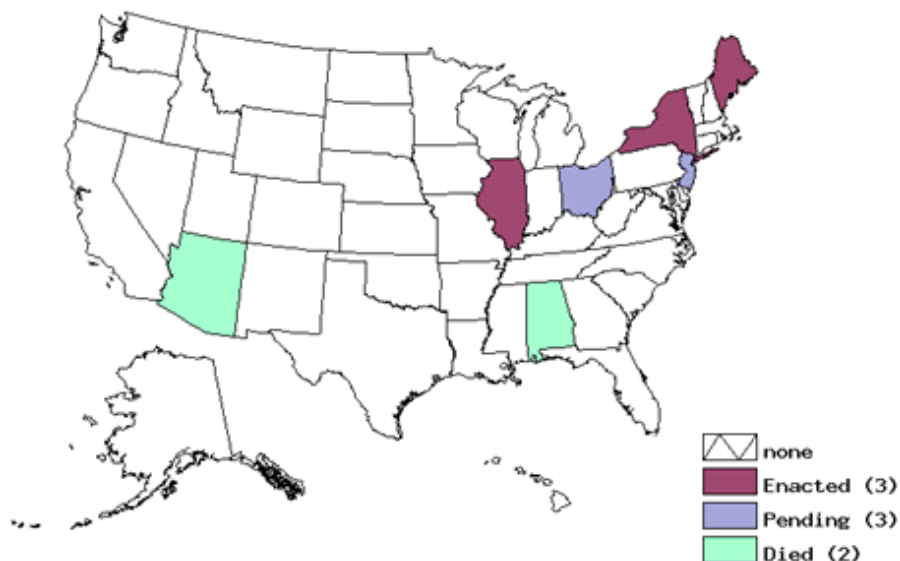
NAA's Government Affairs staff actively monitors hundreds of state and local legislative issues that affect all aspects of the multifamily rental housing industry. Throughout 2010, state and local lawmakers have proposed thousands of measures that directly impact the financial bottom-line and business operations of NAA members nationwide. Below is a summary of four high-profile, industry-relevant legislative issues that lawmakers at both levels worked to address in 2010. NAA believes these issues will continue to rank high on state and local lawmakers' agendas beyond this year as well.

Bed Bugs

The recent and alarming proliferation of bed bugs has captured national media attention and prompted reaction from lawmakers across several states in 2010. While impacting all sectors of real estate, bed bug infestations are particularly problematic for the apartment industry, as difficulty in pinpointing the origination of an infestation often leaves apartment owners and managers responsible for costly eradication procedures.

In March, Maine became the first state in the nation to enact a law that clearly defines the rights and responsibilities of landlords and tenants in regard to addressing bed bug infestations. Apartment industry stakeholders also witnessed the signing of legislation by Illinois' governor in June that requires a task force to recommend to state lawmakers best practices for preventing, managing and controlling bed bug infestations.

Another significant bed bug-related law of impact to the apartment industry is New York's Bed Bug Disclosure Act. Approved in August by Gov. David Paterson (D), the law requires apartment owners within the city of New York to disclose to potential residents the property's bed bug infestation history for the previous year. Owners are required to disclose this information regardless of whether previous infestations have been verifiably eradicated. The law's enactment sets a major precedent in regard to bed bug legislation targeting apartment owners and is likely to spark the introduction of similar measures nationwide in 2011.



2010 ASSEMBLY OF DELEGATES SUMMARY

During states' 2010 legislative sessions, lawmakers in Arizona, Alabama, New Jersey and Ohio introduced measures aimed at addressing bed bug infestations in apartment communities, though none of the bills are likely to advance before year's end.

Given the rise in national media attention surrounding bed bug infestations, NAA anticipates that state and local lawmakers will push to address the issue legislatively for the foreseeable future. In fact, a number of NAA affiliates have expressed their intent to proactively pursue bed bug-related legislation in 2011.

Source of Income

As fallout from the Great Recession lingers, state and local lawmakers are directing much of their attention toward providing relief to constituents struggling through an economic downturn that shows little indication of near-term recovery. In 2010, lawmakers in at least four states and Miami-Dade County, Fla., introduced legislation aimed at prohibiting apartment owners from refusing to enter into lease agreements with persons based solely upon their status as a Section 8 beneficiary. Lawmakers in at least three other states considered legislation aimed at providing some form of housing related protections to these individuals.

While bills intent on codifying "source of income" protections for Section 8 beneficiaries were unsuccessful in advancing in the Hawaii, Rhode Island and Washington State Legislatures, lawmakers in New York successfully passed such a measure through both of the state's legislative chambers. Despite strong bipartisan support, New York Gov. David Paterson (D) vetoed the measure in August, citing "the heavy burden it would place on small New York property owners at a time when they are struggling to pay their mortgages." In his veto message to the bill's sponsor, Paterson went on to enumerate the litany of "onerous" administrative and financial hardships apartment owners endure when providing housing to Section 8 beneficiaries, noting the bill's implementation would deter individuals from investing in affordable housing.

Legislation similar to the measure vetoed by Gov. Paterson was considered for the second time in as many years by the Miami-Dade County, Fla., Board of County Commissioners in 2010. NAA worked in conjunction with the Southeast Florida Apartment Association and the Florida Apartment Association to defeat the measure, which was withdrawn from consideration by its sponsor in June.

Source of income protections for Section 8 beneficiaries exist in 12 states and at least 20 municipalities nationwide. For reasons discussed above, NAA anticipates that the prevalence of such proposals will remain high in coming years.

Third-Party Water Billing

Among methods instituted to curb apartments' energy and natural resource consumption, billing residents for energy usage on a per unit basis, or submetering, remains among the most high profile. While apartment residents have for decades been billed for their actual electricity and natural gas consumption, only since the late 1990s have property owners and management companies employed submetering to calculate and bill residents for per unit water usage.

2010 ASSEMBLY OF DELEGATES SUMMARY

The sale and delivery of utilities are subject to strict regulations by state and local governments. In fact, utility regulators in some states and localities have moved to curb apartment owners' ability to submeter water, alleging the practice amounts to the resource's sale or resale. In such cases, regulators typically require apartment communities to cease the practice or register as a public utility.

Few states, including Massachusetts and Texas, address the issue of water submetering statutorily. In 2010, laws requiring the inclusion and use of water submeters in newly constructed multifamily properties were enacted in the state of Georgia and the city of San Diego, Calif. In addition, California lawmakers considered legislation in 2010 that sought changes to the state's building code to require all units in newly constructed apartment communities to be submetered for water billing purposes. The measure was passed by members of the Assembly but failed to advance in the Senate.

NAA is currently working in conjunction with its Missouri affiliate associations to address a complaint filed by the state's public service commission against an apartment owner who employs submetering to bill residents for water usage. The commission maintains that only regulated utilities are lawfully permitted to administer water submetering programs and has ordered the owner to refrain from the practice or register as a public utility. NAA has briefed its affiliates on political and media strategies and has intervened on their behalf as a party to the case.

With increasing concern among the public and lawmakers at all levels regarding the need to curb natural resource consumption, NAA believes elected officials will continue to push for the mandatory implementation of water submetering technologies in apartment communities.

Immigration

No single legislative act did more to propel immigration to the forefront of national political dialogue in 2010 than Arizona Gov. Jan Brewer's (R) signature of SB 1070 in April. Among other things, SB 1070 requires police to check persons' immigration status when conducting a "lawful stop, detention or arrest." A federal judge subsequently blocked that provision of the law from taking effect, issuing a temporary injunction that will remain in effect until its constitutionality is decided in federal court. Nonetheless, SB 1070's passage gave momentum to a multitude of state and local legislative proposals aimed at addressing illegal immigration.

Immigration-related proposals of relevance to the apartment industry considered so far in 2010 include a ballot initiative passed by voters in Fremont, Neb., and an ordinance proposed by members of the Summerville, S.C., Town Council. Both high-profile measures aim to require lessees of residential rental property to purchase an occupancy permit and declare on the application for such permits whether they are in the country legally. Property owners found to have knowingly rented to illegal immigrants in violation of the ordinances would face fines.

2010 ASSEMBLY OF DELEGATES SUMMARY

In March, a federal district court judge ruled unconstitutional a Farmers Branch, Texas ordinance that contained provisions nearly identical to those provided for within both the Summerville and Fremont ordinances. Again, in September, a three-judge panel of the U.S. Third Circuit Court of Appeals upheld a lower court ruling that blocked implementation of a Hazelton, Pa., ordinance aimed at preventing illegal immigrants from renting real property. In both cases, judges found the measures violated the Supremacy Clause of the U.S. Constitution. The Constitution grants Congress, not states, the power to make laws concerning immigration.

Fremont officials estimated that implementing the city's voter approved initiative in the face of ongoing challenges to its constitutionality could cost taxpayers \$1 million in legal fees annually. In response, Fremont's city council suspended implementation of the ordinance in July. Suspension of the ordinance will remain in effect until questions concerning its constitutionality are resolved in court. Concerns regarding legal costs coupled with lobbying efforts of the South Carolina Apartment Association prompted Summerville's Town Council to table consideration of its proposed ordinance in September.

Despite courts' successive rejection of the constitutionality of such laws, a continued unwillingness by Congress' to enact comprehensive immigration reform is likely to foreshadow continued pursuit by states and localities of legislation aimed at curbing illegal immigration.



**SAVE THE DATE!
2011 CAPITOL CONFERENCE**



MARCH 13 - 16, 2011

**OMNI SHOREHAM HOTEL
2500 CALVERT STREET
DUPONT CIRCLE
WASHINGTON, D.C. 20008**