



HNN Atlanta, Inc. Owner Manual

Introduction and Welcome

Our goal is to make owning your property as easy as possible. We take care of everything you don't want to be bothered with: we find tenants, process applications, collect rent, and handle all maintenance and repairs. In a perfect world, all you'll have to do is read your balance statements and keep your financial information up-to-date.

How We Do It

Excellent Management Software

We use a top-rated web-based software system ("Property Manager" by AppFolio) to manage all aspects of your property. The system has the following features:

- Web and Mobile Access
- Bank-level security
- Owner Portals
- Tenant Portals
- Online rental payment and collection
- Online maintenance and repair requests
- Online vacancy postings
- Online rental applications
- Online applicant screening
- Online prospect tracking

Owners and tenants access the system through customized online portals to make payments, view balance statements, and request services. As an owner, you'll create a login id and password and you'll have access to the system anywhere, anytime. As property managers, we have master access to the system and oversee all owner and tenant activity.

Account Statements

We generate and distribute owner account statements around the fifth of each month via email. Each statement provides details of the previous calendar month.

Owner Funds

You'll provide us with your bank information—account number and routing number—and we'll direct deposit your funds between the 10th and the 15th of each month.

Maintenance and Repair Account

All owners are required to keep a \$500 balance in a maintenance and repair escrow account. This fund covers any maintenance and repair costs incurred by HNN between the date we transfer rent to owners and the date we receive the next month's rent. We inform owners via email of any use of the escrow fund. Each time we use money from that escrow balance, we deduct that amount from the next month's rent in order to bring the balance back to \$500. These details will be reflected in the monthly owner statements.

Taxes: General Information

You'll provide us with a completed IRS W-9 form that matches exactly the way you file your taxes. If there are inconsistencies between our filing and your filing, this will prompt the IRS to kick you out of the system. We're typically notified mid-year of any discrepancies—if this happens we'll inform you as soon as we know.

In January of each year, we'll send you IRS Form 1099 reflecting the entire gross income for your property, along with a cash flow statement you can use to itemize all your expenses and deductions.

If your property is held in an LLC, please talk to your accountant about how you are filing. If you file your personal tax return separately from your corporate return, you'll need to use an Employee Identification Number for your income. However, if your LLC is included in your personal tax return, you do not need to use an EIN.

You need to have a bank account where all of that is deposited.

Property Taxes

If your property is not escrowed for a mortgage company, it's important to make sure your taxes are kept up to date. If you would like for us to pay your property taxes for you, we can do that—let us know and we will put it on the calendar. If you'd like us to do this, we'll communicate and coordinate with you with regards to your account balance in order to make sure we can pay the IRS at the appropriate time.

Maintenance Procedures

Our goal is to keep your property up to par while balancing efficiency and cost-effectiveness. We have a go-to stable of skilled handymen/women and repair people for all repairs, from basic to major. However, there are times when we begin a repair project and discover the property has larger issues which require additional trips from secondary tradespeople. In these instances, we'll communicate with you about the work needed. We'll also communicate with you on any repairs over \$500. In some cases we'll need your input—as a property owner, we're sure you understand how costs can quickly escalate—but in general, our job is to handle all maintenance and repair issues for you.

Long-Term Vacancies

When properties stand vacant for more than a couple of weeks they can develop issues that need solving before they can be put on the market. When we take over a property that's been vacant there for an extended period of time, there may be significant expense required to get the property ready for tenancy.

Landlord Insurance

To protect you from unforeseen circumstances, we require all owners to maintain a current landlord insurance policy with HNN named as an additional insured. We track your insurance policies to prevent lapses, and can make payments for you if you like. Let us know and we'll do it. It's important to understand the parameters of your coverage, specifically with regards to vacancies. Most landlord insurance policies will only cover the property for 30 days, and in some cases, for 60.