

Love In Action S.A. Property Management Agreement

This Property Management agreement between the owner and the property manager (the “Agreement”) is made and executed on this day of _____, (the effective date) between Owner, hereinafter referred to as the “Owner”, and Love In Action S.A. aka LIA Properties, hereinafter referred to as the “Property Manager”.

“Software platform” refers to the use of a channel manager to manage listings, reservations, pricing models, and manage stripe payments. This is not to be confused with booking platforms such as Airbnb or VRBO or Booking.com.

The Property

The Owner is the proprietor of a certain property located at (The address of property) Address, Jaco, Costa Rica and hereinafter referred to as The Property.

Employment of Property Manager

The parties to this short-term rental management agreement agree as follows:

Term of Agreement

This rental agreement shall be valid from the date of execution and will remain in effect, subject to the terms and conditions stated herein. It will automatically be renewed on an annual basis unless written notice is provided by either party at least 30 days prior to the one-year anniversary date.

Unless the Owner or Property Manager gives written notice 30 days before the termination date, this Agreement will remain in full force. The notice requirement applies after the initial 90 days of the client's engagement (following the first booking; not applicable for renewals) or if both parties mutually agree to terminate the contract before the anniversary date (ie: property sold).

This agreement is distinctive in that the Owner maintains control and/or possession of the Airbnb property revenue. The Property Manager assumes liability for most expenses and invoices the Owner subsequent to payments being made to the preferred vendor. The Owner benefits from discounts provided by the preferred vendor, which are conveyed directly to the Owner contingent upon prompt and dependable payments by the Property Manager. Mutual trust serves as the foundation for this advantageous agreement, and any breach of this trust will constitute grounds for termination.

By entering into this agreement, the Owner engages and grants the Property Manager the exclusive authority to rent the property on behalf of the Owner and perform property management services as detailed in the following sections.

The Property Manager's Responsibilities

- Setting competitive market rental rates and, when necessary, adjusting them to maximize occupancy. This includes reducing the

cleaning fee below Owner's costs during slow periods and re-adjusting fees to match current exchange rates during busy season. Rental rates and cleaning rates will be adjusted frequently as to help promote Property's searchability.

- Entering into occupancy agreements, referred to as reservations, granting exclusive occupancy rights to guests.
- Responding to all inquiries regarding reservations.
- Managing the reservation process, including processing bookings and cancellations, and personally addressing any disputes that may arise with guests or potential guests.
- Handling guest management and maintaining good guest relations.
- Scheduling housekeeping and maintenance services.
- Providing check-in and check-out services.
- Conducting regular property inspections within 48 hours of guest checkout to identify any damage or wear and tear.
- Payment of hosting fees on Booking.com or VRBO or other platforms that invoice.

Regarding marketing, the Property Manager agrees to:

The Property Manager agrees to maximize rental occupancy by promoting and advertising the property within market constraints. This entails utilizing strategies such as searchability on hosting platforms (ie:Airbnb, Booking, VRBO) paid advertisements, maintaining a social media presence, tuning for search engine optimization, and producing printed literature. All marketing materials, including web pages, social media content, photographs, videos, and advertisements, are considered the intellectual property of the Property Manager while the Owner maintains the rights to use photographs or videos upon contract termination.

It is further agreed that:

The Owner hereby appoints the Property Manager as its authorized representative to contract with their preferred vendors for any maintenance, repairs, and housekeeping services required for the proper maintenance of the rental property.

The Property Manager will seek the Owner's approval for recommended or necessary repairs that exceed \$100 USD. For repairs, the Property Manager will communicate the details through platforms such as WhatsApp or other chat-based applications, including photos or videos, for approval. However, depending on the circumstances, smaller repairs may be completed before receiving confirmation from the Owner due to active reservations with guests checking in on the same day as the repair. In the event of an emergency, where immediate action is necessary to protect the property, the Property Manager may exceed the aforementioned spending limit. The Property Manager will make their best efforts to notify the Owner within 24 hours of any emergency situation.

The Owner's Responsibilities

Seasonal Calendar: The Owner is required to provide a seasonal calendar outlining their intended use of the Property, including periods reserved for personal use or for hosting family and friends at no charge.

Cancellations of paid guest bookings for personal use are discouraged.

During these reserved periods, the Property will not be available for booking. If such periods extend beyond 30 days, a management fee of \$75 USD will be charged for each month the Property is unavailable for booking while utilizing services for property maintenance or bill payments. The fee will be prorated for partial months beyond the initial 30 days. However, the \$75 USD management fee will be waived if the Owner decides to manage their own property bill payments and/or

maintenance during the 30-day or longer period. In the event of an emergency necessitating the services of the Property Manager during the waived period, the \$75 USD fee will be added to the first service call within each 30-day period. This management fee covers coordination of repairs, advance payment to vendors, settlement of property bills, and invoicing of expenses for reimbursement. Vendors require immediate payment from the Property Manager to maintain discounted rates, and invoicing of these expenses occurs monthly while covering these costs on behalf of the Owner. Assuming these expenses entails risk for the Property Manager and offers convenience to the Owner, necessitating fair compensation for the management fee.

Property Maintenance: The Property Manager will be responsible for arranging a deep cleaning, including professional carpet or furniture cleaning, dry cleaning, and a maintenance inspection of the residence after high seasons. This will be conducted once a year at the Property Manager's discretion and will be at the Owner's expense to maintain the Property's first-class condition. Repairs and item replacements will be submitted to the Owner for approval, along with cost estimates.

Inventory and Documentation: Upon signing the rental property management contract, the Property Manager will conduct a full inventory of the Property, including furnishings, appliances, electronics, etc., and document their condition through photos and written records. This list will be submitted to the Owner for review.

Indemnification: Both the Owner and Property Manager shall indemnify and hold harmless the contractors from all liability for damages and claims resulting from negligence against the Property Manager, Owner, or their agents, employees, or licensees.

Repairs: The Owner is responsible for paying any invoices within 5 business days from the time of invoice, either directly to the Property

Manager or through agreed-upon terms. The Property Manager pays most property related expenses up front before an invoice is generated as most preferred vendors require same day reimbursement.

Liability: The Owner agrees that the Property Manager shall not be liable for any losses, thefts, or damages to the Property or the Owner's personal property caused by negligent, intentional, or wanton acts of renters or third parties.

Quality Standards: The Owner agrees to meet these standards to ensure a high level of comfort and satisfaction for guests:

- Towels: Supply premium quality bath and beach towels.
- Bedding: Use sheets with a minimum of 600 thread count, all cotton.
- Glassware: Offer wine glasses with stems and drinking glasses.
- Dishware: Provide quality matching glass dishware.
- Plasticware: Ensure high-quality plasticware is available for children and pool area use.
- Kitchenware: Matching silverware, cutting knives, preferred stainless/cast iron pots and pans without non-stick coating. Coating wears out quickly (6 months or less) and flakes off into food. Higher quality pans saves money in the long run.
- Appliances: Toaster, microwave, coffee maker (preferably with a non-glass carafe to avoid breakage and higher costs in the long run), hot water kettle.
- Item Replacement: Promptly replace any worn-out items.
- Linen Refresh: Refresh linens based on recommended intervals.
- Personal Care Products: Supply quality body wash, shampoo, and conditioner.
- Cleaning / Assistant Manager: We use our own cleaning vendor to ensure the highest standards of cleanliness and property care. Our cleaning vendor also provides property management support to our

properties with access to business applications, petty cash for supplies, credit cards for item replacements, banking access, provides technology device support, social media management, and accesses security applications. The property manager assistant role cannot be delegated to another vendor and is included in the cleaning rates.

- To maintain the property and provide a comfortable guest experience, we recommend offering one complimentary cleaning every 10 days at the owner's expense. This not only helps to prevent potential damage through regular inspections but also encourages longer guest stays. Extended stays of more than 10 days without cleaning may result in turnover difficulties and unsanitary conditions.
- Maintenance: We use our preferred contractor for maintenance due to their extensive expertise in home construction and maintenance, ensuring that all work aligns with local building codes. Their ability to respond promptly, charge a fair price, maintains our quality standard, and complete repairs efficiently is crucial, especially when addressing issues that could affect current or incoming guests, often requiring resolution within a 4-hour window for more complex repairs.

Meeting Guest Needs: The Owner must provide and ensure the following requirements are met to satisfy basic guest needs and travel accommodation standards:

- Furnishings: Updated and in excellent condition.
- Window Coverings: Updated and in excellent working condition.
- Carpet and Flooring: Must be in excellent condition with no spots.
- Countertops: In good condition without holes, nicks, or damages.
- Interior Paint: Repaint as needed, at a minimum covering all nicks and scratches on walls.

- Televisions: All televisions must be updated to thin-style flat-screen models.
- Wireless Internet: Guests must be provided with an approved Property Management password.
- Safety Measures: Owner shall provide smoke detectors and first aid kits for guest safety.
- Patio Furniture: Adequate furnishings for all decks, patios, and balconies.
- Kitchen Supplies: The kitchen must be well-stocked with utensils, glasses, dishes, cookware, spices, oil, and crockery.

Additional Required Items: Broom with a dustpan, hairdryers for each bathroom, bath towels, beach towels, bed linens, rain umbrellas, and beach chairs.

Supplies: The Owner is responsible for covering the cost of guest supplies such as shampoo, conditioner, body soap, led light bulbs, spices, cooking oil, coffee, batteries, etc.

Insurance: The Owner shall be responsible for insuring their interests, including the contents and furnishings of the Property. They are encouraged by not required, to have in force and pay the cost of a homeowner's liability and contents policy covering personal and rental use.

Security System: The Owner is responsible for granting the Property Manager delegated access to any resort entry security system controlling guest admittance to the property (IE: security guest rosters).



Governing Law

This Agreement shall be governed by the laws of Costa Rica. Most cases will be handled by **Civil Court (Juzgado Civil)**.

Binding Effect

This vacation rental property management agreement is a legally binding obligation for the contracting parties, their successors, heirs, and personal representatives.

This agreement represents the entire understanding between the parties, and no changes or modifications to its terms shall be valid or enforceable unless specifically stated in writing and signed by both parties.

Management Fee and Distribution of Rental Proceeds

The Property Manager will retain a percentage of vacation rental proceeds as compensation for the described services. For all tenancies, the Property Manager will retain 25% of the gross rental proceeds, excluding cleaning deposits, and platform hosting fees (ie: Airbnb, Booking, VRBO fees).

The Property Manager will send monthly invoices to the Owner for commissions and property expenses. The billing cycle for the property will be determined by the Property Manager, occurring on either the 15th or the last day of the month.

However, in the event of zero occupancy during any given month, invoices may be skipped for that particular month. All invoices will include value added taxes, and full payment shall be remitted within 5 business days from the date of invoice issuance.



Any additional services, products, and supplies not covered by the management fee will be invoiced on monthly statements to the Owner.

The software platform will track all rental funds concerning the Property and generate necessary accounting receipts. The Owner will have access to this platform thru an Owner's portal to monitor reservations and expenses.

If the Property Owner decides to list the Property on other booking platforms using the provided 3rd party software platform at no additional charge, the revenue may be collected by a 3rd party processor (ie: Stripe). The Property Manager will credit the Owner's invoice for the amount collected which includes cleaning, and VAT (13%). The finance charge, and platform fees will be paid directly by the Property Manager for Booking.com, VRBO, and direct bookings which are deducted from the invoice credit. In some cases the finance charge collected from the reservation does not cover the actual Stripe costs which fluctuate based on the country of origin of the charge and type of card. The differences will be included on the monthly invoice.

The Property Manager will bill the Owner on their regular monthly invoice interval for the owed management commissions and / or property expenses including any financial transfer fees incurred by the Property Manager. Any bookings on other platforms outside of Airbnb, will be canceled upon contract termination and any money collect will be returned to the guests.

Property cleaning services will be invoiced on a monthly basis directly to the Property Owner.

A one-time non-refundable property setup fee (for new clients only) of \$249 USD is required for listing your property on Airbnb and other booking platforms. This fee covers various essential services, including property

inventory, basic cleaning, creation of the listing on the booking platforms, provision of one printed guidebook for the property, two short videos, and professional property photos. Additional charges may be applicable depending on the extent of cleaning required. Services such as carpet cleaning, deep cleaning, window cleaning, pest control, and drape cleaning are not covered by the setup fee.

Please note that this fee is applicable to new client properties only. Existing properties have the option to update their photos at the cost of hiring a photographer through our preferred vendor at any time.

To rent out your property on Airbnb, the Owner must create a profile using their real name and provide government and tax identification. The Owner agrees to give the Property Manager access to the Airbnb profile for handling reservations and profiles. The Airbnb profile remains the Owner's intellectual property, along with all reviews, revenue, and tax obligations. Any earnings and tax liabilities from Airbnb bookings belong to the Owner. However, listings on other platforms like Booking.com are considered the Property Manager's responsibility for revenue collection and their shared liabilities. Upon contract termination, any future reservations will be refunded through the respective payment processors.

Ownership transfer for Airbnb properties are not permitted. Therefore, any future reservation cancellations will be the responsibility of the property Owner. However, for properties listed on Booking.com, VRBO, and direct booking ownership can be transferred along with existing reservations. In the event of such a transfer, guest refunds will not be automatically initiated. Instead, the new Owner has the option to become a client with the Property Manager, and work out the terms regarding any revenue collected from existing reservations.

The 25% management fee includes access to a 3rd party property management software platform, a machine learning pricing engine,

market data, owner's portal, welcome treats, guest correspondence, concierge services, booking management, web marketing, cleaning supplies, paper products, coordinating repairs from guest damages, filing reimbursements for property damages thru the booking platform, property rate adjustments, property inspections, coordinating property maintenance, property rules, and a digital guidebook.

The management fee will also cover the payment and reimbursement of property bills (ie: internet, utilities, water, property taxes, home owner's association fees), either through granted access to the Owner's financial account or through other agreed-upon financial arrangement.

Time spent coordinating property maintenance tasks such as painting, appliance replacement, furniture cleaning, routine light shopping, roof repairs or replacement, air conditioner maintenance, cabinet repairs, electrical repairs, and window treatment replacements is fully covered by the property management fee.

Additional Services:

To prevent conflicts between rental management and property improvements, we offer additional services specifically for property enhancement. This ensures that unfinished properties do not consume staff hours on repairs and upgrades needed to make them rental-ready without generating revenue. Our approach allows for a clear distinction between property improvements and rental management tasks.

Procurement: For in-person item procurement or personal errands exceeding 2 hours, a charge of \$20 USD per hour will apply. If our local credit card is used, the expense may be carried over to the next property invoicing cycle. Routine light shopping within town is covered by the property management fee, but more extensive shopping trips that involve travel to other cities and take up most of the day will incur additional

costs. Additionally, we provide an in-town PO Box and a local credit card for online orders, which are covered by your property management fee.

Property Improvement: Typical property improvements include alterations such as adding additional windows or skylights, modifying the interior layout, upgrading flooring, upgrading countertops, expanding or upgrading cabinetry, upgrading electrical wiring or electrical system, reconfiguring rooms walls or property layout. Property improvements carry a significant risk to the Property Manager for fronting the expenses which have a 15% project management fee based on the value of labor, and materials for all transactions within the scope. Negotiated discounts are passed directly to the Owner which often cover our project management fee.

Property improvement (alterations) projects under \$500 USD may be billed on a case-by-case basis, at a rate of \$20 USD per hour for project management time.

Property improvement (alterations) projects exceeding \$500 USD in total scope will incur a 15% project management fee based on the value of labor, and materials for all transactions within the scope. This fee covers various services such as project scheduling, material procurement, vendor coordination, vendor payments, permit applications, expense tracking, competitive quoting, project inspection, translation services, video updates, photographic documentation, working with the local HOA, and overall project management. This fee is inclusive of negotiated discounts with vendors.

A \$500 USD deposit maybe required for projects over \$3,000 in estimated value and will be credited towards the Owner's first project management fee invoices (15% fee). All vendor expenses must be paid directly through a bank transfer or reimbursed directly to the Property Manager unless other payment arrangements have been made. Reimbursement for the



Property Manager's expenses must occur within 5 business days from the date of invoice issuance to an agreed upon financial institution.

Payments: We offer the flexibility of payment through Venmo, Wise, EFTs, or Zelle in the United States. However, as our business operates in Costa Rica, we are responsible for transferring funds there. At times, we may ask you to send payment to our local Costa Rican account to help balance the resources.

Notices

Notices provided for in this short-term rental property management agreement shall be delivered by email to addresses set forth below:

The Owner

Name:

Phone:

Email:

The Property Manager

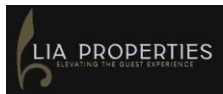
Name: Love In Action S.A., Amy Carey President

Address: Correos de Costa Rica Jacó, Apartado 146-4023, Jacó de Garabito, Puntarenas 61101, Costa Rica

Phone: 506.6390.0074

Email: management@loveinactioncostarica.com

In Witness Whereof, the parties have executed this agreement and signed the attached addendums as of the dates set forth below.



The Owner _____

Date _____

The Property Manager _____

Date _____

SAMPLE