

## MANAGEMENT AGREEMENT

This MANAGEMENT AGREEMENT executed this \_\_\_\_ day of \_\_\_\_\_ 2019, at \_\_\_\_\_, Philippines.

### BY AND BETWEEN

The \_\_\_\_\_ TRANSPORT SERVICE COOPERATIVE, a duly organized cooperative registered with the Cooperative Development Authority (CDA) pursuant to Republic Act 9520 and accredited with the Office of Transportation Cooperatives (OTC) pursuant to Executive Order No. 898, hereinafter referred to as the COOPERATIVE, represented herein by its Chairman;

### AND

\_\_\_\_\_, Filipino, of legal age, and residing at \_\_\_\_\_, hereinafter referred to as the MEMBER-OWNER;

### WITNESSETH THAT:

WHEREAS, the cooperative system is actively promoted by the government as a means to attain more equitable distribution of income and wealth as well as to increase the income and purchasing power of the low-income sector of the population such as the vehicle owners/drivers, workers and small operators.

WHEREAS, the MEMBER-OWNER is true, legal and absolute owner of a motor vehicle described as follows:

Make \_\_\_\_\_ Type \_\_\_\_\_ Motor No. \_\_\_\_\_ Chassis No. \_\_\_\_\_  
Plate No. \_\_\_\_\_

NOW, THEREFORE, for and in consideration of the premises, the parties have hereto voluntarily covenanted and agreed as follows:

1. The MEMBER-OWNER hereby, by these presents, transfer and convey the management and operation of the motor vehicle described unto the COOPERATIVE and the COOPERATIVE shall operate the above-mentioned vehicle as a public utility vehicle pursuant to and in accordance with the applicable laws, rules and regulations of the Public Service Law enforced by the appropriate officers and agencies of the Republic of the Philippines; and by these presents the MEMBER-OWNER hereby undertakes to comply with the policies, rules and regulations of the Cooperative, such as scheduling of vehicle, etc., in order to achieve the rationalization of traffic;
2. The COOPERATIVE shall apply with the LAND TRANSPORTATION FRANCHISING AND REGULATORY BOARD (LTFRB) for a permit/franchise to operate the said vehicles together with other vehicles, as public utility, in the name of the COOPERATIVE. However, the description of the units managed by the COOPERATIVE shall be indicated in the franchise. It is expressly understood that the MEMBER-OWNER shall have no property rights equitable or otherwise, over the said permit/franchise which he hereby recognizes to belong exclusively to the COOPERATIVE as one of the means to implement the objectives of the transport cooperative program so that in the event of withdrawal from the COOPERATIVE of the MEMBER-OWNER whether through voluntary resignation or expulsion, it is hereby agreed by the parties that the MEMBER-OWNER and the unit will be dropped from and substituted in the permit/franchise subject to the provisions of the by-laws of the COOPERATIVE and the rules of the LTFRB and the OTC.
3. The COOPERATIVE, however, expressly recognizes the title and ownership over the said vehicle as being remaining in the MEMBER-OWNER. The MEMBER-OWNER shall be entitled to the income derived from the operation of his unit. All expenses for the safe, adequate and efficient operation of his unit shall, likewise, be the responsibility of the MEMBER-OWNER. Such expenses shall include but not be limited to gas, oil, minor repairs, property insurance as well as legal fees, LTFRB fees, LTO fees, BIR taxes and licenses, if any, passengers and third party liabilities, insurance coverage, driver's/conductor's salaries and wages, SSS/Philhealth premium which must be made in accordance with the applicable SSS rules and generally any expenses and liabilities and responsibilities required and needed for the safe, adequate and efficient operations of the vehicles as public utility under existing rules and regulations. In the remote event

that the vehicle is involved in any accident, the MEMBER-OWNER, being the title holder and owner of the said vehicle, shall be solely and exclusively responsible to answer for any claim and liabilities occasioned by such accident and the COOPERATIVE and the other members of this COOPERATIVE shall not, in any manner, be held liable thereof.

4. The COOPERATIVE shall be the exclusive liaison (except pertaining to the determination of liabilities mentioned above) in all transactions pertaining to the operation of the said vehicle as a public utility with the various government and private agencies and officers such as among others, the Land Transportation Franchising and Regulatory Board, the Land Transportation Office, the PNP Highway Patrol Group and others in order to achieve the objectives of the cooperative Program as envisioned, so that for this purpose, the COOPERATIVE shall be entitled to collect and receive management fees from the MEMBER-OWNER in the amount as may be determined from time to time by the Board of Directors of the cooperative which amount shall be preferred claim/deduction from the income of the said vehicle as the vehicle itself until fully paid.
5. To install discipline within the COOPERATIVE, the unwarranted and unexcused failure and/or the continued and abstinence refusal of the MEMBER/OWNER to comply with his duties and obligations set forth in the AGREEMENT, including his other duties and obligations as a member of the COOPERATIVE shall be sufficient reason and cause, which may be exercised at the option of the COOPERATIVE for the suspension of the rights and privileges of membership of the MEMBER under this AGREEMENT and in the COOPERATIVE by recommending the dropping of its franchise with the LTFRB and confiscation of its plates

In testimony hereof, the parties hereto affixed their signatures at the place and on the date above written.

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Member/Owner

SIGNED IN THE PRESENCE OF:

\_\_\_\_\_

\_\_\_\_\_

REPUBLIC OF THE PHILIPPINES)  
)S.S.

At \_\_\_\_\_, Philippines, on the \_\_\_ day of \_\_\_\_\_, 2019 personally appeared:

Name	Comm. Tax Cert. No.	Place issued	Date
_____	_____	_____	_____

known to me to be the same persons who executed the foregoing instrument of MANAGEMENT AGREEMENT and acknowledged to me that the same is their free and voluntary act and agreement as well as the principal represented.

WITNESS MY HAND AND SEAL on the day, year and place first above written.

\_\_\_\_\_  
NOTARY PUBLIC

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