MAKATI COMMERCIAL ESTATE ASSOCIATION, INC.
MACEA
Mini-Park, Legazpi Street, Legazpi Village, Makati City
Tel. Nos. 813-24-46, 813-24-47, 810-30-54 (FAX : 810-31-94)

MEMORANDUM CIRCULAR 98-18 **August 18, 1998**

FOR: MACEA MEMBERS
RE: PERFORMANCE BONDS

To adequately guaranty against any violations of the terms of the Deed Restrictions and to ensure compliance with the other rules and regulations of the Association in relation to the construction of buildings within the Association's territorial jurisdiction, the Board, in its July 29, 1998 meeting, approved Board Resolution BG-07/98-21 amending Policy Resolution 89-01 and Board Resolution BG-07/97-13 to increase the amounts of Performance Bonds and to provide for other terms and conditions in the Performance Bonds to be submitted.

1. Effective **September 01, 1998**, the amounts of the Performance Bonds shall be as follows:
   a. **P40,000,000.00 - For buildings to be constructed within the Ayala/Roxas and Apartment Ridge Areas; and**
   b. **P15,000,000.00 - For buildings to be constructed within the Legazpi and Salcedo Villages**

2. The performance bond shall be valid and effective for a minimum of three (3) years and renewable every year thereafter until the issuance of the Occupancy Permit of the project and thereafter shall have an additional effectivity of one (1) year after such issuance.

3. In case of breach, the Performance Bond shall be **Callable on Demand Without Recourse**.

4. The Performance Bonds issued only by the following insurance companies shall be accepted:
   a. **Philamgen**
   b. **Malayan Insurance Co., Inc.**
   c. **Provident Insurance Corp.**
   d. **The Mercantile Insurance Co., Inc.**
   e. **FGU Insurance Co., Inc.**
   f. **Seaboard Eastern Insurance Co., Inc.**
   g. **Prudential Guarantee and Assurance, Inc.**

5. The Performance Bond shall have the following format:
   "The conditions of the obligations are as follows:

   "The Principal shall undertake the construction activities within the territorial jurisdiction of the Obligee at the following particular property,____ which construction activities shall be subject to the Deed Restrictions annotated on Title No. __________ of the property and the rules and regulations of the Obligee.

   "The Bond, which is Callable on Demand Without Recourse, is conditioned to answer for the faithful performance by the Principal of its obligation to undertake the construction activities strictly in accordance with the terms of the Deed Restrictions annotated on the title of the property and to comply with the rules and regulations of the Obligee including the payment of all association dues accruing on the property up to the date of the release of the Bond, provided however, that in no case shall the liability of the Surety under this bond exceed the sum of PHILIPPINE PESOS:______________________________________ (PHP___________) as delineated in the Principal's conformity in the Permit to Construct with Undertaking No.___________ which is made an integral part herein as Annex "A", anything stated to the contrary herein, notwithstanding."

By virtue of the numerous existing violations observed in the course of construction, all existing bonds due for renewal shall now be covered strictly by the terms of this Memorandum Circular.

The enforcement by the Association of the terms of the Performance Bond for the violation of the Deed Restrictions or the rules and regulations of the Association relating to the building constructions shall be without prejudice to other legal actions and remedies available to the Association.

This supersedes Memorandum Circular Nos. 97-11 dated August 11, 1997 and 98-09 dated April 01, 1998.

JAIME R. MATIAS
Executive Secretary