

## SECOND DIVISION

[ G.R. No. 189618, January 15, 2014 ]

**RIVELISA REALTY, INC., REPRESENTED BY RICARDO P. VENTURINA, PETITIONER, VS. FIRST STA. CLARA BUILDERS CORPORATION, REPRESENTED BY RAMON A. PANGILINAN, AS PRESIDENT, RESPONDENT.**

### RESOLUTION

**PERLAS-BERNABE, J.:**

Assailed in this petition for review on *certiorari*<sup>[1]</sup> are the Decision<sup>[2]</sup> dated February 27, 2009, and the Resolutions<sup>[3]</sup> dated May 22, 2009 and September 8, 2009 of the Court of Appeals (CA) in CA-G.R. CV No. 67198 which reversed and set aside the Decision<sup>[4]</sup> dated March 30, 2000 of the Regional Trial Court of Cabanatuan City, Branch 86 (RTC), holding that: (a) the 15-day reglementary period to file a motion for reconsideration is non-extendible; and (b) the Joint Venture Agreement (JVA) entered into by petitioner Rivelisa Realty, Inc. (Rivelisa Realty) and respondent First Sta. Clara Builders Corporation (First Sta. Clara) had been terminated through mutual assent.

### The Facts

On January 25, 1995, Rivelisa Realty entered into a JVA<sup>[5]</sup> with First Sta. Clara for the construction and development of a residential subdivision located in Cabanatuan City (project). According to its terms, First Sta. Clara was to assume the horizontal development works in the remaining 69% undeveloped portion of the project owned by Rivelisa Realty, and complete the same within twelve (12) months from signing. Upon its completion, 60% of the total subdivided lots shall be transferred in the name of First Sta. Clara. Also, since 31% of the project had been previously developed by Rivelisa Realty which was assessed to have an aggregate worth of P10,000,000.00, it was agreed that First Sta. Clara should initially use its own resources (in the same aggregate amount of P10,000,000.00) before it can start claiming additional funds from the pre-sale of the 31% developed lots. 40% of the cost of additional works not originally part of the JVA was to be shouldered by Rivelisa Realty, while 60% by First Sta. Clara.<sup>[6]</sup>

During the course of the project, First Sta. Clara hired a subcontractor to perform the horizontal development work as well as the additional works on the riprap and the elevation of the road embankment. Since First Sta. Clara ran out of funds after only two (2) months of construction, Rivelisa Realty was forced to shoulder part of the payment due to the subcontractor.<sup>[7]</sup> First Sta. Clara manifested its intention to back out from the JVA and to discontinue operations when Rivelisa Realty refused to advance any more funds until 60% of the project had been accomplished. In a letter dated August 24, 1995, Rivelisa Realty readily agreed to release First Sta. Clara

from the JVA and estimated its actual accomplishment at P4,000,000.00, which included the payment to the subcontractor in the amount of P1,258,892.72 and the cash advances amounting to P319,259.68.<sup>[8]</sup> First Sta. Clara, however, insisted on a valuation of its accomplished works at P4,578,142.10, which, less the cash advances and subcontractor's fees, should leave a net reimbursable amount of P3,000,000.00 in its favor. After several exchanges, Rivelisa Realty agreed to reimburse First Sta. Clara the amount of P3,000,000.00, emphasizing in its letter dated October 9, 1995 that the amount is actually over and beyond its obligation under the JVA.<sup>[9]</sup> However, the reimbursable amount of P3,000,000.00 remained unpaid despite several demands. Hence, First Sta. Clara filed a complaint<sup>[10]</sup> for rescission of the JVA against Rivelisa Realty before the RTC, claiming the payment of damages for breach of contract and delay in the performance of an obligation.

For its part, Rivelisa Realty asserted that it was not obligated to pay First Sta. Clara any amount at all since the latter had even failed to comply with its obligation to initially spend the equivalent amount of P10,000,000.00 on the project before being entitled to cash payments.<sup>[11]</sup>

### **The RTC Ruling**

In a Decision<sup>[12]</sup> dated March 30, 2000, the RTC dismissed the complaint and ordered First Sta. Clara to instead pay Rivelisa Realty on its counterclaims for actual expenses and damages amounting to P300,000.00, and for attorney's fees of P50,000.00, including costs of suit.<sup>[13]</sup> It found that First Sta. Clara had agreed to first accomplish several conditions before it could demand from Rivelisa Realty the performance of the latter's obligations under the JVA, namely: (a) to finish the development and construction of the remaining 69% of horizontal work in the project within a period of twelve (12) months from signing; (b) to spend an initial amount of P10,000,000.00 of its own resources for the project; and (c) to accomplish at least 60% of the horizontal work in the remaining undeveloped area.<sup>[14]</sup> As First Sta. Clara stopped working on the project halfway into the construction period due to its own lack of funds, the RTC concluded that it was actually the party that first violated the JVA.<sup>[15]</sup> Dissatisfied, First Sta. Clara elevated the matter on appeal.

### **The CA Ruling**

In a Decision<sup>[16]</sup> dated February 27, 2009 (CA Decision), the CA found Rivelisa Realty still liable for First Sta. Clara's actual accomplishments in the project amounting to P3,000,000.00, after deducting certain costs it advanced during the construction period. It held that First Sta. Clara was no longer obligated to comply with the terms and conditions of the JVA after Rivelisa Realty agreed that it be dissolved. First Sta. Clara was, however, entitled to reimbursement because Rivelisa Realty agreed to reimburse the former for the value of the work done on the project.<sup>[17]</sup>

On March 3, 2009, Rivelisa Realty received a copy of the CA Decision<sup>[18]</sup> and, on March 18, 2009, moved for a fifteen (15) day extension – from March 18, 2009 to April 2, 2009 – within which to file its motion for reconsideration (*i.e.*, Motion for Extension of Time to File a Motion for Reconsideration).<sup>[19]</sup> Thereafter, Rivelisa

Realty filed its Motion for Reconsideration<sup>[20]</sup> by registered mail on April 2, 2009.

In a Resolution<sup>[21]</sup> dated May 22, 2009, the CA denied Rivelisa Realty's motion for extension as the 15-day period for filing a motion for reconsideration cannot be extended, and merely noted without action the subsequently filed motion for reconsideration. In a Resolution<sup>[22]</sup> dated September 8, 2009, the CA eventually denied Rivelisa Realty's motion for reconsideration on the ground that the same was filed out of time, hence, the instant petition.

### **The Issues Before the Court**

The essential issues in this case are whether or not the CA erred in finding that: (a) the 15-day reglementary period for the filing of a motion for reconsideration cannot be extended; and (b) First Sta. Clara is entitled to be compensated for the development works it had accomplished on the project.

### **The Court's Ruling**

The petition is bereft of merit.

The CA Decision subject of the instant petition for review had already attained finality in view of Rivelisa Realty's failure to file a motion for reconsideration within the 15-day reglementary period allowed under the CA's internal rules,<sup>[23]</sup> to wit:

### **RULE 12 PROCESS OF ADJUDICATION**

x x x x

Section 16. *Entry of Judgments and Final Resolutions.* — **If no appeal or motion for new trial or reconsiderations is filed within the time provided in the Rules of Court, the judgment or final resolution shall forthwith be entered by the Division Clerk of Court in the book of entries of judgments. The date when the judgment or final resolution becomes executory shall be deemed as the date of its entry.** The record shall contain dispositive part of the judgment or final resolution and shall be signed by the clerk, with a certificate that such judgments or final resolution has become final and executory. (SEC. 10, Rule 51, RCP)

### **RULE 13 MOTIONS FOR RECONSIDERATION**

x x x x

Section 2. *Time for Filing.* — **The motion for reconsideration shall be filed within the period for taking an appeal from the decision or resolution,** and a copy thereof shall be served on the adverse party. The period for filing a motion for reconsideration is non-extendible.