

SEVENTH DIVISION

[CA-G.R. SP No. 130169, November 10, 2014]

GULOD RESORT, INC., PETITIONER, VS. HON. ERNESTO L. MARAJAS, IN HIS OFFICIAL CAPACITY AS THE ACTING PRESIDING JUDGE OF THE REGIONAL TRIAL COURT, BRANCH 14, NASUGBU, BATANGAS; AND LAND BANK OF THE PHILIPPINES, RESPONDENTS.

DECISION

INTING, S.B., J.:

Before us is a *Petition for Certiorari*^[1] under Rule 65 of the Rules of Court, seeking to set aside the twin *Resolutions*^[2] dated August 20, 2012 and February 25, 2013, of the Regional Trial Court (Branch 14) of Nasugbu, Batangas.

THE FACTS

The present controversy stemmed from an action for writ of possession filed by Land Bank of the Philippines (*Landbank*, for brevity) against Gulod Resort, Inc. (*Gulod*, for brevity), followed by Gulod's action for annulment of foreclosure sale plus damages and another one for specific performance and consignation against Land Bank. Considering that the facts and circumstances of the cases are intertwined, the trial court consolidated the cases.

It appears that in the year 1996, Landbank extended to Gulod a loan in the amount of P200,000,000.00. The loan was secured by a third-party real estate mortgage over 41 condominium units owned by Gulod. For Gulod's failure to pay its loan, Landbank foreclosed the third-party real estate mortgage on the condominium units and thereafter sold them in a public auction where the bank emerged as the highest bidder. Further, for Gulod's failure to exercise its right to redeem the foreclosed properties, the condominium certificates of title were consolidated in Landbank's name.

Thereafter, Landbank filed a petition for issuance of writ of possession docketed as Civil Case No. 530. On the other hand, Gulod filed an action for annulment of foreclosure proceedings against Landbank docketed as Civil Case No. 532. On February 17, 2003, both parties filed a Joint Motion for Approval of Compromise Agreement pertaining to the above-mentioned cases. On May 30, 2003, the trial court approved the Compromise Agreement.

On December 29, 2003 however, Landbank filed a Manifestation/Motion praying that Gulod be declared to have failed to comply with its undertaking under the court-approved compromise agreement and thereafter declare Landbank as the owner of all the condominium certificates of title in its possession, subject matter of the compromise agreement, but the same was denied in an Order dated September

1, 2004.

Consequently, Landbank filed a Petition for Certiorari before this Court assailing the denial of its manifestation/motion. In this Court's Decision dated June 13, 2008, Landbank's petition was partially granted, viz:

"WHEREFORE, the instant petition is PARTIALLY GRANTED. The Order dated September 1, 2004 of the Regional Trial Court of Batangas (Nasugbu, Branch 14) is AFFIRMED with MODIFICATION in that respondent Gulod Resort, Inc is given ninety (90) days within which to pay the amount of P50 Million to petitioner, failing which the latter may give the 15-day notice required under paragraph 7 of their compromise agreement preparatory to the availment of its remedy thereunder.

SO ORDERED."

In light of the above decision, Landbank filed a Manifestation/Motion before the trial court for the implementation of the same. In turn, Gulod filed a Comment/Opposition claiming that the Manifestation/Motion is premature since this Court's June 13, 2008 decision failed to mention the reckoning point of the 90-day period within which the amount of P50 Million pesos is to be paid to Landbank, hence, the trial court has to wait for the resolution of its Motion for Clarification it filed before this Court. On June 30, 2009, this Court's Special Former Special Eighth Division resolved Gulod's Motion for Clarification, pertinent portion of its *Resolution*^[3] reads, viz:

"For resolution is the Motion for Clarification filed by the private respondent of the Decision of this Court rendered on 13 June 2008 as to the reckoning period of the "90 days within which to pay the amount of P50 Million yo petitioner.

The subject decision was rendered on 13 June 2008 and private respondent received the same through its counsel, on 18 June 2008, which decision became final and executory on 4 July 2008. Therefore, the new period of ninety (90) days mentioned in the dispositive portion of the decision should commence to run on 4 July 2008, and private respondent had until 2 October 2008 within which to pay its obligation to petitioner. Under the circumstance, petitioner may now avail of the remedy provided in paragraph 7 of the compromise agreement."

As a consequence, Landbank filed with the trial court a Manifestation/Motion dated August 9, 2008 for the implementation of the court-approved Compromise Agreement. Therein, Landbank stated that it complied with Paragraph 7 of the Compromise Agreement when it sent the 15-day notice to Gulod on two (2) instances, by personal service and registered mail. However, instead of complying with the provisions of the Compromise Agreement, Gulod wrote a letter giving Landbank a period of forty-eight (48) hours within which to signify the bank's willingness to accept the initial payment consisting of five (5) post-dated checks, failure of which they will consign the checks in court. Later, Gulod filed its

Comment/Opposition to Landbank's Manifestation/Motion and argued that the new 90-day period lapsed without payment having been made due to Landbank's unjustified refusal to accept the same and that Landbank likewise failed to comply with the required 15-day notice.

Subsequently, Gulod filed a complaint for specific performance and consignation docketed as Civil Case No. 1111. In its complaint, Gulod prayed that judgment be rendered ordering Landbank to accept the tendered amount for the downpayment, that an Order be issued authorizing it to deposit the amount of P10 Million each month until the P50 Million pesos downpayment has been completed and the subsequent payments for the balance as stated in the Compromise Agreement and, lastly, that Landbank be ordered to release the forty-one (41) condominium certificates of title. For its part, Landbank filed its Answer and argued that the consignation of the five (5) postdated checks by Gulod is not valid because the element of a valid tender of payment was not satisfied and also because the amount tendered does not cover the full amount of Gulod's obligation.

On December 15, 2009, the trial court resolved Gulod's complaint for specific performance and consignation and disposed of it as follows, viz:

"WHEREFORE, in view of the foregoing, Gulod's Motion for Consignation is hereby GRANTED. Gulod is hereby ordered to deposit before this Court the amount of Ten Million Pesos (P10,000,000.00) and every month thereafter from January to May 2010 for the P50 Million downpayment and to pay the balance in the amount of P282,371,570.30 in accordance with the approved Compromise Agreement.

Landbank is hereby ordered to strictly comply with its undertaking to release to Gulod 41 Condominium Certificates of Title pursuant to existing stipulations in paragraph 2 of the said Compromise Agreement.

SO ORDERED."

Landbank's motion for reconsideration was denied. Unsatisfied, Landbank elevated the case to this Court via a petition for certiorari but the same was likewise denied. Again, it went back to the trial court and filed another Manifestation/Motion for the implementation of the December 15, 2009 Order.

Several exchanges of pleadings between the parties have plagued the trial court, the last of which are Landbank's Manifestation/Motion and Gulod's Motion for Clarification. Pertinent portion of Gulod's Motion for Clarification reads:

"6. The question left to ask is: In complying with the Order dated 15 December 2009, will GRI pay in full the Php 50 Million downpayment considering that the dates mentioned i.e. now January to May 2010, have already lapsed? Or, will there be a new set of dates for payment of the four-month installments?"

In a Resolution dated August 30, 2012, the trial court disposed of these last two (2)

pleadings in this manner, viz:

"Wherefore, Gulod Resort Inc. is hereby directed to comply with the mandate of This Court dated December 15, 2009 by paying the Land Bank of the Philippines the whole amount of fifty million pesos (P50,000,000.00). Furthermore, Gulod Resort, Inc. must observe the agreement as embodied in the Compromise Agreement dated February 13, 2003.

SO ORDERED."

Disagreeing with the trial court, Gulod filed a motion for reconsideration arguing that the payment of the whole amount of P50,000,000.00 on a one time basis is not proper. It insisted that the essence of the December 15, 2009 Order is that the P50,000,000.00 should be made in five (5) tranches. The trial court denied its motion for reconsideration in a Resolution dated February 25, 2013.

Still on its bid to pay the downpayment in five (5) tranches in accordance with the December 15, 2009 Order, Gulod filed the present petition.

THE ISSUE

Gulod raises only one ground in its petition:

PUBLIC RESPONDENT COMMITTED GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR EXCESS OF JURISDICTION WHEN HE INTERPRETED THE ORDER DATED DECEMBER 15, 2009 CONTRARY TO THE COMPROMISE AGREEMENT DATED FEBRUARY 13, 2003.

In its petition, Gulod contends that the August 30, 2012 Resolution should be nullified because its mandate is in conflict with that of the December 15, 2009 Order. Furthermore, what was affirmed by this Court was the latter Order and hence it should prevail over the former Resolution. More importantly, the latter is more in accordance with the parties' intention as embodied in their Compromise Agreement, that is, to give Gulod an opportunity to recover from its present economic crisis. Precisely, that is the underlying reason why it was agreed upon that the downpayment of P50 Million Pesos be paid in five (5) tranches at P10 Million Pesos each every month for five (5) months. Gulod thus insists that the August 30, 2012 Resolution should be struck down because it runs counter to the mandate of the December 15, 2009 Order and the objective of the parties.

To Land Bank however, the August 30, 2012 Resolution ordering payment on a one-time basis is justified taking into account the fact that the periods referred to in the December 15, 2009 Decision has already lapsed. In its *Memorandum*,^[4] Landbank asserts that if Gulod was really serious in paying the P50 Million pesos downpayment, it could have easily done so since it is the one most interested in the implementation of the Order. Gulod's filing of this instant petition and several other actions before the lower court is, to Landbank, a manifestation that Gulod has no intention to pay, much less comply with the Compromise Agreement. It therefore