

SECOND DIVISION

[G.R. No. 213039, November 27, 2017]

**POLYTECHNIC UNIVERSITY OF THE PHILIPPINES, PETITIONER,
VS. NATIONAL COMPANY DEVELOPMENT RESPONDENT.**

D E C I S I O N

PERALTA, J.:

This is a Petition for Review on *Certiorari* under Rule 45 of the Rules of Court seeking the reversal of the Decision^[1] dated February 19, 2014 and Resolution^[2] dated June 16, 2014, respectively, of the Court of Appeals (CA) in CA-G.R. SP No. 124575 which dismissed Polytechnic University of the Philippines's (PUP) petition for *certiorari* and prohibition under Rule 65 of the 1997 Rules of Civil Procedure, as amended, for lack of merit.^[3]

The instant case is an offshoot of the consolidated cases: *Polytechnic University of the Philippines v. Golden Horizon Realty Corporation; National Development Company vs. Golden Horizon Realty Corporation*,^[4] decided on March 15, 2010 where this Court affirmed Golden Horizon Realty Corporation's (GHRC) right of first refusal under the latter's lease contract with National Development Company (NDC). In the same decision, the Court likewise ordered PUP to reconvey the subject portion of the property in favor of GHRC. The crux of the instant controversy arose in the implementation of the November 25, 2004 decision of the RTC which this Court affirmed in the same case.

To recapitulate, the antecedent facts of the case are as follows:

In the early sixties, NDC had in its disposal a ten (10)-hectare property located along Pureza St., Sta. Mesa, Manila. The estate was popularly known as the NDC Compound and covered by Transfer Certificate of Title Nos. 92885, 110301 and 145470.

On September 7, 1977, NDC entered into a contract of lease with GHRC over a portion of the property. Later, a second contract of lease covering additional portions of the property was executed between NDC and GHRC where the latter was also given the option to purchase the leased area on the property.

On August 12, 1988, before the expiration of the ten-year period under the second contract of lease, GHRC informed NDC of its desire to renew the contract and thereafter exercise the option to purchase the leased areas. NDC, however, gave no reply thereon. Later, GHRC discovered that NDC was trying to dispose of the property in favor of a third party. Thus, on October 21, 1988, GHRC filed with the trial court, a complaint for specific performance and damages against NDC, docketed as Civil Case No. 88-2238.

Meanwhile, on January 6, 1989, then President Corazon C. Aquino issued Memorandum Order No. 214, ordering the transfer of the whole NDC Compound to the National Government, which in turn would convey the said property in favor of PUP at acquisition cost. The order of conveyance of the 10.31-hectare property would automatically result in the cancellation of NDCs total obligation in favor of the National Government.

On November 25, 2004, the RTC rendered a Decision sustaining GHRC's right to purchase the leased areas on the subject lot, disposing as follows:

WHEREFORE, premises considered, judgment is hereby rendered in favor of the plaintiff and against the defendants ordering the plaintiff to cause immediate ground survey of the premises subject of the leased contract under Lease Contract No. C-33-77 and C-12-78 measuring 2,407 and 3,222.8 square meters, respectively, by a duly licensed and registered surveyor at the expense of the plaintiff within two months from receipt of this Decision and thereafter, the plaintiff shall have six (6) months from receipt of the approved survey within which to exercise its right to purchase the leased property at P554.74 per square meter. And finally, **the defendant PUP, in whose name the property is titled, is hereby ordered to reconvey the aforesaid property to the plaintiff** in the exercise of its right of its option to buy or first refusal upon payment of the purchase prices thereof.

The defendant NDC is hereby further ordered to pay the plaintiff attorney's fees in the amount of P100,000.00.

The case against defendant Executive Secretary is dismissed and this decision shall bind defendant Metropolitan Trial Court, Branch 20 of Manila.

With costs against defendant NDC and PUP.

SO ORDERED. (Underscoring ours)^[5]

NDC and PUP interposed their respective appeals before the appellate court. On June 25, 2008, the appellate court in CA-G.R. CV No. 84399, rendered judgment affirming *in toto* the decision of the RTC.

The case was then elevated to this Court where it was docketed as G.R. Nos. 183612 and 184260.^[6] On March 15, 2010,^[7] the Court resolved the issues raised by the parties in the following manner:

WHEREFORE, the petitions are DENIED. The Decision dated November 25, 2004 of the Regional Trial Court of Makati City, Branch 144 in Civil Case No. 88-2238, as affirmed by the Court of Appeals in its Decision dated June 25, 2008 in CA-G.R. CV No. 84399, is hereby **AFFIRMED** with **MODIFICATION** in that the price to be paid by respondent Golden

Horizon Realty Corporation for the leased portion of the NDC compound under Lease Contract Nos. C-33-77 and C-12-78 is hereby increased to P1,500.00 per square meter.

No pronouncement as to costs.

SO ORDERED.^[8]

On July 23, 2010, the decision of this Court in the above-mentioned G.R. Nos. 183612 and 184260 became final and executory. Accordingly, GHRC filed before the RTC a motion for execution which was granted in an Order^[9] dated January 11, 2011. Pursuant to the writ of execution, GHRC deposited with the Clerk of Court a cashier's check dated March 30, 2011 for the amount of P8,479,875.00 representing the purchase price of the leased areas of the subject lot. GHRC then sought for the delivery of the said parcel of land.

On May 23, 2011, PUP filed a Manifestation claiming that instead of NDC, it was entitled to the purchase price of the leased premises.

Subsequently, the RTC issued its assailed September 5, 2011 Order^[10] as follows:

In view of the foregoing, there is reasonable ground to grant the prayer of the plaintiff. Wherefore, the defendants are directed to simultaneously withdraw the purchase price deposited with the Office of the Clerk of Court, execute a Deed of Conveyance to plaintiff and deliver the Owner's Duplicate Copies of TCT Nos. 197748 and 197798 covering the litigated property and its tax declarations.

SO ORDERED.

On September 20, 2011, NDC sought a clarification/reconsideration of the above Order. PUP also filed its own motion for reconsideration on September 22, 2011.

On February 2, 2012, the RTC rendered its assailed Resolution^[11] modifying its September 5, 2011 Order.^[12] The dispositive portion of which reads as follows:

WHEREFORE, with our discussions above, the assailed Order is modified as regards the provision on NDC and PUP simultaneously withdrawing the amount deposited with the Clerk of Court, execute the deed of conveyance and delivery of TCT Nos. 197748 and 197798. And, in order to settle the controversy between the parties and ultimately for the decision of this Court which was affirmed by the Supreme Court with finality to be fully implemented, the Court, in resolving the two Motions for Reconsideration, hereby:

1. GRANTS the Motion for Reconsideration of the National Development Company only in so far as to its prayer that it be allowed to withdraw the purchase price deposited by Golden Harvest Realty Corporation.

2. DIRECTS National Development Company to deliver TCT Nos. 197748 and 197798 to Polytechnic University of the Philippines and cause the annotation of this Resolution on the said titles.

3. Directs the Office of the Register of Deeds of Manila to cancel Transfer Certificates of Title Nos. 197748 and 197798 in the name of NDC and in substitution, issue another Certificate/s of Title, covering the subject property in the name of PUP [representing the National Government for purposes of transfer to GHRC only].

4. ORDERS Polytechnic University of the Philippines [representing the National Government] to execute a Deed of Conveyance in favor of Golden Horizon Realty Corporation.

5. ORDERS the Clerk of Court, Regional Trial Court, City of Makati to release the purchase price of the subject property, deposited by the Golden Horizon Realty Corporation, to the National Development Corporation - after the property is transferred to the name of Golden Horizon Realty Corporation.

SO ORDERED.

In the said Order, the RTC asserted that its modification was in accordance to this Court's ruling in G.R. Nos. 183612 and 184260. It explained that upon verification with the Memorandum of Agreement (MOA) entered by the NDC and the Republic of the Philippines, it appeared that there are indeed properties of NDC which were not transferred to the National Government, among which are the subject properties covered by TCT Nos. 197748 and 197798 because at the time of the execution of the MOA, said properties were subject of a pending court litigation. The pertinent portion of the MOA reads as follows:

x x x x

WHEREAS, there are at present **pending court actions affecting certain areas of the NDC estate, more particularly those covered by TCT No. 145470 (Annex "A"), TCT. No. 197798 (Annex "A-2"), and TCT No. 197748 (Annex "A-3")**, as follows:

x x x x

WHEREAS, the parties hereto have agreed, under the terms and conditions hereinafter set forth, on the transfer of the NDC Estate to the