

JOSE ANTONIO MAPA, PETITIONER, VS. HON. JOKER ARROYO, IN HIS CAPACITY AS EXECUTIVE SECRETARY, AND LABRADOR DEVELOPMENT CORPORATION, RESPONDENTS.

G.R. No. 78585. July 05, 1989

Ponente: REGALADO, J.

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REGALADO, J.:

We are called upon once again, in this special civil action for certiorari, for a pronouncement as to whether or not there has been grave abuse of discretion amounting to lack or excess of jurisdiction on the part of the executive branch of Government, particularly in the adjudication of a controversy originally commenced in one of its regulatory agencies.

Petitioner herein seeks the reversal of the decision of the Office of the President, rendered by the Deputy Executive Secretary on April 24, 1987,[1] which dismissed his appeal from the resolution of the Commission Proper, Human Settlements Regulatory Commission (HSRC, for short), promulgated on January 10, 1986 and affirming the decision of July 3, 1985 of the Office of Adjudication and Legal Affairs (OAALA, for brevity) of HSRC. Petitioner avers that public respondent "gravely transcended the sphere of his discretion" in finding that Presidential Decree No. 957 is inapplicable to the contracts to sell involved in this case and in consequently dismissing the same.[2]

The established facts on which the assailed decision is based are set out therein as follows:

"Records disclose that, on September 18, 1975, appellant Jose Antonio Mapa and appellee Labrador Development Corporation (Labrador, for short), owner/developer of the Barangay Hills Subdivision in Antipolo, Rizal, entered into two contracts to sell over lots 12 and 13 of said subdivision. On different months in 1976, they again entered into two similar contracts involving lots 15 and 16 in the same subdivision. Under said contracts, Mapa undertook to make a total monthly installment of P2,137.54 over a period of ten (10) years. Mapa, however, defaulted in the payment thereof starting December 1976, prompting Labrador to send to the former a demand letter, dated May 5, 1977, giving him until May 18, 1977, within which to settle his unpaid installments for the 4 lots amounting to P15,411.66, with a warning that non-payment thereof will result in the cancellation of the four (4) contracts. Despite receipt of said letter on May 6, 1977, Mapa failed to take any action thereon. Labrador subsequently wrote Mapa another letter, dated June 15, 1982, which the latter received on June 21, 1982, reminding him of his total arrears amounting to P180,065.27 and demanding payment within 5 days from receipt thereof, but which letter Mapa likewise ignored. Thus, on August 16, 1982, Labrador sent Mapa a notarial cancellation of the four (4) contracts to sell, which Mapa received on August 20, 1982. On September 10, 1982, however, Mapa's counsel sent Labrador a letter calling, Labrador's attention to, and demanding its compliance with, Clause 20 of the four (4) contracts to sell which relates to Labrador's obligation to provide, among others, lighting/water facilities to subdivision lot buyers.

"On September 10, 1982, Labrador issued a certification 'holding the implementation of the letter dated August 16, 1982 (re notarial cancellation) pending the complete development of road lot cul de sac within the properties of Mapa at Barangay Hills Subdivision.' Thereafter, on October 25, 1982, Labrador sent Mapa a

letter informing him 'that the construction of road, sidewalk, curbs and gutters adjacent to Block 11 Barangay Hills Subdivision are already completed' and further requesting Mapa to 'come to our office within five (5) days upon receipt of this letter to settle your account.'

"On December 10, 1982, Mapa tendered payment by means of a check in the amount of P2,137.54, but Labrador refused to accept payment for the reason that it was agreed 'that after the development of the cul de sac, he (complainant) will pay in full the total amount due,' which Labrador computed at P260,138.61. On December 14, 1982, Mapa wrote Labrador claiming that 'you have not complied with the requirements for water and light facilities in lots 12, 13, 15 & 16 Block 2 of Barangay Hills Subdivision.' The following day, Mapa filed a complaint against Labrador for the latter's neglect to put 1) a water system that meets the minimum standard as specified by HSRC, and 2) electrical power supply. By way of relief, Mapa requested the HSRC to direct Labrador to provide the facilities aforementioned, and to issue a cease and desist order enjoining Labrador from canceling the contracts to sell.

"After due hearing/investigation, which included an on-site inspection of the subdivision, OAALA issued its decision of July 3, 1985, dismissing the complaint and declaring that 'after the lapse of 5 years from complainant's default respondent had every right to rescind the contract pursuant to Clause 7 thereof. . .'

"Per its resolution of January 10, 1986, the Commission Proper, HSRC, affirmed the aforesaid OAALA decision."[3]

It was petitioner's adamant submission in the administrative proceedings that the provisions of Presidential Decree No. 957[4] and implementing rules form part of the contracts to sell executed by him and respondent corporation, hence the obligations imposed therein had to be complied with by Labrador within the period provided. Since, according to petitioner, Labrador failed to perform the aforementioned obligations, it is precluded from rescinding the subject contracts to sell since petitioner consequently did not incur in delay on his part.

Such intransigent position of petitioner has not changed in the petition at bar and unyielding reliance is placed on the provisions of Presidential Decree No. 957 and its implementing rules. The specific provisions of the Decree which are persistently relied upon read:

"SEC. 20. Time of Completion. - Every owner or developer shall construct and provide the facilities, improvements, infrastructures and other forms of development, including water supply and lighting facilities, which are offered and indicated in the approved subdivision or condominium plans, brochures, prospectus, printed matters, letters or in any form of advertisements, within one year from the date of the issuance of the license for the subdivision or condominium project or such other period of time as may be fixed by the Authority.

"SEC. 21. Sales Prior to Decree. - In cases of subdivision lots or condominium units sold or disposed of prior to the effectivity of this Decree, it shall be incumbent upon the owner or developer of the subdivision or condominium project to complete compliance with his or its obligations as provided in the preceding section within two years from the date of this Decree unless otherwise extended by the Authority or unless an adequate performance bond is filed in accordance with Section 6 hereof.

"Failure of the owner or developer to comply with the obligations under this and the preceding provisions shall constitute a violation punishable under Sections 38 and 39 of this Decree."

Rule V of the implementing rules, on the other hand, requires two (2) sources of electric power, two (2) deepwell and pump sets with a specified capacity and two standard fire hose flows with a capacity of 175 gallons per minute.[5]

The provision, in said contracts to sell which, according to petitioner, includes and incorporates the aforequoted statutory provisions, is Clause 20 of said contracts which provides:

"Clause 20 – SUBDIVISION DEVELOPMENT – To insure the physical development of the subdivision, the SELLER hereby obliges itself to provide the individual lot buyer with the following:

- a) PAVED ROADS
- b) UNDERGROUND DRAINANGE
- c) CONCRETE CURBS AND GUTTERS
- d) WATER SYSTEM
- e) PARK AND OPEN SPACE

"These improvements shall apply only to the portions of the subdivision which are for sale or have been sold.

"All improvements except those requiring the services of a public utility company or the government shall be completed within a period of three (3) years from date of this contract. Failure by the SELLER to reasonably comply with the above schedule shall permit the BUYER/S to suspend his monthly installments without any penalties or interest charges until such time that these improvements shall have been made as scheduled.[6]

As recently reiterated, it is jurisprudentially settled that absent a clear, manifest and grave abuse of discretion amounting to want of jurisdiction, the findings of the administrative agency on matters falling within its competence will not be disturbed by the courts.[7] Specifically with respect to factual findings, they are accorded respect, if not finality, because of the special knowledge and expertise gained by these tribunals from handling the specific matters falling under their jurisdiction. Such factual findings may be disregarded only if they "are not supported by evidence; where the findings are vitiated by fraud, imposition or collusion; where the procedure which led to the factual findings is irregular; when palpable errors are committed; or when grave abuse of discretion, arbitrariness or capriciousness is manifest." [8]

A careful scrutiny of the records of the instant case reveals that the circumstances thereof do not fall under the aforesaid excepted cases, with the findings duly supported by the evidence.

Petitioner's insistence on the applicability of Presidential Decree No. 957 must be rejected. Said decree was issued on July 12, 1976 long after the execution of the contracts involved. Obviously and necessarily, what subsequently were statutorily provided therein as obligations of the owner or developer could not have been intended by the parties to be a part of their contracts. No intention to give retrospective application to the provisions of said decree can be gathered from the language thereof. Section 20, in relation to Section 21, of the decree merely requires the owner or developer to construct the facilities, improvements, infrastructure and other forms of development but only such as are offered and indicated in the approved subdivision or condominium plans, brochures, prospectus, printed matters, letters or in any form of advertisements. Other than what are provided in Clause 20 of the contract, no further written commitment was made by the developer in this respect. To read into the contract the matters desired by petitioner would have the law impose additional obligations on the parties to a contract executed before that very law existed or was contemplated.

We further reject petitioner's strained and tenuous application of the so-called doctrine of last antecedent in the interpretation of Section 20 and, correlatively, of Section 21. He would thereby have the enumeration of "facilities, improvements, infrastructures and other forms of development" interpreted to mean that the demonstrative phrase "which are offered and indicated in the approved subdivision plans, etc." refer only to "other forms of development" and not to "facilities, improvements and infrastructures." While this subserves his purpose, such bifurcation, whereby the supposed adjectival phrase is set apart from the antecedent words, is illogical and erroneous. The complete and applicable rule is *ad proximum antecedens fiat relatio nisi impediatur sententia*. [9]

Relative words refer to the nearest antecedent, unless it be prevented by the context. In the present case, the employment of the word "and" between "facilities, improvements, infrastructures" and "other forms of development," far from supporting petitioner's theory, enervates it instead since it is basic in legal hermeneutics that "and" is not meant to separate words but is a conjunction used to denote a joinder or union.

Thus, if ever there is any valid ground to suspend the monthly installments due from petitioner, it would only be based on non-performance of the obligations provided in Clause 20 of the contract, particularly the alleged non-construction of the cul-de-sac. But, even this is unavailing and is obviously being used only to justify petitioner's default. The on-site inspection of the subdivision conducted by the OAALA and its subsequent report reveal that Labrador substantially complied with its obligation.[10]

Furthermore, the initial non-construction of the cul-de-sac, as private respondent Labrador explained, was because petitioner Mapa requested the suspension of its construction since his intention was to purchase the adjoining lots and thereafter enclose the same.[11] If these were not true, petitioner would have invoked that supposed default in the first instance. As the OAALA noted, petitioner "stopped payments of his monthly obligations as early as December, 1976, which is a mere five months after the effectivity of P.D. No. 957 or about a year after the execution of the contracts. This means that respondent still has 1 and 1/2 years to comply with its legal obligation to develop the subdivision under said P.D. and two years to do so under the agreement, hence, it was improper for complainant to have suspended payments in December, 1976 on the ground of non-development since the period allowed for respondent's obligation to undertake such development has not yet expired." [12]

ON THE FOREGOING CONSIDERATIONS, the petition should be, as it is hereby DISMISSED.

SO ORDERED.

Melencio-Herrera, (Chairman), Paras, Padilla, and Sarmiento, JJ., concur.

[1] Annex K. Petition: Rollo, 35-40.

[2] Rollo, 16-17.

[3] Ibid., 35-36.

[4] The Subdivision and Condominium Buyers' Protective Decree, effective July 12, 1976.

[5] Rollo, 208.

[6] Annex A, Petition; Rollo, 18.

[7] Sagun, et al. vs. People's Homesite and Housing Corporation, G.R. No. 44738, June 22, 1988.

[8] Alcuaz, et al. vs. Philippine School of Business Administration, etc. et al., 161 SCRA 7 (1988), citing Ateneo de Manila University vs. Court of Appeals, 145 SCRA 106 (1986).

[9] See Black's Law Dictionary, 4th Ed., 57, citing Brown vs. Brown, Del., 3 Terry 157, 29 A. 2d 149, 153.

[10] Rollo, 83.

[11] Ibid., 256; TSN, Jan. 24, 1984, 7; TSN, Feb. 6, 1984, 18-19.

[12] Ibid., 84-85.

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