

Title: Boston Bank of Philippines vs. Perla P. Manalo and Carlos Manalo, Jr.

Facts:

- The Xavierville Estate Inc. (XEI) subdivided a large property and sold residential lots.
- On September 8, 1967, XEI sold several lots, including Lots 1 and 2, Block 2 to the Overseas Bank of Manila (OBM), backed by mortgages.
- In 1972, XEI's president contracted Carlos Manalo Jr. to install a water pump, agreeing to accept his fee as part of a down payment on lots in the estate.
- On August 22, 1972, XEI confirmed the Manalos' reservation for Lots 1 and 2, setting the price and initial payment terms but leaving the final sale conditional on further agreement.
- The Manalos possessed and built on the lots without finalizing terms or making payments beyond an initial sum.
- Multiple legal proceedings ensued as the property title passed through different banks, culminating in a specific performance lawsuit filed by the Manalos against Boston Bank, the final owner.

Issues:

1. Was there a perfected contract to sell between XEI (or its successors OBM/Boston Bank) and the Manalos?
2. Are petitioner Boston Bank's later contentions estopped by previous actions?
3. Can the Manalos legitimately seek specific performance to compel the sale of the lots?

Court's Decision:

1. ****Perfected Contract to Sell:**** SC held no perfected contract existed due to the lack of agreed-upon payment terms. The Court emphasized that an agreement on the manner of payment is essential for a binding contract.
2. ****Estoppel:**** Court dismissed estoppel, maintaining that Boston Bank could challenge the existence of a contract, having found significant gaps and the absence of a final agreement.
3. ****Specific Performance:**** SC ruled that without a perfected contract, the Manalos had no actionable cause for specific performance against the Bank, resulting in the dismissal of their complaint.

Doctrine:

- ****Requisites of a Contract to Sell:**** For a contract to sell property to be enforceable, parties must agree not only on the price but also on the manner of payment. A failure to agree or define these essentials negates the contract.
- ****Application of R.A. 6552 (Maceda Law):**** This Act applies to perfected installment sales,

not to disputed, unperfected sales agreements. Without a complete contract, protections under this law are inapplicable.

Class Notes:

- Elements of Contract to Sell: Agreement on price + manner of payment.
- **Article 1458** (New Civil Code): Contract of sale definition and perfection.
- **Article 1469** (New Civil Code): Certainty required in price fixation.
- **Republic Act No. 6552**: Main stipulations for sales on installments.
- **Estoppel**: Actions/omissions binding parties to previous positions cannot be claimed without material substantiation.

Historical Background:

- This case revolves within the legal landscape of property developments amid the evolving financial institutions in the Philippines during the latter half of the 20th century. The tangled transactions and subsequent legal battles exemplify issues in real estate transactions, particularly on the requirement for clear agreements in conditional sales.