

**\*\*Title:\*\*** City-Lite Realty Corporation v. Court of Appeals and F.P. Holdings & Realty Corp.

**\*\*Facts:\*\***

1. **\*\*Property and Initial Offer\*\***: F.P. Holdings & Realty Corp. (formerly Sparta Holdings Inc.), owned a parcel of land in Quezon City known as the “Violago Property” or “San Lorenzo Ruiz Commercial Center.” This property was offered for sale through a sales brochure specifying an asking price of P6,250.00 per square meter. Meldin Al G. Roy of Metro Drug Inc. was indicated as the contact person.
2. **\*\*Interest from City-Lite\*\***: On 22 August 1991, City-Lite Realty Corporation (City-Lite), through its representatives (Atty. Gelacio Mamaril, Antonio Teng, and Atty. Victor Villanueva), showed interest in the property. Initial meetings led to a letter dated 19 September 1991, expressing their desire to buy half of the front lot, but this was not considered feasible due to subdivision issues.
3. **\*\*Negotiations and Agreement\*\***: After further discussions, City-Lite offered to buy the entire front lot, which was accepted in principle by Meldin Al G. Roy, who sent a counter offer on 25 September 1991, specifying terms of payment including a P15 million downpayment and the balance within six months.
4. **\*\*Formal Acceptance\*\***: On 26 September 1991, after a meeting in the Manila Mandarin Hotel, City-Lite conveyed its acceptance of the terms through separate letters.
5. **\*\*Refusal to Execute Deed of Sale\*\***: Despite written acceptance, F.P. Holdings declined to execute the deed of sale, leading City-Lite to file an adverse claim with the Register of Deeds of Quezon City on 27 September 1991.
6. **\*\*Legal Actions and Settlement Attempts\*\***: On 30 September 1991, City-Lite demanded execution of the deed through counsel. F.P. Holdings filed a petition to cancel the adverse claim, later dismissed by the RTC Branch 84, affirming City-Lite’s claim. Further settlement discussions failed.
7. **\*\*RTC Trial\*\***: City-Lite then filed for specific performance and damages. The RTC (Branch 85) ordered the execution of the deed of sale, awarded City-Lite nominal damages, attorney’s fees, and costs, and directed the cancellation of subsequent titles issued to Viewmaster Construction Corp.
8. **\*\*Appeal\*\***: Viewmaster filed a motion for reconsideration, which was denied. The Court of Appeals reversed the RTC’s decision, stating no perfected contract existed due to ambiguous payment terms and lack of written authority for Roy to sell the property. City-Lite appealed.

**\*\*Issues:\*\***

1. **\*\*Whether a contract of sale was perfected between City-Lite and F.P. Holdings\*\***.

2. **Whether Meldin Al G. Roy and Metro Drug had the authority to sell the Violago Property**.

**Court's Decision:**

1. **Perfection of Contract of Sale**: The Supreme Court affirmed the Court of Appeals' decision, holding that no perfected contract existed due to ambiguous terms regarding the manner of payment.
2. **Authority to Sell**: The Court concluded that Roy's role, as per the written memorandum from F.P. Holdings, was limited to assisting and referring potential buyers, without the actual authority to sell. This complied with Article 1874 of the Civil Code, which mandates written authority for agents selling real estate.

**Doctrine:**

- **Article 1874 of the Civil Code**: Requires written authority for an agent selling real estate to be valid.
- **Contract of Sale**: For a contract of sale of real property to be perfected, the terms including the manner of payment must be definite and clear.

**Class Notes:**

- **Elements of a Contract of Sale**:
  1. **Consent** of the parties to the transaction.
  2. **Object** which is the subject matter of the contract.
  3. **Cause or Consideration** for the transaction.
- **Authorities to Sell** under **Article 1874**:
  - Written authorization is essential for an agent's act of selling real estate to be binding on the principal. In this case, the absence of such a written authority rendered the sale void.

**Historical Background:**

- Contextually, this case highlights the strict compliance required in real property transactions within Philippine jurisdiction, emphasizing the necessity for clear agreements and written authorizations, reflecting the jurisdictions' meticulous nature in property law aimed to avoid fraudulent claims and disputes.