

Title:

Mactan Cebu International Airport Authority vs. Court of Appeals, et al.

Facts:

1. **1949 - Initial Agreement**:

- Officers of the National Airport Corporation (NAC) informed various landowners around Lahug Airport about the government's intent to purchase their lands for airport expansion.
- Landowners, including Inez Ouano and Eufemio Vercide, were convinced to sell their properties under the assurance that the lands would be returned when no longer needed by the airport.

2. **Specific Arrangements**:

- Inez Ouano sold her property under the belief it would eventually return to her once unused by the airport. No written rider was attached to her Deed of Sale regarding the right to repurchase.
- Eufemio Vercide received a written rider confirming the right to repurchase his sold land under specified conditions.

3. **Assurances and Developments**:

- Even without a written rider, Inez Ouano constantly reminded her granddaughter, Melba Limbaco, of the verbal assurance for repurchase of their property.
- Upon learning of other landowners reclaiming their lands and the airport's relocation to Mactan as ordered by President Aquino, Melba Limbaco and other heirs pursued repurchase efforts.

4. **Attempts to Repurchase**:

- October 2, 1991: A letter was sent to Capt. Antonio Oppus, indicating the intention to repurchase.
- October 17, 1991: Captain Oppus denied their request, citing the absence of any condition in the Deed of Sale allowing for repurchase.

5. **Legal Action**:

- The heirs of Inez Ouano filed a reconveyance lawsuit at the Regional Trial Court (RTC), which ruled in their favor.
- The Mactan Cebu International Airport Authority (MCIAA) appealed to the Court of Appeals, which upheld the RTC decision.

6. **Supreme Court Appeal**:

- The MCIAA filed a petition to the Supreme Court, challenging the favorable decisions for the heirs at lower courts.

Issues:

1. Whether there was a valid agreement allowing Inez Ouano and her successors the right to repurchase the lots in question, given the absence of any specific rider in the deed of sale as in the case of Vercide.
2. Whether the Statute of Frauds applies, thus rendering the oral agreement unenforceable without a written note or memorandum.

Court's Decision:

1. **Agreement to Repurchase**:

- The Supreme Court upheld that the RTC and the CA correctly accepted parol evidence to establish the right of repurchase. Despite there being no written rider similar to Vercide's, there was sufficient testimonial evidence and logical consistency supporting the existence of a repurchase agreement. The application of parol evidence was justified given that failure to express true intent was put in issue.

2. **Statute of Frauds**:

- The Court held that the Statute of Frauds does not apply as the contract of sale was partially executed. Since the sale was consummated and the NAC accepted benefits from it, the existence of the repurchase agreement could not be denied. The deed of sale, along with parol evidence, satisfied the writing requirement of the Statute of Frauds.

Doctrine:

1. **Parol Evidence Rule**:

- The rule excludes parol evidence to vary or contradict the terms of a written agreement but allows it to establish elements of a collateral agreement that might induce execution of the written contract.

2. **Statute of Frauds**:

- The Statute of Frauds aims to prevent fraud but is not applicable to contracts already partially or fully performed. Executed sales agreements, which have observable actions conforming to terms, fall outside the doctrine's scope.

Class Notes:

1. **Parol Evidence Rule**:

- Under Rule 130, Sec 9, par. 2(b), parol evidence is permissible to establish

contemporaneous agreements that form part of the consideration for a written contract, especially if introduced without timely objection.

2. **Statute of Frauds (Art. 1403, Civil Code)**:

- Applies to executory (not fully performed) agreements and requires some written note of the agreement subscribed by the party to be charged. Partially performed contracts are excluded from its scope.

3. **Applied Principles**:

- Oral and written components of a contract are admissible together when they are integral to the parties' full understanding and agreement regarding the contract's terms.

Historical Background:

- The legal context arose from post-World War II governmental infrastructure projects which involved property acquisition for public use. The NAC's assurance policies during such acquisitions formed the basis of subsequent disputes when properties were deemed surplus or relocated (e.g., Lahug Airport transfer to Mactan). This historical backdrop contextualizes the MCIAA's procedural and legal challenges in property reconveyance cases.