

**CIPRIANO A. FALCON AND CORAZON M. FALCON,
PLAINTIFFS-APPELLEES, VS. FELICIANO OROBIA AND ISABEL
OROBIA, DEFENDANTS-APPELLANTS.**

G.R. No. L-26830. March 29, 1968

Ponente: BENGZON, J.

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BENGZON, J.:

The spouses Feliciano and Isabel Orobia were holders of a right to purchase a lot belonging to the Land Tenure Administration, 93.3 square meters in area, situated at Indiana St., near Herran, Manila. On December 15, 1955, the Orobia spouses executed, in favor of the spouses Cipriano and Corazon Falcon, a sale with pacto de retro over their aforesaid right to purchase the lot, for P1,540.00, redeemable within one year after date (Exh. A).

On May 11, 1956, the spouses Orobia executed another deed of sale with pacto de retro over their right to the same piece of land, and, in addition, over their two houses on the land, in favor of the same Falcon spouses, for P6,160.00, redeemable in two years after date (Exh. B). And on January 14, 1959, the spouses Orobia executed a deed of absolute sale of their right on the lot and two houses thereon, in favor of the spouses Falcon, for P6,160.00 (Exh. C). Simultaneously, however, or on the same date, an option to repurchase within three years from date was executed by the Falcon spouses and accepted by the Orobia spouses (Exh. L).

Subsequently, said three-year period was reduced. When on October 29, 1959, the Falcon spouses executed, with the conformity of the Orobia spouses, an option to repurchase the same properties within two years from said date of the new option, i.e., two years from October 29, 1959, or up to October 29, 1961.

Still later, on September 15, 1960, another deed of absolute sale over the right to the land and "my house" was executed by Feliciano Orobia, with his wife's consent, in favor of the Falcon spouses, for P6,160.00 (Exh. D).

On November 1960, the Land Tenure Administration executed a deed of sale over the lot in favor of Corazon Falcon, married to Cipriano Falcon, for P2,799.00 which she paid for the land after buying the rights of the Orobia spouses. Transfer Certificate of Title No. 61925 over the lot was issued on November 25, 1960 in the name of Corazon Falcon (Exh. H).

On January 5, 1961, Corazon Falcon executed an "Op-tion to Re-Sell" which stated as follows:

"That I, CORAZON M. FALCON, Filipino, of legal age, married to Cipriano Falcon, residing at 1183 Int. 5, Agno Street, Ma-nila, and the owners of Lot 5-C-3, Block 511 of the Ana Sarmiento Estate, with an area of 93.3 square meters, embraced in T. C.T. No. 61925, do hereby obligate myself to re-sell in favor of FELICIANO OROBIA, Filipino, of legal age, married to Isabel Orobia and residing at 46-A McKinley, Makati, Rizal. The above-mentioned parcel of land for a consideration at anytime the said Feliciano Orobia is financially able to buy the same subject to the condition that the Selling Price of the said lot shall be determined and fixed on date of the resale of the lot to Feliciano Orobia.

"That this option is exclusive and that I shall not sell the said lot to any person without the knowledge and

consent of Felicia-no Orobia." (Exh. II)

Spouses Orobia, on January 31, 1962, sought to repurchase the land (Exh. VII) invoking the abovementioned "Option to Re-Sell". The parties, however, could not agree on the price.

On May 2, 1962, the Falcon spouses filed against the Orobia spouses the present suit in the Court of First Instance for specific performance, to recover the land and houses, and for accounting of the civil fruits of the two houses from May 11, 1956, the said properties having remained during all this time in the actual possession of said defendants.

Answer with counterclaim was filed by the Orobia spouses on June 21, 1962. Plaintiffs answered the counterclaim on July 2, 1962.

On December 20, 1962, the parties agreed on a stipulation of facts, which the court approved, regarding the admission of the documents above referred to and limiting the case to three issues:

"(a) Whether or not the two (2) houses erected and situated in the property described in EXHIBIT "H" are deemed included in the DEED OF SALES executed by the herein defendants in favor of plaintiffs;

"(b) Whether or not the real intention of the parties as regards the Contract of Sale of right over the lot includes the two houses or whether or not the following documents reflected the real intention of the parties in accordance with Exhibits 'I', 'III' and 'IV' of the defendants; and

"(c) Whether or not the plaintiffs may be compelled to sell the property in question to the defendants by virtue of the 'OPTION TO RE-SELL', EXHIBIT 'II', signed by one of the plaintiffs Corazon .M. Falcon." (Record on Appeal, p. 109)

Rendering judgment on June 5, 1961, the Court of First Instance held that the deed of sale clearly included the two houses; that the letters exchanged before the transaction do not mention the houses, but the deed of sale expressly includes them; and that defendants had not accepted the last "Option to Re-Sell" and it has been revoked.

Appeal was taken to Us directly by defendants to raise questions purely of law.

The deeds of sale (Exhs. B and C) clearly include the two houses in the sale. In fact the consideration was increased from P1,540.00 to P6,160.00 when the new deed was executed adding the said houses in the sale (Exh. B). Defendants alleged that usurious interest accounted for the increase. No proof of this was given, and the allegation was specifically denied under oath. As to the letters, it is not surprising that they do not mention the houses, since the sale of the houses was decided only later on, resulting in the execution of a new deed of sale.

Regarding the "Option to Re-Sell", defendants offered to buy the land but did not mention to their offer the price therefor, which the option stated must be determined when the resale is made. Subsequently, defendants insisted on repurchasing at the price of P6,160.00 but plaintiffs wanted P10,154.05. Hence, there was failure to agree on the price and thus the "Option to Re-Sell" could not be availed of by defendants.

Furthermore, the land could not be sold without the consent of the Land Tenure Administration (See Condition in the Title Certificate, Exh. H), which was sought but not given.

WHEREFORE, the decision appealed from is affirmed. Costs against appellants.

SO ORDERED.

Reyes, Acting Chief Justice, Dizon, Makalintal, Zaldivar, Sanchez, Angeles, and Fernando, JJ., concur.
Castro, J., no part.

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