

**SEVERINO BARICUATRO, JR., PETITIONER, VS. COURT OF APPEALS,
TENTH DIVISION, MARIANO B. NEMENIO AND FELISA V. NEMENIO,
CONSTANTINO M. GALEOS AND EUGENIO V. AMORES,
RESPONDENTS.**

G.R. No. 105902. February 09, 2000

Ponente: BUENA, J.

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BUENA, J.:

This appeal by certiorari under Rule 45 of the Rules of Court seeks to annul and set aside the decision of the Court of Appeals[1] dated April 30, 1992 in CA-G.R. CV No. 19399, affirming in toto the decision of the Regional Trial Court of Cebu[2] in Civil Case No. R-15442 for quieting of title.

The antecedent facts as found by the trial court and adopted by the Court of Appeals are as follows:[3]Jurismis

On October 16, 1968, Severino Baricuatro, Jr., now deceased and substituted by his legal heirs, bought two (2) lots on an installment basis from Constantino M. Galeos, one of the private respondents in this petition.[4] The two lots, designated as Lot Nos. 9 and 10, are part of the Victoria Village (presently called Spring Village), a subdivision project in Pakigne, Minglanilla, Cebu.[5] Lot Nos. 9 and 10 were sold on an installment basis for P3,320.00 and P4,515.00, respectively.[6] Petitioner, however, was unable to pay the full amount to respondent Galeos. At the time the original action for quieting of title was filed in the trial court, petitioner had an unpaid balance of P1,000.00 as to Lot No. 9 and P3,020.00 as to Lot No. 10. The titles to the said lots remained in the name of respondent Galeos.[7] As emphasized by the Court of Appeals, the contract of sale involving Lot No. 10 expressly provided that "the parties both agree that a final deed of sale shall be executed, in favor of the buyer upon full and complete payment of the total purchase price agreed upon." [8]

After the sale, petitioner introduced certain improvements on the said lots and started to reside therein in 1970.[9] Since then petitioner has been in actual and physical possession of the two (2) lots.[10]

However, on December 7, 1968, about two (2) months from the date of the previous sale to petitioner, respondent Galeos sold the entire subdivision, including the two (2) lots, to his co-respondent Eugenio Amores.[11] Subsequently, petitioner was informed by respondent Galeos about the sale to respondent Amores and was advised to pay the balance of the purchase price of the two (2) lots directly to respondent Amores.[12]

After the sale of the entire subdivision to respondent Amores, he allegedly took possession thereof and developed the same for residential purposes.[13] Respondent Amores registered the deed of sale covering the entire subdivision on February 13, 1969,[14] secured the transfer of the title to the same in his name, subdivided the entire land, and acquired individual titles to the subdivided lots in his name, including the title of the two (2) lots.[15] TCT No. 20016 was issued for Lot No. 9 and TCT No. 20017 for Lot No. 10, both in the name of respondent Amores.[16]

On December 27, 1974, respondent Amores sold the two (2) lots to the spouses Mariano and Felisa Nemenio, two

of the respondents herein.[17] Prior to the sale, however, petitioner was informed through a letter by respondent Amores about the impending sale of the two (2) lots but the former failed to respond.[18] The respondent spouses Nemenio caused the transfer of the titles[19] to the said lots and the issuance of tax declarations in their names. Thereafter, the respondent spouses Nemenio demanded from petitioner to vacate the said lots but the latter refused to do so.

Thus, a complaint for quieting of title was filed by the respondent spouses Nemenio against petitioner in the Regional Trial Court of Cebu, Branch V, docketed as Civil Case No. R-15442.[20]

Subsequently, respondents Galeos and Amores were impleaded by petitioner as third-party defendants.

On November 27, 1986, the trial court rendered a decision,[21] declaring the respondent spouses Nemenio as the owners of Lot Nos. 9 and 10. The dispositive part of the said decision reads:[22]

"WHEREFORE, judgment is hereby rendered as follows:

"1. In the main action:

(a)

declaring the plaintiffs [spouses Nemenio] owners of Lots (sic) Nos. 9 and 10 and the corresponding titles validly issued to plaintiffs [spouses Nemenio] and binding against the whole world;

(b)

ordering the defendant [petitioner herein] to surrender to plaintiffs the possession of Lots (sic) Nos. 9 and 10 after the latter indemnify the former the fair value of the improvements introduced on the said lots by defendant [petitioner herein] before he knew of the defects of his title over the lots in question; otherwise, plaintiffs [spouses Nemenio] to sell the said lots to defendants [should read defendant]; in both cases, in case of disagreement as to the value of improvements or value of the said lots, their value to be fix (sic) by the Court;

(c)

ordering the defendant [petitioner herein] to desist from further asserting his supposed rights to Lots (sic) Nos. 9 and 10;

(d)

ordering the defendant [petitioner herein] to pay P2,500.00 as attorney's fees and litigation expenses of P1,000.00;

(e)

dismissing the defendant's [petitioner herein] counterclaim, with costs against defendant [petitioner herein];

"2. As to the third-party complaint:

(a)

ordering the third-party defendant [respondent] Constantino M. Galeos to pay or refund defendant [petitioner] Baricuatro, Jr. the sum of P3,810.00 with legal interest of 6% per annum from the filing of the third-party complaint on February 3, 1977, until the amount is fully paid;

(b)

dismissing the third-party complaint as against third-party defendant [respondent] Eugenio Amores;

(c)

dismissing third-party defendants' counterclaims, without costs.

SO ORDERED."

On appeal to the respondent court,[23] petitioner assailed the findings of the trial court that third-party defendant and respondent Amores validly acquired ownership of the two (2) lots and registered the same in good faith,[24] and that respondent spouses Nemenio are purchasers in good faith.[25]

Finding no merit in the appellant's arguments, the respondent court affirmed in toto the judgment of the trial court in a decision dated April 30, 1992.[26] The respondent court adopted the factual finding of the trial court that when the disputed lots were sold to respondent Amores on December 7, 1968, the latter did not find any improvement on the disputed lots and respondent Galeos' title to the same was clean and unencumbered, and that respondent Amores came to know of the sale between respondent Galeos and petitioner only after the sale of the lots to him.[27]

On July 9, 1992, petitioner filed the present Petition for Review on Certiorari, assigning the following errors:[28]

I.

THE HONORABLE COURT OF APPEALS GRAVELY ERRED IN CONCLUDING THAT THIRD-PARTY DEFENDANT AMORES VALIDLY ACQUIRED OWNERSHIP OF THE TWO (2) LOTS IN QUESTION AND THAT HE WAS IN GOOD FAITH WHEN HE REGISTERED THE SALE OF THE TWO (2) LOTS IN QUESTION IN THE REGISTRY OF PROPERTY;

II.

THE COURT OF APPEALS GRAVELY ERRED IN CONCLUDING THAT PLAINTIFFS [SPOUSES NEMENIO] WERE PURCHASERS IN GOOD FAITH;

III.

THE COURT OF APPEALS GRAVELY ERRED IN CONCLUDING THAT ARTICLE 1544 OF THE NEW CIVIL CODE OF THE PHILIPPINES IS APPLICABLE;

IV.

THE COURT OF APPEALS GRAVELY ERRED IN AFFIRMING THE AWARD OF ATTORNEY'S FEES AND EXPENSES OF LITIGATION TO PLAINTIFFS [SPOUSES NEMENIO].

Respondent Amores, in his Comment filed on August 31, 1992,[29] on the other hand, argues that the present petition raises only questions of fact,[30] hence, it should be dismissed by this Court.

In his Reply dated January 6, 1993,[31] petitioner insists that as an exception to the general rule, "...[the] Supreme Court also ruled that "THE QUESTION AS TO WHETHER OR NOT THE CONCLUSION DRAWN BY THE COURT OF APPEALS FROM PROVEN FACTS IS CORRECT, INVOLVES A QUESTION OF LAW." [32] (citation omitted).

Petitioner, now substituted by his legal heirs, in his memorandum filed on March 31, 1993, raises questions of fact which were already passed upon both by the Court of Appeals and the trial court[33] and reiterates his contention before the respondent court that respondents Amores and spouses Nemenio are not purchasers in good faith.[34] Furthermore, petitioner argues that the general principles on trust must be applied in this case and not Article 1544 of the New Civil Code.[35]

On the other hand, respondent spouses Nemenio, in their memorandum filed on March 16, 1993, assert that the Torrens system of land registration should be upheld by this Court, and that an innocent purchaser for value, relying solely on an unencumbered title, should be protected.[36]

Respondent Amores, in his memorandum filed on March 31, 1993, contends that there are no compelling reasons to overturn the findings of fact of the respondent court, and prays for the affirmation of the assailed decision and the dismissal of the instant petition.[37]

We find the petition to be impressed with merit.

Before addressing the merits of the controversy, we shall first dispose of certain preliminary matters relating to the application of the mode of appeal under Rule 45 of the Rules of Court and the guiding principles in an action for quieting of title.

At the outset, it should be noted that the jurisdiction of this Court in a petition for review on certiorari under Rule 45 of the Rules of Court is limited to reviewing only errors of law. This Court is not a trier of facts. It is a settled doctrine that findings of fact of the Court of Appeals are binding and conclusive upon this Court.[38] Such factual findings shall not be disturbed, unless: (1) the conclusion is a finding grounded entirely on speculation, surmise and conjecture; (2) the inference made is manifestly mistaken; (3) there is grave abuse of discretion; (4) the judgment is based on a misapprehension of facts; (5) the findings of fact are conflicting; (6) the Court of Appeals went beyond the issues of the case and its findings are contrary to the admissions of both appellant and appellees; (7) the findings of fact of the Court of Appeals are contrary to those of the trial court; (8) said findings of fact are conclusions without citation of specific evidence on which they are based; (9) the facts set forth in the petition as well as in the petitioner's main and reply briefs are not disputed by the respondents; and (10) the findings of fact of the Court of Appeals are premised on the supposed absence of evidence and contradicted by the evidence on record.[39] After a careful scrutiny of the records and the pleadings submitted by the parties, we find exception to the general rule that factual findings by the trial court, especially when affirmed by the appellate court, are binding and conclusive upon this Court and hold that the lower courts misappreciated the evidence proffered. Certain relevant facts were overlooked by the respondent court, which facts, if properly appreciated, would justify a different conclusion from the one reached in the assailed decision.

Regarding the nature of the action filed before the trial court, quieting of title is a common law remedy for the removal of any cloud upon or doubt or uncertainty with respect to title to real property.[40] Originating in equity jurisprudence, its purpose is to secure "...an adjudication that a claim of title to or an interest in property, adverse to that of the complainant, is invalid, so that the complainant and those claiming under him may be forever afterward free from any danger of hostile claim." [41] In an action for quieting of title, the competent court is tasked to determine the respective rights of the complainant and other claimants, "...not only to place things in their proper place, to make the one who has no rights to said immovable respect and not disturb the other, but also for the benefit of both, so that he who has the right would see every cloud of doubt over the property dissipated, and he could afterwards without fear introduce the improvements he may desire, to use, and even to abuse the property as he deems best (citation omitted)." [42] Such remedy may be availed of under the circumstances enumerated in the Civil Code:

"ART. 476. Whenever there is a cloud on title to real property or any interest therein, by reason of any instrument, record, claim, encumbrance or proceeding which is apparently valid or effective but is in truth and in fact invalid, ineffective, voidable, or unenforceable, and may be prejudicial to said title, an action may be brought to remove such cloud or to quiet the title.

An action may also be brought to prevent a cloud from being cast upon title to real property or any interest

therein."

With these in mind, we now proceed to resolve the merits of the instant controversy.

In this petition, petitioner emphatically contends that respondent Amores, the second buyer, cannot be categorized as a purchaser in good faith, arguing on the basis of the letter which the latter sent to the petitioner, reminding the petitioner of his overdue account and warning him that if he could not come up with the proper solution, it would be his last chance before respondent Amores does other remedies before the law.[43] The respondent court, in its decision dated April 30, 1992, rejected this contention and adopted the finding of the trial court that "...at the time of the sale to [respondent] Amores by the previous registered owner Constantino Galeos sometime in 1968, [respondent] Amores found no improvements established on the land subject of the sale, and [respondent] Galeos' title to the lots was clean and unencumbered, and that [respondent] Amores came to know of the sale by installment executed between [respondent] Galeos and [petitioner] Baricuatro only after the sale of said lots to him." [44] The respondent court discarded petitioner's argument and ruled that "[t]he fact that [respondent] Amores subsequently tried to collect the balance of the purchase price from [petitioner] Baricuatro as shown by his letter to [petitioner] Baricuatro dated November 10, 1972 does not by itself prove that he was aware of the previous transaction with [petitioner] Baricuatro at the time of the sale to him in 1968, that would place him in the category of a buyer in bad faith." [45]

We do not agree. Article 1544 of the Civil Code provides:

"ART. 1544. If the same thing should have been sold to different vendees, the ownership shall be transferred to the person who may have first taken possession thereof in good faith, if it should be movable property.

Should it be immovable property, the ownership shall belong to the person acquiring it who in good faith first recorded it in the Registry of Property.

Should there be no inscription, the ownership shall pertain to the person who in good faith was first in the possession; and, in the absence thereof, to the person who presents the oldest title, provided there is good faith." (Emphasis supplied.)

Under article 1544, the ownership of an immovable property shall belong to the purchaser who in good faith registers it first in the registry of property. As we ruled in the case of *Uraca vs. Court of Appeals*: [46]

"xxx xxx xxx

...the prior registration of the disputed property by the second buyer does not by itself confer ownership or a better right over the property. Article 1544 requires that such registration must be coupled with good faith. Jurisprudence teaches us that "(t)he governing principle is *primus tempore, potior jure* (first in time, stronger in right). Knowledge gained by the first buyer of the second sale cannot defeat the first buyer's rights except where the second buyer registers in good faith the second sale ahead of the first, as provided by the Civil Code. Such knowledge of the first buyer does not bar her from availing of her rights under the law, among them, to register first her purchase as against the second buyer. But in converso, knowledge gained by the second buyer of the first sale defeats his rights even if he is first to register the second sale, since such knowledge taints his prior registration with bad faith. This is the price exacted by Article 1544 of the Civil Code for the second buyer being able to displace the first buyer; that before the second buyer can obtain priority over the first, he must show that he acted in good faith throughout (i.e. in ignorance of the first sale and of the first buyer's rights) — from the time of acquisition until the title is transferred to him by registration or failing registration, by delivery of possession. xxx xxx." [47] (Emphasis supplied.)

"The second buyer must show continuing good faith and innocence or lack of knowledge of the first sale until his contract ripens into full ownership through prior registration as provided by law." [48] (Emphasis supplied.)

For a second buyer to successfully invoke the protection provided by article 1544 of the Civil Code, he must possess good faith from the time of acquisition of the property until the registration of the deed of conveyance covering the same.

In the instant case, both lower courts attributed good faith to respondent Amores, the second buyer of the disputed lots, particularly at the consummation of the second sale on December 7, 1968 when respondents Amores and Galeos executed a deed of absolute sale,[49] after observing that respondent Amores "found no improvements established on the land subject of the sale" at the time of the sale in December 1968 and "[respondent] Galeos' title to the lots was clean and unencumbered," and that "[respondent] Amores came to know of the sale by installment executed between [respondent] Galeos and [petitioner] Baricuatro only after the sale of said lots to him." [50]

Assuming arguendo that respondent Amores was in good faith when he bought the entire subdivision, including the two (2) disputed lots, from respondent Galeos on December 7, 1968, there is no showing in the assailed decision that he continued to act in good faith until the title to the property was transferred to him by registration in the Register of Deeds on February 13, 1969, as required by Article 1544, hence the need for a reevaluation of the factual findings of the respondent court.

A careful and thorough scrutiny of the records of this case reveals that respondent Amores did not act in good faith when he registered his title to the disputed lots on February 13, 1969. Assuming that respondent Amores was in good faith when he bought the disputed lots on December 7, 1968, however, when he registered his title on February 13, 1969, the preponderance of evidence supports the finding that he already had knowledge of the previous sale of the disputed lots to petitioner. Such knowledge tainted his registration with bad faith. To merit protection under article 1544, the second buyer must act in good faith from the time of the sale until the registration of the same.

First, as culled from the records of this case, respondent Galeos disclosed to the trial court that it was his agreement[51] with respondent Amores that those who have obligations with respect to the disputed lots would continue to pay to respondent Amores, thus:[52]

"xxx xxx

ATTY. DOSDOS:

Q:

Why, at the time of your sale of the Victoria Village to Mr. Amores was Mr. Baricuatro still indebted to you for the two parcels of land?

WITNESS [GALEOS]:

A:

Yes, sir, there was a balance.

ATTY. DOSDOS:

Q:

Now --- COURT: (to witness)

Q:

How much was the balance?

WITNESS [GALEOS]:

A:

I cannot recall exactly.

COURT:

Q:

Was it your agreement with Mr. Amores that those who have obligations will continue to pay to Mr. Amores, is that part of your agreement?

WITNESS [GALEOS]:

A:

Yes, sir.

COURT: (TO ATTY. DOSDOS)

Q:

Do you have the agreement between Mr. Amores and Mr. Galeos?

ATTY. DOSDOS:

A:

The document?

COURT:

Q:

Yes?

ATTY. MARCOS:

A:

It is in our possession and we have it marked already your Honor.

xxx xxx."[53](Emphasis supplied.)

Hence, the inevitable conclusion to be drawn is that respondent Amores had knowledge of the previous sale to petitioner when he entered into a contract of sale with respondent Galeos on December 7, 1968 and cannot therefore be considered as a purchaser in good faith.

Second, respondent Amores testified on direct examination, that he first learned of the transaction between respondent Galeos and petitioner in 1972 when respondent Galeos showed him a letter addressed to petitioner (referring to the letter dated October 6, 1972),[54] a copy of which was sent to him.[55] After receiving such information, he wrote petitioner on November 10, 1972 allegedly to verify the truth of the matter.[56] A reading of respondent Galeos' letter dated October 6, 1972 and addressed to petitioner, however, readily shows that contrary to his testimony, respondent Amores was not without knowledge of the previous sale to petitioner when

he received the said letter. In the said letter, respondent Galeos stated that "...he has been informed that collections effected on the contracts I have assigned to Mr. Eugenio V. Amores has (sic) not been moving for reasons known only to you" and that "[i]t appears on his [respondent Amores'] record and confirmed to be correct that all the contracts have gone beyond the limitations and restrictions pertinent thereto." [57] Consistent with our finding that respondent Amores was not without knowledge of the previous sale to petitioner when he acquired and registered the disputed lots, is the tone and contents of respondent Amores' letter dated November 10, 1972 and addressed to petitioner, written allegedly to verify the truth about the previous sale from petitioner. As found by respondent court, the said letter obviously shows an intent to collect the balance of the purchase price of the disputed lots from petitioner which presupposes knowledge of the previous sale by respondent Amores. Such an attempt to collect the balance of the purchase price supports our finding that respondent Amores had knowledge of the previous sale when he bought the disputed lots.

Third and most enlightening is respondent Amores' testimony on cross-examination which contradicts his own testimony on direct examination regarding the time when he first learned of the transaction between respondent Galeos and petitioner. According to respondent Amores, he learned of petitioner's interest in the disputed lots when he had the subdivision leveled [58] starting in December 1968 until March 1969. [59] Respondent Amores thereafter admitted that in January or February 1969, it was respondent Galeos who told him when they "met at the downtown" that the disputed lots were already sold to petitioner on installment basis. [60] He insisted though that he had no knowledge of the previous sale of the disputed lots to petitioner when he bought the entire subdivision considering that the same had a clean title. [61]

Lastly, consistent with his testimony that it was his agreement with respondent Amores that those who have obligations with respect to the disputed lots would continue to pay directly to the latter, respondent Galeos testified that upon the sale of the subdivision to respondent Amores, he informed petitioner of the said transaction in order that the latter would continue to pay the balance of the purchase price of the disputed lots directly to respondent Amores. [62] On cross-examination he disclosed that a few days before the actual sale [63] of the entire subdivision to respondent Amores, he first informed petitioner of his decision to sell the said subdivision to respondent Amores and told petitioner to pay the balance of the purchase price to respondent Amores. [64]

Having thus found that respondent Amores was not in good faith when he registered the deed of sale covering the disputed lots, we now consider its effect on the rights of respondent spouses Nemenio as subsequent purchasers of the disputed lots.

Respondent spouses Nemenio assert that they are purchasers in good faith, claiming that they meticulously examined the title of respondent Amores and "finding the same to be free from any flaws, liens and encumbrances," they "did not hesitate to buy the land." [65] Having allegedly registered the deeds of sale in good faith, they submit that the "one who first registers the document in the Registry of Property has a better right over that sale which is not registered." [66]

We disagree. As we have consistently held in a long line of cases, the rights of innocent purchasers for value should prevail. [67] It appears from the records that while respondent spouses Nemenio bought the disputed lots from respondent Amores on December 27, 1974, [68] they registered the deeds of sale only on August 30, 1976. [69] Respondent Mariano Nemenio admitted on cross-examination that the first time he visited petitioner's residence was in early 1975, thus:

"xxx xxx.

ATTY. GONZAGA:

Q:

The question is when for the first time after you bought the property that you visited the Baricuatro's residence?

WITNESS (Mariano Nemenio)

A:

The first time it could be I think early 1975. I am not exactly sure as to the exact date, but I used to pass their place when I had the opportunity to pass the property. I always passed with them.

ATTY. GONZAGA:

Q:

How many months after you bought these two (2) lots?

WITNESS (Mariano Nemenio)

A:

I am not sure exactly as to the exact time but it was sometime after I bought the property.

ATTY. GONZAGA:

Q:

About ten (10) months?

WITNESS (Mariano Nemenio)

A:

Ten months after. I am not sure as that was a long time ago.

xxx xxx."[70]

It may be deduced from the foregoing inquisition that having visited petitioner's residence in early 1975, respondent spouses Nemenio cannot claim to be purchasers in good faith when they registered their title to the disputed lots on August 30, 1976. The registration by the respondent spouses Nemenio was done in bad faith, hence, it amounted to no "inscription" at all. As we held in the case of *Philippine Stock Exchange, Inc. vs. Court of Appeals*,^[71] "[t]he inscription in the registry, to be effective, must be made in good faith. The defense of indefeasibility of a Torrens Title does not extend to a transferee who takes the certificate of title with notice of a flaw."^[72] "[A] holder in bad faith of a certificate of title is not entitled to the protection of the law, for the law cannot be used as a shield for frauds."^[73]

WHEREFORE, the decision of the respondent Court of Appeals, dated April 30, 1992, in CA-G.R. CV No. 19399, is REVERSED and judgment is hereby rendered:

1)

Declaring the petitioner SEVERINO BARICUATRO, JR. as the rightful owner of the disputed lots and ordering him to pay respondent Constantino M. Galeos the unpaid balance of P1,000.00 as to Lot No. 9 and P3,020.00 as to Lot No. 10;

2)

Declaring the deed of sale dated December 7, 1968 between respondent Constantino M. Galeos and respondent Eugenio V. Amores insofar as Lot 9 and 10 of Spring Village is concerned as null and void, thus, ordering respondent Constantino M. Galeos to reimburse respondent Eugenio V. Amores the value/purchase price the latter paid for Lots 9 and 10 under the said deed of sale, with legal interest from the date of finality of this decision;

3)

Declaring the deed of sale dated December 27, 1974 between respondent Eugenio V. Amores and respondent spouses Mariano B. Nemenio and Felisa V. Nemenio as null and void, thus, ordering respondent Eugenio V. Amores to reimburse respondent spouses Mariano B. Nemenio and Felisa V. Nemenio the purchase price they paid by virtue of the said deed of sale, with legal interest from the date of finality of this decision;

4)

Ordering the Register of Deeds of the province of Cebu to cancel Transfer Certificate of Title Nos. 39002 and 39003 in the name of spouses Mariano B. Nemenio and Felisa V. Nemenio, and Transfer Certificate of Title Nos. 20016 and 20017 in the name of Eugenio V. Amores; and, to issue a new Certificate of Title for Lot No.9 and Lot No. 10 in favor of petitioner Severino Baricuatro, Jr. in lieu of the foregoing certificates of title, upon payment of all lawful fees, charges and taxes;

5)

Ordering private respondents Mariano and Felisa Nemenio, Constantino M. Galeos and Eugenio V. Amores to pay P5,000.00 as attorney's fees and litigation expenses of P1,000.00.

Costs against private respondents.

SO ORDERED.

Bellosillo, (Chairman), Mendoza, Quisumbing, and De Leon, Jr., JJ., concur.

[1] Tenth Division.

[2] Branch V.

[3] Rollo, pp. 24-26.

[4] Ibid., at p. 24.

[5] Ibid.

[6] Ibid.

[7] Ibid.

[8] Ibid., at p. 28.

[9] Ibid., at p. 25.

[10] Ibid.

[11] Ibid.

[12] Ibid., at p. 25.

- [13] Ibid.
- [14] Exhibits E and F.
- [15] Rollo, p. 25.
- [16] Ibid..
- [17] Ibid., at pp. 25-26.
- [18] Ibid., at p. 26.
- [19] TCT No. 39002 for Lot No. 9 and TCT No. 39003 for Lot No. 10.
- [20] Rollo, p. 23.
- [21] Records, p.133.
- [22] Ibid., at pp. 139-140.
- [23] Docketed as CA-G.R. CV No. 19399.
- [24] Rollo, p. 27.
- [25] Ibid., at p. 28.
- [26] Ibid., at pp. 23-29.
- [27] Ibid., at p. 27.
- [28] Ibid., at p. 13.
- [29] Ibid., at p. 32.
- [30] Ibid.
- [31] Ibid., at p. 41.
- [32] Ibid.
- [33] Ibid., at pp. 71-72.
- [34] Ibid., at pp. 72, 74.
- [35] Ibid., at p. 76.
- [36] Ibid., at p. 53.
- [37] Ibid. at pp. 90, 92.
- [38] Mario Z. Titong vs. Court of Appeals, 287 SCRA 102, 111 (1998).
- [39] Sarmiento vs. Court of Appeals, 291 SCRA 656, 664-665 (1998).
- [40] Vda. de Aviles vs. Court of Appeals, 264 SCRA 473, 478 (1996).
- [41] Tolentino, Commentaries and Jurisprudence on the Civil Code of the Philippines, vol. 2, p. 137.
- [42] Paras, Civil Code of the Philippines Annotated, thirteenth edition (1994), p. 270.
- [43] Exhibit 9 (Baricuatro).

[44] Rollo, p. 27.

[45] Ibid.

[46] 278 SCRA 702, 712 (1997).

[47] 278 SCRA 702, 712 (1997).

[48] Cruz vs. Cabana, 129 SCRA 656, 663 (1984).

[49] Records, p. 57.

[50] Rollo, p. 27.

[51] This agreement refers to the Deed of Absolute Sale executed between respondents Galeos and Amores. The said deed provides that:

"xxx xxx.

That for and in consideration of the sum of THIRTY EIGHT THOUSAND (P38, 000.00) PESOS, Philippine Currency, receipt whereof is hereby acknowledged in hand paid by EUGENIO V. AMORES, married to Apolinaria Castillo, Filipino, of legal age, a resident of and with postal address at Cebu City, Philippines, do by these presents hereby SELL, CEDE, TRANSFER and CONVEY absolutely and irrevocable (sic), all my rights, interest and participation as absolute owner unto the said Vendee Eugenio V. Amores, his heirs, successors, executors, administrators or assigns; and

xxx xxx." Records, p. 67.

[52] TSN, August 7, 1978, pp. 18-21.

[53] Ibid.

[54] Exhibit 2 – Galeos.

[55] TSN, September 10, 1979, p. 32.

[56] Ibid.

[57] Exhibit 2 – Galeos/Exhibit 9-A – Baricuatro.

[58] TSN, October 22, 1979, pp. 24, 20.

[59] Ibid., at p. 20.

[60] Ibid., at pp. 24-25.

[61] Ibid., at p. 25.

[62] TSN, August 7, 1978, p. 17.

[63] Ibid., at pp. 32-33.

[64] Ibid., at pp. 31-32.

[65] Rollo, pp. 64-65.

[66] Ibid., at p. 65.

[67] Heirs of spouses Benito Gavino and Juana Euste vs. Court of Appeals, 291 SCRA 495, 509 (1998); Estate of the late Mercedes Jacob vs. Court of Appeals, 283 SCRA 474, 485 (1997); Gloria R.Cruz vs. Court of Appeals, 281 SCRA 491, 496 (1997); Victoria Legarda vs. Court of Appeals, 280 SCRA 642, 655-656 (1997).

[68] Records, pp. 6-7.

[69] Exhibits I and J.

[70] TSN, January 5, 1978, pp. 35-37.

[71] 281 SCRA 232 (1997).

[72] 281 SCRA 232, 250 (1997).

[73] Baranda vs. Baranda, 150 SCRA 59, 74 (1987).

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