

**GOLD LOOP PROPERTIES, INC. AND EMMANUEL R. ZAPANTA,
PETITIONERS, VS. THE COURT OF APPEALS, BHAVNA HARILELA
SADHWANI AND RAMESH J. SADHWANI, REPRESENTED BY THEIR
ATTORNEY-IN-FACT...**

G.R. No. 122088. January 26, 2001

Ponente: PARDO, J.

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PARDO, J.:

The case before the Court is an appeal via certiorari from the decision[1] of the Court of Appeals dismissing the petition for certiorari assailing the decision of the Senior Deputy Executive Secretary, Office of the President sustaining the ruling of the Housing Land Use and Regulatory Board of Commissioners requiring petitioners to furnish private respondents with copy of the contract to sell and to accept the balance of the purchase price of a condominium unit.

On July 16, 1988, private respondents Bhavna Harilela and Ramesh Sadhwani (hereinafter referred to as "Sadhwanis") submitted through St. Martin Realty Corporation, a realtor agent of petitioner Gold Loop Properties, Inc. (hereinafter referred to as "GLPI"), a signed pro forma reservation application addressed to GLPI for the purchase of one (1) condominium unit at Gold Loop Towers residential complex, located in Ortigas Complex, Pasig. One of the terms of the reservation was the execution of a contract to sell once the downpayment was paid in full. Upon submission of the reservation, the Sadhwanis issued a check for P50,000.00 to cover the reservation fees to Josephine Flores Guina, agent of St. Martin Realty who issued a receipt to them.

On November 18, 1988, the Sadhwanis paid GLPI the amount of P819,531.25. Subsequently, Bhavna Harilela signed a "Contract To Sell"[2] with GLPI, represented by its President Emmanuel Zapanta. Ms. Guina assured them that they would be furnished with a copy of the contract after its notarization, and that the amount, representing the balance of the purchase price, would be included in a loan application with a bank. However, the contract to sell was not notarized, as the private respondents were not able to supply GLPI with a copy of their passports.

Under the contract, GLPI agreed to sell to Sadhwanis a 198.75 square meters condominium unit particularly Unit R-84 of Southwest Tower. The contract price was P2,484,375.00, inclusive of a reservation deposit of P50,000.00.

The Contract to Sell, Section 3, provides:

"Section 3. PURCHASE PRICE AND TERMS OF PAYMENT.

"(a) The purchase price of the UNIT, exclusive of interest shall be TWO MILLION FOUR HUNDRED EIGHTY FOUR THOUSAND THREE HUNDRED SEVENTY FIVE (P2,484,375.00) Pesos, Philippine Currency, payable as follows:

Amount Due Date

Downpayment of 35% P869,531.25

Less: Reservation 50,000.00 July 16, 1988

Net Downpayment 819,531.25 Oct. 21, 1988

Balance Payable P1,614,843.80

thru the bank designated by the SELLER and subject to standard banking requisites and approval.

"NOTE: In the event of non-approval of the loan by the bank, the BUYER commits to adopt the "Co-Terminus Payment Plan" retroactive to the date of scheduled downpayment as reflected above. This plan requires the payment of non-interest bearing equal monthly installments spreads on the full balance of the purchase price commencing 30 days after the scheduled downpayment up to January 1990."[3]

GLPI informed the Sadhwanis that the bank loan accommodation which was to serve as payment of the balance of the purchase price was disapproved, and thus, per the terms of the Contract to Sell, the balance would become payable through the Co-terminus Payment Plan schedule of payments, in implementation of which petitioners were informed by letter[4] dated March 15, 1989, which pertinently reads:

"Despite diligent efforts and ardent representations on our part to have the approval of the loan in accordance with the Contract, such approval could not be obtained for the reason that banks are not willing to extend a loan to be secured by a still ongoing project. Accordingly, the balance of the purchase price should now be paid in equal monthly installments until January 1990 pursuant to the aforequoted provision. The schedule of these payments in implementation of this 'Co-Terminus Payment Plan' should be as follows:

"Date of Payment

Amount

March 20, 1989 (Covering the period from Nov. 21, 1989 to March 21, 1989)

P538,281.25

April 20, 1989

107,626.25

May 20, 1989

107,626.25

June 20, 1989

107,626.25

July 20, 1989

107,626.25

August 20, 1989

107,626.25

September 20, 1989

107,626.25

October 20, 1989

107,626.25

November 20, 1989

107,626.25

December 20, 1989

107,626.25

January 20, 1989

107,626.25

"TOTAL

P1,614,843.80"

By letter[5] dated March 16, 1989, addressed to GLPI, the Sadhwanis offered to resell their rights to the condominium unit they purchased. The letter contained proposals which read:

"Per our verbal agreement, this comes to formalize the earnest intention of my clients, Spouses Ramesh and Anita Sadhwani, to sell their rights over Unit R-84 of the Gold Loop Towers, under the following terms and conditions:

"ACQUISITION:

198.75 sq. m. @ 12,500 per sq. m

=

P2,484,375.00

Less: 35% downpayment paid 11-15-88

869,531.25

Balance

=

1,614,843.75

Monthly amortization payable in

=

89,713.54

18 months starting December 1988

until May 1990 @ 3% penalty for

=

_____3%

delayed amortization

Penalty per month

=

P 2,691.41

x 3 months

Total Penalty

=

P 8,074.22

"RE-SALE:

198.75 sq. m. @ P14,500.00

per sq. m

=

P2,881,875.00

Less: Balance

=

1,614,843.75

P1,267,031.25

Less: Interest for delayed

Amortization

=

8,074.22

Net cash involved payable

in 6 months

=

P1,258,957.03"

Petitioners rejected the offer on the resale of the rights over the condominium unit proposed by private respondents because the offer was unreasonable, unfair and inequitable.

On March 19 and April 25, 1989, respondent Ramesh J. Sadhwani demanded a copy of the contract to sell, noting that his wife had no official document to show that she bought a condominium unit from GLPI and there were

conditions and/or stipulations in the contract which she could not be expected to comply with, unless a copy of the same be given to her. By letter dated May 22, 1989 to GLPI, respondent Sadhwani's counsel made a formal demand for the delivery to him of a copy of the contract to sell.

Spouses Sadhwanis failed to pay any of the monthly amortizations in the payment plan.

On August 7, 1989, petitioners sent a letter demanding payment of the balance amounting to P1,614,814.80, and informed the Sadhwanis that GLPI will rescind the Contract to Sell and automatically forfeit their down payment should they fail to pay within five (5) days from receipt of the letter in accordance with section 8 of the contract to sell.[6]

On August 14, 1990, spouses Sadhwanis filed with the Housing and Land Use Regulatory Board (hereinafter referred to as "HLURB"), a complaint for specific performance with an alternative prayer for refund against GLPI. Spouses Sadhwanis prayed that they be furnished with a copy of the contract to sell and allowed them to remit the balance of the consideration to GLPI and to deliver to them the title and possession of the condominium unit, or to be reimbursed of the amount they paid with interest and damages.[7]

On October 8, 1990, petitioners filed with the HLURB an answer to the complaint and subsequently, the parties submitted their position papers.

On October 2, 1992, HLURB Arbiter Roberto F. Paras rendered a decision, the dispositive portion of which provides:

"WHEREFORE, premises considered, judgment is hereby rendered:

"1. Ordering respondents Gold Loop Properties, Inc. and St. Martin to furnish complainants with a copy of the subject Contract to Sell and to accept complainant's payment of the agreed purchase price balance of the Condominium unit described in the said Contract to Sell;

"2. Ordering said respondents to deliver possession of and to effect the transfer of title to the subject condominium unit in favor of the complainants after full payment of the purchase price;

"In the event compliance with the above dispositive portion is no longer possible, respondents instead are hereby ordered to jointly and severally reimburse complainants the amount of Eight Hundred Seventy Eight Thousand Three Hundred Sixty Six Pesos and Thirty Five Centavos (P878,366.35) representing complainants' reservation deposit and downpayment, with legal interest from the time of the filing of this complaint;

"3. Ordering respondents jointly and severally to pay complainants (a) moral damages in the amount of Ten Thousand Pesos (P10,000.00), and (b) attorney's fees in the amount of Thirty Thousand Pesos (P30,000.00);

"4. Dismissing respondents' counterclaim for lack of merit.

"IT IS SO ORDERED."[8]

On November 16, 1992, petitioners appealed to the HLURB Board of Commissioners, Quezon City while private respondents interposed a partial appeal thereto.

On October 11, 1993, the HLURB Board of Commissioners rendered a decision, the dispositive portion of which reads:

"WHEREFORE, premises considered, respondents' appeal is hereby DENIED and complainants' Partial Appeal is hereby given due course and the Decision subject of this Appeal is hereby MODIFIED by DELETING the second paragraph of order number two. Accordingly, complainants are directed to pay the balance of the purchase price, without interest, within 30 days from receipt hereof while respondents are

ordered to accept said payment and turn over to complainants the unit subject of said contract to sell.

"All other aspects of the decision is hereby AFFIRMED IN TOTO.

"SO ORDERED."[9]

On January 7, 1994, petitioners elevated the case to the Office of the President.

On August 24, 1994, Senior Deputy Executive Secretary Leonardo A. Quisumbing[10] rendered a decision[11] dismissing petitioners' appeal. He also denied petitioners' motion for reconsideration[12] in a Resolution[13] dated December 22, 1994.

On March 22, 1995, petitioners filed with the Supreme Court a special civil action for certiorari assailing the decision of the Senior Deputy Executive Secretary, Office of the President. In a resolution dated April 4, 1995, the Court referred the case to the Court of Appeals for proper disposition.[14]

On June 22, 1995, the Court of Appeals promulgated its decision dismissing the petition.[15] The court ruled that the failure of petitioners to give respondents a copy of the contract to sell sued upon, despite repeated demands therefor, and notwithstanding the payment of P878,366.35, was a valid ground for private respondents to suspend their payments. And given the fact that the contract to sell was in writing, the Sadhwanis, as buyers, were entitled to a copy. Their request for a copy sprung from their desire to comply with what was incumbent upon them to perform thereunder. While buyers do not need a copy of the contract to know the stipulated purchase price, the schedule of payments and the outstanding balance, the contract to sell, being an eight paged single-spaced document, broken down into twelve sections, spelling out the parties' respective monetary and non-monetary rights and obligations, the buyers could not be expected to recall each and every detail of the stipulations of the contract without a copy of the contract to guide them.

On July 14, 1995, petitioners filed with the Court of Appeals a motion for reconsideration.[16] However, the court denied the motion.[17]

Hence, this petition.[18]

Petitioners contend that private respondents are not entitled to suspend payment of their monthly amortizations because of the alleged failure of petitioners to furnish them copy of the contract to sell and that private respondents used the alleged failure to give them copy of the contract as an excuse for defaulting in their contractual obligation to pay the installments. Petitioners insist that private respondents were given copy of the contract to sell. Petitioners pointed out that under the contract, they had the right to rescind the contract in case private respondents breached the contract.

In their Comment[19] and Memorandum,[20] private respondents alleged that they have not in fact received a copy of the contract to sell. Private respondents likewise averred that petitioners' assertion is premised on its completely wrong proposition that private respondents had given petitioners a reason to rescind the contract to sell. What was really in issue was that it was petitioners that gave them sufficient and well-founded cause to suspend payment of their monthly amortizations on the condominium unit.

We agree with private respondents.

The core issue actually boils down to the question of whether or not respondents may suspend payment of their monthly amortizations due to failure of petitioners to furnish them copy of the contract to sell.

Time and again, the Court had occasion to reiterate the well-established rule that findings of fact of the Court of Appeals are conclusive on the parties and are not generally reviewable by this Court.[21] We find no compelling

reason to disturb the factual findings of the Court of Appeals, in the absence of showing that the present case falls within the exceptions to this rule.[22] When supported by sufficient evidence, the findings of fact of the Court of Appeals affirming those of the trial court, are not to be disturbed on appeal. The rationale behind this doctrine is that review of the findings of fact of the Court of Appeals is not a function that the Supreme Court normally undertakes. In the case at bar, we subscribe to the findings of fact of the Court of Appeals when it held that:

"x x x Private respondents were indeed justified in suspending payment of their monthly amortizations. The failure of petitioners to give them a copy of the Contract to Sell sued upon, despite repeated demands therefor, and notwithstanding the private respondents' payment of P878,366.35 for the subject condominium unit was a valid ground for private respondents to suspend their payments. x x x

x x x

"And contrary to petitioner's stance, records disclose that they were the ones who did fraudulent acts against private respondents by entering into a Contract to Sell with the latter and accepting their downpayment of P878,366.35, withholding a copy thereof for no valid reason at all, and then threatening them with rescission and forfeiture, when private respondents only suspended payment of the balance of the purchase price while waiting for their copy of the Contract to Sell."[23]

The private respondents are entitled to a copy of the contract to sell, otherwise they would not be informed of their rights and obligations under the contract. When the Sadhwanis parted with P878,366.35 or more than one third of the purchase price for the condominium unit, the contract to sell, or what it represents is concrete proof of the purchase and sale of the condominium unit.

WHEREFORE, the Court hereby DENIES the petition for review on certiorari, for lack of merit. The Court AFFIRMS the decision of the Court of Appeals in CA-G.R. SP No. 36977 affirming the order for delivery of a copy of the contract to sell to private respondents and to accept payment of the balance of the purchase price and deliver title over the condominium unit to the private respondents upon full payment of the balance of the purchase price.

No costs.

SO ORDERED.

Davide, Jr., C.J., Puno, Kapunan, and Ynares-Santiago, JJ., concur.

[1] In CA-G.R. SP No. 36977, promulgated on June 22, 1995, Purisima, J., ponente, Montoya and Jacinto, JJ., concurring, Petition, Annex "A", Rollo, pp. 34-41.

[2] Petition, Annex "C", Rollo, pp. 45-51.

[3] Petition, Statement of the Facts, Rollo, pp. 12-13.

[4] Petition, Annex "D", Rollo, pp. 52-54.

[5] Petition, Annex "E", Rollo, p. 55.

[6] Petition, Annex "F", Rollo, p. 56.

[7] Petition, Annex "G", Rollo, pp. 57-66.

[8] Petition, Annex "J", Rollo, pp. 85-93.

[9] In HLRB Case No. REM-A-1307, Tungpalan, Comm., ponente, Mendiola and Altea, Comms., concurring, Original Record, pp. 330-338.

[10] Now Associate Justice, Supreme Court.

[11] In OP Case No. 5522, Petition, Annex "N", Rollo, pp. 145-151.

[12] Petition, Annex "O", Rollo, pp. 152-159.

[13] Petition, Annex "P", Rollo, p. 160.

[14] G. R. No. 119389, Petition, Annex "R", Rollo, p. 184.

[15] Petition, Annex "A", Rollo, pp. 34-41.

[16] CA Rollo, pp. 175-184.

[17] By resolution, promulgated September 5, 1995, Rollo, pp. 43-44.

[18] Petition filed on November 8, 1995, Rollo, pp. 10-33.

[19] Rollo, pp. 188-202.

[20] Rollo, pp. 228-253.

[21] Cebu Shipyard and Engineering Works, Inc. vs. William Lines, Inc., 306 SCRA 762, 775 [1999].

[22] (1) when the conclusion is a finding grounded entirely on speculations, surmises or conjectures; (2) when the inference made is manifestly mistaken, absurd or impossible; (3) when there is grave abuse of discretion; (4) when the judgment is based on a mis- apprehension of facts; (5) when the findings of fact are conflicting; (6) when the Court of Appeals, in making its findings, went beyond the issues of the case and the same is contrary to the admissions of both appellant and appellee; (7) when the findings of the of the Court of Appeals are contrary to those of the trial court; (8) when the findings of fact are conclusions without citation of specific evidence on which they are based; (9) when the Court of Appeals manifestly overlooked certain relevant facts not disputed by the parties, which, if properly considered, would justify a different conclusion; and (10) when the findings of fact of the Court of Appeals are premised on the absence of evidence and are contradicted by the evidence on record. (Commissioner on Internal Revenue vs. Embroidery and Garments Industries (Phils.), Inc., 305 SCRA 70 [1999], citing Misa vs. Court of Appeals, 212 SCRA 217 [1992]; Golangco vs. Court of Appeals, 347 Phil. 771, 780-781 [1997]; Fule vs. Court of Appeals, 286 SCRA 698, 710 [1998]; Halili vs. Court of Appeals, 287 SCRA 465, 470 [1998]; Remalante vs. Tibe, 158 SCRA 138 [1988]; Ayala Corporation vs. Ray Burton Development Corporation, 294 SCRA 48 [1998].

[23] CA Decision, Rollo, pp. 39-40.

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