

**DANILO ANTONIO, AMBROCIO ARELLANO, AURELIO ATANACIO,
CECILIA BAUN, PABLO BAYON, PALERMO BAYON, PATRICIA BAYON,
ROBERTO BERNALDO, ALFRED BOTILLO, ANITA CAABAY, POL
CAABAY, EVANGE...**

G.R. No. 124779. November 29, 2005

Ponente: TINGA, J.

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TINGA, J.:

The fundamental precept that underlies this case is that expropriation has no binding legal effect unless a formal expropriation proceeding has been instituted.

A complaint for unlawful detainer[1] was filed before the Municipal Trial Court (MTC) of Antipolo,[2] docketed as Civil Case No. 2223 by Alexander Catolos (private respondent), who alleged that he was the registered owner of four (4) parcels of land[3] situated at Mayamot, Antipolo, Rizal, covered by Transfer Certificates of Title (TCT) Nos. 243003, 243179, 226192, and 166965, respectively. The defendants therein were the petitioners, who were occupying the said properties.

Private respondent claimed he allowed petitioners to occupy portions of his land without requiring them to pay rent, on the condition that the latter would immediately vacate the same in the event that the former would need the premises. However, when private respondent did notify petitioners of his need to use the premises, petitioners refused to vacate the land even after demand.

The complaint was resolved in favor of private respondent. In a Decision[4] dated 15 September 1993, respondent judge ordered petitioners to vacate the subject properties and pay the amount of Two Hundred Pesos (P200.00) as reasonable compensation for the use and occupation of the properties, as well as Twenty Thousand Pesos (P20,000.00) for litigation expenses and attorney's fees.

On 23 November 1993, private respondent filed a motion for issuance of a writ of demolition. The lower court granted the motion and directed the issuance of a writ of demolition. On 28 March 1994, a writ of demolition was issued.

Partial demolition had already taken place by April 1994. Private respondent filed an urgent ex parte motion,[5] seeking the full implementation of the writ of demolition. This was granted on 24 April 1995, with respondent judge ordering the Chief of Police of the Regional Special Action Force in Canlubang, Laguna to provide assistance to Deputy Sheriff Eusebio J. Villaran in the implementation of the writ.

On 20 June 1995, the Sangguniang Bayan of Antipolo, Rizal passed Resolution No. 61-95,[6] authorizing Mayor Daniel Garcia to acquire thru expropriation or purchase the subject properties for public purposes/socialized housing. Another resolution, No. 88-95, was issued on 30 August 1995 amending the previous resolution by further authorizing the municipal mayor to secure financing for the acquisition of the said parcel of land subject of this case.

In Resolution No. 119-95[7] passed on 18 October 1995, the Sangguniang Bayan informed respondent court of the expropriation and the fact that the funds required for the same have already been included in the 1996 budget, and requested that the demolition be held in abeyance. At this point, the writ of demolition had not yet been fully implemented.

The demolition proceeded despite said resolutions of the Sangguniang Bayan. On 28 November 1995, petitioners filed a motion to stay execution with the MTC on the ground that supervening events have rendered execution unjust and inequitable. A Supplement to the Motion to Stay Execution was filed on 1 March 1996. Petitioners invoked Commonwealth Act No. 538 in asking respondent judge to suspend the action for ejectment in view of the announced expropriation of the subject properties.

The motion was denied in an Order[8] dated 29 March 1996. Respondent judge reasoned out that no action for expropriation had yet been filed in court and that petitioners had not complied with Commonwealth Act No. 538 in paying the current rents.

On 2 May 1996, private respondent filed a motion for the issuance of alias writ of demolition. This was not resolved by the MTC.

On the basis of this factual backdrop, petitioners filed the present petition for certiorari under Rule 65 on 17 May 1996. Petitioners seek to set aside the Order dated 29 March 1996 denying their motion to stay execution and to enjoin respondents from continuing with the demolition of their homes. They likewise pray for the issuance of writs of preliminary injunction and temporary restraining order.

During the pendency of this case, private respondent filed a motion for re-issuance of a writ of demolition on 22 February 2001. In an Order dated 26 January 2004, the motion for re-issuance of writ of execution was granted. The MTC judge[9] issued an Alias Writ of Demolition in an Order dated 20 May 2004.

Petitioners filed with the Court a Manifestation and Urgent Motion for Issuance of a TRO on 9 June 2004 to stop the enforcement of the said writ. Petitioners received a Notice to Vacate from the sheriff on 28 September 2004. On 11 October 2004, the residential houses and other structures owned by petitioners were demolished. This prompted petitioners to file an urgent request for early resolution of motion to issue temporary restraining order and an urgent manifestation with urgent motion to resolve motion for issuance of a status quo order on 20 October 2004.

Petitioners ascribe grave abuse of discretion amounting to lack of jurisdiction to respondent judge in denying the motion to stay execution in view of two considerations, namely: the supervening events which make execution unjust and inequitable, and non-compliance with Commonwealth Act No. 538[10]. Petitioners argue that Commonwealth Act No. 538 clearly provides that for the purposes of the Act, the action shall be considered instituted from the time the competent authority advises in writing the owner of the intention of the government to acquire his land.

In its Comment,[11] private respondent posits that Commonwealth Act No. 538 applies only to cases wherein expropriation proceedings are filed. The Sangguniang Bayan's resolutions expressing the intent to expropriate the properties evinced merely an intention to expropriate and not the actual expropriation proceeding. According to private respondent, assuming that there exists an expropriation proceeding, petitioners still cannot avail of the automatic suspension of the ejectment case because they failed to pay their current rentals and deposit them with the court. Regarding the issue of non-payment of rentals, petitioners point out that facts of record show that they were not required by contract to pay rents, thereby rendering the requirement cited by private respondent inapplicable.

The issues raised by petitioners can be synthesized into one: Whether a resolution for expropriation by a local government unit can suspend the writ of execution and demolition in an ejectment case.

In actions for ejectment, the general rule is if judgment is rendered against the defendant, it is immediately executory. Such judgment, however, may be stayed by the defendant only by: (a) perfecting an appeal; (b) filing a supersedeas bond; and (c) making a periodic deposit of the rental or the reasonable compensation for the use and occupation of the property during the pendency of the appeal.[12] These requisites must concur. Thus, even if the defendant had appealed and filed a supersedeas bond but failed to pay the accruing rentals, the appellate court could, upon motion of the plaintiff with notice to the defendant, and upon proof of such failure, order the immediate execution of the appealed decision without prejudice to the appeal taking its course. Such deposit, like the supersedeas bond, is a mandatory requirement; hence, if it is not complied with, execution will issue as a matter of right.[13]

Jurisprudence is replete with cases which provide for the exceptions to the rule cited above. These are the existence of fraud, accident, mistake or excusable negligence which prevented the defendant from making the monthly deposit, or the occurrence of supervening events which have brought about a material change in the situation of the parties and would make the execution inequitable or where there is compelling urgency for the execution because it is not justified by the prevailing circumstances.[14]

Petitioners anchor their argument to stay execution upon this supervening event in the form of a resolution for expropriation filed by the Sangguniang Bayan. Petitioners claim that this logically begs the question of whether this act of the local legislative body of Antipolo decreeing expropriation of the property subject of the ejectment case constitutes a supervening event which makes execution of the ejectment decision unjust and impractical.

The power of eminent domain, inherent in the State, employs private property for public use upon payment of just compensation. The enactment of the principle of social justice falls within the parameters of public use. In the case of *Marina Reyes v. National Housing Authority*,[15] this Court, speaking thru Justice Reynato Puno, stated:

Moreover the Constitution itself allows the State to undertake, for the common good and in cooperation with the private sector, a continuing program of urban land reform and housing which will make at affordable cost decent housing and basic services to underprivileged and homeless citizens in urban centers and resettlement areas. The expropriation of private property for the purpose of socialized housing for the marginalized sector is in furtherance of the social justice provision under Section 1, Article XIII of the Constitution which provides that:

SECTION 1. The Congress shall give highest priority to the enactment of measures that protect and enhance the right of all the people to human dignity, reduce social, economic, and political inequalities, and remove cultural inequities by equitably diffusing wealth and political power for the common good.

To this end, the State shall require the acquisition, ownership, use and disposition of property and its increments.

Local government units may exercise the power of eminent domain, subject to the limitation embodied under the law. There are two relevant laws to consider, the Local Government Code (LGC) and Republic Act No. 7279 (UDHA). We first look at Section 19 of the LGC which establishes how a local government unit may expropriate private property, thus:

SEC. 19. Eminent Domain. — A local government unit may, through its chief executive and acting pursuant to an ordinance, exercise the power of eminent domain for public use, or purpose, or welfare for the benefit of the poor and the landless, upon payment of just compensation, pursuant to the provisions of the Constitution and pertinent laws: Provided, however, That the power of eminent domain may not be exercised unless a valid and definite offer has been previously made to the owner, and such offer was not accepted: Provided, further, That

the local government unit may immediately take possession of the property upon the filing of the expropriation proceedings and upon making a deposit with the proper court of at least fifteen percent (15%) of the fair market value of the property based on the current tax declaration of the property to be expropriated: Provided, finally, That, the amount to be paid for the expropriated property shall be determined by the proper court, based on the fair market value at the time of the taking of the property.

Clearly, the Sangguniang Bayan, being a local legislative body, may exercise the power to expropriate private properties, subject to the following requisites, all of which must concur:

- An ordinance is enacted by the local legislative council authorizing the local chief executive, in behalf of the local government unit, to exercise the power of eminent domain or pursue expropriation proceedings over a particular private property.
- The power of eminent domain is exercised for public use, purpose or welfare, or for the benefit of the poor and the landless.
- There is payment of just compensation, as required under Section 9, Article III of the Constitution, and other pertinent laws.
- A valid and definite offer has been previously made to the owner of the property sought to be expropriated, but said offer was not accepted.[16]

In the instant case, no ordinance was passed by the Sangguniang Bayan of Antipolo. In its stead were Resolution Nos. 61-95 and 88-95. It has been categorically stated in the cases of *Municipality of Paranaque v. V.M. Realty Corporation*[17] and *Heirs of Suguitan v. City of Mandaluyong*[18] that a local government unit cannot authorize an expropriation of private property through a mere resolution of its lawmaking body, thus:

We are not convinced by petitioner's insistence that the terms "resolution" and "ordinance" are synonymous. A municipal ordinance is different from a resolution. An ordinance is a law, but a resolution is merely a declaration of the sentiment or opinion of a lawmaking body on a specific matter. An ordinance possesses a general and permanent character, but a resolution is temporary in nature. Additionally, the two are enacted differently — a third reading is necessary for an ordinance, but not for a resolution, unless decided otherwise by a majority of all the Sanggunian members.

If Congress intended to allow LGUs to exercise eminent domain through a mere resolution, it would have simply adopted the language of the previous Local Government Code. But Congress did not. In a clear divergence from the previous Local Government Code, Section 19 of RA 7160 categorically requires that the local chief executive act pursuant to an ordinance. . . .

Moreover, the power of eminent domain necessarily involves a derogation of a fundamental or private right of the people. Accordingly, the manifest change in the legislative language — from "resolution" under the BP 337 to "ordinance" under RA 7160 — demands a strict construction. "No species of property is held by individuals with greater tenacity, and is guarded by the Constitution and laws more sedulously, than the right to the freehold of inhabitants. When the legislature interferes with that right and, for greater public purposes, appropriates the land of an individual without his consent, the plain meaning of the law should not be enlarged by doubtful interpretation." [19] (Emphasis supplied.)

These resolutions cannot partake of a supervening event so as to suspend the writ of execution in the ejectment proceedings. They merely express at most an intention to expropriate. Private respondent correctly maintained that there was no positive act of instituting the intended expropriation proceedings.[20]

Assuming arguendo that instead of resolutions, an ordinance was passed by the Sangguniang Bayan, we still find for private respondent. There is no dispute that a local government unit possesses the power of eminent domain.

But the taking of private properties is not absolute. The power of eminent domain must not be exercised arbitrarily, even if purposed for resolving a critical problem such as urban squatting. The safeguards afforded by law require strict observance.

In *Filstream International Incorporated v. Court of Appeals*,^[21] we state:

We take judicial notice of the fact that urban land reform has become a paramount task in view of the acute shortage of decent housing in urban areas particularly in Metro Manila. Nevertheless, despite the existence of a serious dilemma, local government units are not given an unbridled authority when exercising their power of eminent domain in pursuit of solutions to these problems. The basic rules still have to be followed, which are as follows: "no person shall be deprived of life, liberty, or property without due process of law, nor shall any person be denied the equal protection of the laws (Art. 3, Sec. 1, 1987 Constitution); private property shall not be taken for public use without just compensation (Art. 3, Section 9, 1987 Constitution)."

The UDHA is also relevant as it governs the local expropriation of property for purposes of urban land reform and housing. Sections 9 and 10, in particular, provide the relevant limitations, thus:

Sec. 9. Priorities in the Acquisition of Land.— Lands for socialized housing shall be acquired in the following order:

- (a) Those owned by the government or any of its subdivisions, instrumentalities, or agencies, including government-owned or -controlled corporations and their subsidiaries;
- (b) Alienable lands of the public domain;
- (c) Unregistered or abandoned and idle lands;
- (d) Those within the declared Areas for Priority Development, Zonal Improvement Program sites, and Slum Improvement and Resettlement Program sites which have not yet been acquired;
- (e) Bagong Lipunan Improvement of Sites and Services or BLISS sites which have not yet been acquired; and
- (f) Privately-owned lands.

Where open-site development is found more practicable and advantageous to the beneficiaries, the priorities mentioned in this section shall not apply. The local government units shall give budgetary priority to on-site development of government lands.

Sec. 10. Modes of Land Acquisition.—The modes of acquiring lands for purposes of this Act shall include, among others, community mortgage, land swapping, land assembly or consolidation, land banking, donation to the government, joint-venture agreement, negotiated purchase, and expropriation: Provided, however, That expropriation shall be resorted to only when other models of acquisition have been exhausted: Provided, further, That where expropriation is resorted to, parcels of land owned by small property owners shall be exempted for purposes of this Act: Provided, finally, That abandoned property, as herein defined, shall be reverted and escheated to the State in a proceeding analogous to the procedure laid down in Rule 91 of the Rules of Court.

For the purpose of socialized housing, government-owned and foreclosed properties shall be acquired by the local government units, or by the National Housing Authority primary through negotiated purchase: Provided, That qualified beneficiaries who are actual occupants of the land shall be given the right of first refusal.

Assuming that there was even an attempt by Antipolo City to expropriate the subject properties for socialized housing, the records do not show compliance with the abovementioned rules. No attempt was made to acquire the first five (5) lands mentioned in Section 9. Neither were the other modes of acquisition exhausted, as mandated by Section 10. An examination of the resolutions readily shows that the purpose for which they were passed is to save petitioners from the impending demolition.^[22] Yet nothing therein is of binding force as to preclude the ejectment of the petitioners or the demolition of their houses.

In its second assignment of error, petitioners fault respondent judge for holding their non-compliance with Commonwealth Act No. 538. Petitioners aver that the law does not require that an action for expropriation be filed in court before the suspension of the action for ejectment shall be automatically suspended.[23] Moreover, they assert that the requirement on the payment of rents as a precondition to the availment of the benefits of suspension does not apply to them because they were allowed by private respondent to occupy the premises without paying rent.

Commonwealth Act No. 538[24] took effect on 26 May 1940.

Republic Act No. 1162 was enacted on 18 June 1954. Section 5[25] of said Act provides that from the approval of said Act and until the expropriation herein provided, no ejectment proceedings shall be instituted or prosecuted against any tenant or occupant if he pays his current rentals. The interpretation of this provision, as placed by the Court in numerous cases,[26] is that an action for ejectment is deemed suspended only when an expropriation proceeding is actually commenced.

Apparently to cure the objection that by the indefinite period of suspension provided for in section 5 of Republic Act No. 1162 the owner would be deprived indefinitely of his property without due process of law, Republic Act No. 1599 was enacted amending, among others, that section by expressly providing that the suspension of ejectment proceedings shall be limited to the period of two years from the date of the approval of the amendatory act, namely, June 17, 1956.[27] In *Teresa Realty v. Potenciano*,[28] the Court was emphatic in stating that the remedies granted to tenants under section 5, Republic Act No. 1162 or its amendment, Republic Act No. 1599, whether by way of suspension of ejectment actions, payment of rent by installments, or rental ceilings, do not and can not apply where expropriation proceedings have not been commenced under pain of unconstitutionality.

On 3 August 1959, Congress approved another similar law, Republic Act No. 2616, Section 4 of which provides:

SEC. 4. After the expropriation proceedings mentioned in section two of this Act shall have been initiated and during the pendency of the same, no ejectment proceedings shall be instituted or prosecuted against the present occupant of any lot in said Tatalon Estate, and no ejectment proceedings already commenced shall be continued, and such lot or any portion thereof shall not be sold by the owners of said estate to any person other than the present occupant without the consent of the latter given in a public instrument.

Although the said provision survived the challenge of being discriminatory, the Court, inferring from the twin cases of *J.M. Tuason & Co., Inc. v. Court of Appeals, et al.* and *Republic of the Philippines v. J.M. Tuason & Co., Inc., et al.*,[29] imposed guidelines for its implementation, such that an ejectment proceeding cannot be barred or suspended under Republic Act No. 2616 unless an action for expropriation is actually filed; the government takes possession of the land; and coetaneous payment of just compensation is made.[30] The Court explained in *Familara v. J.M. Tuason*,[31] thus:

Definitely, to hold that the mere declaration of an intention to expropriate, without instituting the corresponding proceeding therefor before the courts, with assurance of just compensation, would already preclude the exercise by the owner of his rights of ownership over the land, or bar the enforcement of any final ejectment order that the owner may have obtained against any intruder into the land, is to sanction an act which is indeed confiscatory and therefore offensive to the Constitution. For it must be realized that in a condemnation case, it is from the condemnor's taking possession of the property that the owner is deprived of the benefits of ownership, such as possession, management and disposition thereof. Before that time, the proprietary right of the owner over his property must be recognized.

On June 16, 1962, Republic Act No. 3453 amended Section 4 of Republic Act No. 2616 as follows:

SEC. 4. Upon approval of this amendatory Act, no ejectment proceedings shall be instituted or prosecuted

against the present occupants of any lot in said Tatalon Estate, and no ejectment proceedings already commenced shall be continued, and such lot or any portion thereof shall not be sold by the owners of said estate to any person other than the present occupant without the consent of the latter given in a public instrument.

In *Cuatico v. Court of Appeals*,^[32] the Court struck down Republic Act No. 3453 for being confiscatory because it allows the continuance of the occupation of the land on the part of the tenant indefinitely even if no expropriation proceedings are taken or contemplated, thus taking from the owner his property without compensation and depriving him of his dominical rights of ownership over it without due process in violation of the Constitution.

Taking a cue from the rationale behind the unenforceability of these provisions on the suspension of ejectment proceedings, we agree with private respondent that Commonwealth Act No. 538 applies only to cases where there exist actual expropriation proceedings.

Considering petitioners' admission that they do not pay rentals, it bears noting that in *Javier v. Araneta*^[33] therein petitioner was not allowed to invoke the benefits of Section 1 of Commonwealth Act No. 538. We quote:

In the second place, the law provides that "to avail himself of the benefits of the suspension, the tenant shall pay the land owner the current rents as they become due or deposit the same with the court where the action for ejectment has been instituted. . . ." Petitioner herein does not come within the purview of this provision. She is a mere squatter and, therefore, not a tenant within a legal meaning of this word. The word "tenant" does not include a squatter, because a squatter is "a person who settles or locates on land, inclosed or uninclosed, with no bona fide claim or color of title, and without the consent of the owner; and it does not appear that petitioner has paid to the land owner the current rents as they became due or has deposited the same with the court where the action for ejectment has been instituted. Petitioner, therefore, can not invoke the benefits of said Commonwealth Act No. 538.

We reiterate now, as then, that only tenants who have been in faithful payment of rentals may invoke the benefits under Commonwealth Act No. 538.

Admittedly, the ejectment of petitioners and the demolition of their houses does nothing to resolve the crippling problem of urban tenancy. Yet our concern is the enforcement of legal rights, and petitioners' right to occupy the property of another is deficient under the law. Certainly, the government of Antipolo City was well capacitated to enact a valid measure of legal protection to petitioners, yet the manner by which they attempted to do so was ineffectual.

WHEREFORE, the petition is DISMISSED.

SO ORDERED.

Puno, (Chairman), Austria-Martinez, and Callejo, Sr., JJ., concur.
Chico-Nazario, J., on leave.

[1] Rollo, pp. 22-24.

[2] Presided by Judge Isagani A. Geronimo.

[3] Lot 1, Blk. 41 of the subd. plan (LRC) Psd-107978; Lot 2-B-2 of the subd. plan (LRC) Psd-045803-054135; Lot 3, Blk. 41 of the subd. plan (LRC) Psd-107978; and Lot 4, Blk. 41 of the subd. plan (LRC) Psd-107978.

[4] Rollo, pp. 36-38.

[5] Id. at 45.

[6] Id. at 80.

[7] Id. at 67.

[8] Id. at 89.

[9] Presided by Judge Ma. Consejo Gengos-Ignalaga who replaced Judge Isagani A. Geronimo.

[10] Rollo, pp. 10-12.

[11] Id. at 140-159.

[12] Section 19, Rule 70, Rules of Court.

[13] *San Pedro v. Court of Appeals*, G.R. No. 114300, 4 August 1994, 235 SCRA 145; *Chua v. Court of Appeals*, 338 Phil. 262 (1997).

[14] *De Laureano v. Adil*, G.R. No. L-43345, 29 July 1976, 72 SCRA 148; *Laurel v. Abalos*, 140 Phil. 532 (1969); *Hualam Construction and Development Corp. v. Court of Appeals*, G.R. No. 85466, 16 October 1992, 214 SCRA 612.

[15] 443 Phil. 603 (2003).

[16] *Heirs of Suguitan v. City of Mandaluyong*, 384 Phil. 676 (2000) citing *Municipality of Paranaque v. V.M. Realty Corporation*, G.R. No. 127820, 20 July 1998, 292 SCRA 678.

[17] G.R. No. 127820, 20 July 1998, 292 SCRA 678.

[18] *Supra* note 16.

[19] *Supra* note 17 citing *Masculana v. Provincial Board of Negros Occidental*, G.R. No. L-27013, 18 October 1977, 79 SCRA 399; *Azarcon v. Sandiganbayan*, G.R. No. 116033, 26 February 1997, 268 SCRA 747; *Ramirez v. Court of Appeals*, G.R. No. 93833, 28 September 1995, 248 SCRA 590; *City of Manila v. Chinese Community of Manila*, 40 Phil 349(1919); and *Arriete v. Director of Public Works*, 58 Phil 507 (1933).

[20] Rollo, p. 190.

[21] 348 Phil. 756 (1998) citing *Manotok v. National Housing Authority*, G.R. No. L-55166, 21 May 1987, 150 SCRA 89; and *Heirs of Juancho Ardon v. Reyes*, G.R. No. L-60549, 60553-55, 26 October 1983, 125 SCRA 220.

[22] Rollo, p. 62.

[23] Id. at 15.

[24] Section 1. When the Government seeks to acquire, through purchase or expropriation proceedings, lands belonging to any estate or chaplaincy (capellania), any action for ejectment against the tenants occupying said lands shall be automatically suspended, for such time as maybe required by the expropriation proceedings or the necessary negotiations for the purchase of the lands, in which latter case, the period of suspension shall not exceed one year.

To avail himself of the benefits of the suspension, the tenants shall pay to the landowner the current rents as they become due or deposit the same with the court where the action for ejectment has been instituted.

Section 2. For the purposes of this Act, the action by the Government shall be considered as instituted, from the date of the filing of the complaint for expropriation with the proper court, or from the time the competent authority advises in writing the owner or party principally concerned of the intention of the Government to acquire his land, through any of the means herein stated.

[25] SECTION 5. From the approval of this Act, and until the expropriation herein provided, no ejectment proceedings shall be instituted or prosecuted against any tenant or occupant of any landed estates or haciendas herein authorized to be expropriated if he pays his current rentals: Provided, however, That if any tenant or occupant is in arrears in the payment of rentals or any amounts due in favor of the owners of the said landed estates or haciendas, the amount legally due shall be liquidated and shall be payable in eighteen equal monthly installments from the time of liquidation: Provided, further, That the rentals being collected from the tenants of the landed estates or haciendas herein authorized to be expropriated, shall not be increased above the amounts of rentals being charged as of December thirty-one, nineteen hundred and fifty-three, except in cases where there were existing rental contracts for a fixed period which expired on said date: Provided, furthermore, That no lot or portion thereof actually occupied by a tenant or occupant shall be sold by the landowner to any other person than such tenant or occupant, unless the latter renounces in a public instrument his rights under this Act: Provided, finally, That if there should be tenants who have constructed bona fide improvements on the lots leased by them, the rights of these tenants should be recognized in the sale or in the lease of the lots, the limitation as to area in section three notwithstanding.

[26] *Teresa Realty v. State Construction and Supply Co., et al.*, 105 Phil. 353 (1959); *Tuason v. De Asis*, 107 Phil 131 (1960).

[27] *Teresa Realty Inc. v. Sison*, 114 Phil. 903 (1962).

[28] 115 Phil. 200 (1962).

[29] 113 Phil. 673 (1961).

[30] *Cuatico v. Court of Appeals*, 116 Phil. 909 (1962).

[31] 151 Phil. 436 (1973) citing *Urtula v. Republic*, L-22061, 31 January 1968, 22 SCRA 477.

[32] *Supra* note 30.

[33] 90 Phil. 287 (1951) citing *Baker v. State*, 71 S.E., 594.

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