

MAMERTA VDA. DE JAYME, AND HER CHILDREN AND/OR HEIRS OF THE LATE GRACIANO JAYME, NAMELY: WILFREDO, MARCIAL, MANUEL, ANTONIO, ALL SURNAMED JAYME; THE HEIRS OF DOMINADOR JAYME, NA...

G.R. No. 128669. October 04, 2002

Ponente: QUISUMBING, J.

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QUISUMBING, J.:

This petition assails the decision[2] dated September 19, 1996, of the Court of Appeals in CA-G.R. CV No. 46496 and its resolution[3] dated February 21, 1997, denying the motion for reconsideration. Said decision had affirmed that of the Regional Trial Court of Cebu City, Branch 15, in Civil Case No. CEB-21369 for Annulment of Contract and Damages with Prayer for the Issuance of Preliminary Injunction.[4]

The following facts are borne by the records:

The spouses Graciano and Mamerta Jayme are the registered owners of Lot 2700, situated in the Municipality of Mandaue (now Mandaue City), Cebu, consisting of 2,568 sq.m. and covered by Transfer Certificate of Title No. 8290.

On January 8, 1973, they entered into a Contract of Lease[5] with George Neri, president of Airland Motors Corporation (now Cebu Asiancars Inc.), covering one-half of Lot 2700. The lease was for twenty (20) years.

The terms and conditions of the lease contract[6] stipulated that Cebu Asiancars Inc. (hereafter, Asiancars) may use the leased premises as a collateral to secure payment of a loan which Asiancars may obtain from any bank, provided that the proceeds of the loan shall be used solely for the construction of a building which, upon the termination of the lease or the voluntary surrender of the leased premises before the expiration of the contract, shall automatically become the property of the Jayme spouses (the lessors).

A Special Power of Attorney[7] dated January 26, 1974, was executed in favor of respondent George Neri, who used the lot to secure a loan of P300,000 from the General Bank and Trust Company. The loan was fully paid on August 14, 1977.[8]

In October 1977, Asiancars obtained a loan of P6,000,000 from the Metropolitan Bank and Trust Company (MBTC). The entire Lot 2700 was offered as one of several properties given as collateral for the loan. As mortgagors, the spouses signed a Deed of Real Estate Mortgage[9] dated November 21, 1977 in favor of MBTC. It stated that the deed was to secure the payment of a loan obtained by Asiancars from the bank.

To assure the Jayme spouses, Neri and the other officers of Asiancars, namely Benny Liongben Lee, William Leong Koc Lee, Connie U. Neri, Edward James Lee, Roberto Uykim and Charles P. Uykim, executed an undertaking[10] dated November 7, 1977. In it they promised, in their personal capacities and/or in representation of Cebu Asiancars, Inc., “to compensate Mr. & Mrs. Graciano Jayme for any and all or whatever damage they

may sustain or suffer by virtue and arising out of the mortgage to MBTC of the aforestated parcel of land.”[11] In addition, Neri wrote a letter dated September 1, 1981[12] addressed to Mamerta Jayme acknowledging her “confidence and help” extended to him, his family and Asiancars. He promised to pay their indebtedness to MBTC before the loan was due.

Meeting financial difficulties and incurring an outstanding balance on the loan, Asiancars conveyed ownership of the building on the leased premises to MBTC, by way of “dacion en pago.”[13] The building was valued at P980,000 and the amount was applied as partial payment for the loan. There still remained a balance of P2,942,449.66, which Asiancars failed to pay.

Eventually, MBTC extrajudicially foreclosed the mortgage. A public auction was held on February 4, 1981. MBTC was the highest bidder for P1,067,344.35. A certificate of sale was issued and was registered with the Register of Deeds on February 23, 1981.

Meanwhile, Graciano Jayme died, survived by his widow Mamerta and their children. As a result of the foreclosure, Graciano’s heirs filed a civil complaint,[14] in January of 1982, for Annulment of Contract with Damages with Prayer for Issuance of Preliminary Injunction, against respondent Asiancars, its officers and incorporators and MBTC. Later, in 1999, Mamerta Jayme also passed away.

Petitioners claim that Neri and Asiancars did not tell them that the indebtedness secured by the mortgage was for P6,000,000 and that the security was the whole of Lot 2700. Petitioners allege that the deed presented to the Jayme spouses was in blank, without explanation on the stipulations contained therein, except that its conditions were identical to those of the stipulations when they mortgaged half the lot’s area previously with General Bank. Petitioners also alleged that the Jayme spouses were illiterate and only knew how to sign their names. That because they did not know how to read nor write, and had given their full trust and confidence to George Neri, the spouses were deceived into signing the Deed of Real Estate Mortgage. Their intention as well as consent was only to be bound as guarantors.

Respondents deny that any fraud was employed, nor was there a scheme to make the spouses sign as mortgagors instead of guarantors. They aver that the spouses were fully advised and compensated for the use of their property as collateral with MBTC; that they voluntarily signed the deed of mortgage upon the request of George Neri, whom they previously trusted and who fulfilled his promise to pay the loan to General Bank and who obtained the release of the same property by faithfully paying his indebtedness with General Bank.

After trial, the RTC rendered a decision, disposing as follows:

WHEREFORE, in view of the foregoing evidences, arguments and considerations, this Court hereby renders judgment as follows:

- Declaring the Real Estate Mortgage executed by the Jaymes in favor of Metrobank as valid and binding;
- Declaring the Undertaking executed by George Neri, Benny Leongben Lee already deceased, William Leong Koc, Connie U. Neri, Edward James Lee, Roberto Uykim, and Charles P. Uykim on November 7, 1977 to be valid and binding as well upon the signatories thereof;
- Allowing the Jaymes to redeem the mortgaged property, Lot 2700 covered by TCT 8290 of the Register of Deeds of Mandaue City for the amount of P2,942,448.66 plus interest at the rate of 6% per annum within ninety (90) days from date of finality of this judgment until paid. However, if the plaintiffs fail to redeem said property, then let a Certificate of Sale/definite Deed of Sale be issued in favor of Metropolitan Bank and Trust

Co. covering said Lot 2700;

- Holding the defendants George Neri, William Leong Koc, Connie U. Neri, Edward James Lee, Roberto Uykim, and Charles Uykim jointly liable on their Undertaking dated November 7, 1977 as they are hereby required to reimburse the Jaymes the amount that the Jaymes will pay to Metropolitan Bank and Trust Co. for the redemption;

- Requiring the defendants George Neri, William Leong Koc, Connie U. Neri, Edward James Lee, Roberto Uykim and Charles Uykim to pay jointly attorneys fees to the Jaymes in the amount of P50,000.00;

- Requiring the defendants George Neri, William Leong Koc, Connie U. Neri, Edwards James Lee, Roberto Uykim and Charles Uykim to pay jointly the cost of this suit.

SO ORDERED.[15]

Petitioners and respondent MBTC elevated the case to the Court of Appeals, which affirmed the ruling of the RTC, with modifications stated in this wise:

- Declaring valid and binding the Real Estate Mortgage executed by plaintiffs in favor of defendant MBTC;

- Declaring valid the foreclosure of the mortgage and the foreclosure sale;

- Declaring that the period to redeem Lot 2700 had expired on February 23, 1982 without plaintiffs redeeming it;

- Ordering the Sheriff of Mandaue City to issue a definite Deed of Sale covering Lot 2700 in favor of defendant MBTC;

- Declaring valid and binding the dacion en pago executed by defendant Asiancars in favor of defendant MBTC;

- Declaring defendant MBTC as owner of the building on Lot 2700;

- Ordering defendant MBTC to pay to plaintiffs the amount of P92,083.33 for the use of the land from December 18, 1981 to February 23, 1982, with six percent (6%) interest per annum until paid;

- Ordering defendant Asiancars, Neris, Uykims, Lee and Koc to pay jointly and severally the plaintiffs the (a) actual value of the lot in the amount of P3,852,000.00; (b) P400,000.00 moral damages; (c) P150,000.00 exemplary damages and P100,000.00 attorney's fee, all with six percent (6%) interest per annum until fully paid;

- Cost against defendants Asiancars, Neris, Uykims, Lee and Koc.

SO ORDERED.[16]

Petitioners filed a motion for reconsideration, which the CA denied. Hence, this petition which assigns the following errors:

I

THAT WITH GRAVE ABUSE OF DISCRETION, AMOUNTING TO EXCESS OF JURISDICTION, THE LOWER COURT GROSSLY AND SERIOUSLY ERRED IN DECLARING VALID AND BINDING THE REAL ESTATE MORTGAGE EXECUTED BY THE PLAINTIFFS IN FAVOR OF THE MBTC, FOR SAID DECLARATION IS ILLEGAL AND NOT WELL-FOUNDED IN LAW BECAUSE IT ULTIMATELY VIOLATED ARTS. 2058, 2076 AND 2077, CIVIL CODE OF THE PHILIPPINES, SINCE THE REAL ESTATE MORTGAGE, EXH. "G", IS NOT LEGALLY A REAL ESTATE MORTGAGE, BUT RATHER A DEED OF GUARANTY, CONSIDERING THAT THE PLAINTIFF MAMERTA VDA. DE JAYME AND HER HUSBAND GRACIANO JAYME, NOW DECEASED, SIGNED INNOCENTLY THE SAID DOCUMENT AS GUARANTORS/ACCOMODATORS ONLY AND DEFINITELY NOT AS DEBTORS/MORTGAGORS;

II

THAT WITH GRAVE ABUSE OF DISCRETION, THE LOWER COURT ERRED IN DECLARING THE PERIOD TO REDEEM LOT NO. 2700 HAD EXPIRED ON FEBRUARY 23, 1982, WITHOUT THE PLAINTIFFS REDEEMING IT FOR SUCH DECLARATION IS NOT WELL-FOUNDED IN LAW AND IN FACT;

III

THAT WITH GRAVE ABUSE OF DISCRETION, THE LOWER COURT ERRED IN DECLARING VALID AND BINDING THE DACION EN PAGO EXECUTED BY DEFENDANT CEBU ASIAN- CARS IN FAVOR OF DEFENDANT MBTC, FOR SAID DECLARATION IS ILLEGAL AND IS CLEARLY FOUNDED ON WANTON BAD FAITH COMMITTED BY BOTH PARTIES, IN VIOLATION OF ART. 1312, CIVIL CODE OF THE PHILIPPINES AND SEC. 10, ART. III, CONSTITUTION OF THE PHILIPPINES;

IV

GRANTING ARGUENDO THAT THE DACION EN PAGO IS VALID, STILL THE LOWER COURT COMMITTED GRAVE ABUSE OF DISCRETION, BY NOT DECLARING THAT THE P574,690.00 INDEBTEDNESS, INCLUDING INTEREST AND ADDITIONAL CHARGES OF CEBU ASIANCARS WAS COMPLETELY EXTINGUISHED OR PAID OFF, BY WAY OF DACION EN PAGO PURSUANT TO ARTS. 1255, 2076 AND 2077 OF THE CIVIL CODE OF THE PHILIPPINES.

V

THAT THE LOWER COURT COMMITTED GRAVE ABUSE OF DISCRETION, AMOUNTING TO EXCESS OF JURISDICTION, IN DECLARING VALID AND BINDING THE MORTGAGE AND THE CORRESPONDING FORECLOSURE, FOR SAID DECLARATION IS ILLEGAL, IN VIOLATION OF ARTS. 1231 (5), 1245 AND 1255, CIVIL CODE AND BY THE INDUBITABLE EVIDENCE OF ALL THE PARTIES TESTIMONIAL AND DOCUMENTARY, TO THE EFFECT THAT THE SIX (6) MILLION INDEBTEDNESS OF CEBU ASIANCARS WAS OVERPAID, THUS MBTC ALSO VIOLATED ARTS. 2142, CIVIL CODE OF THE PHILIPPINES;

VI

THAT WITH GRAVE ABUSE OF DISCRETION, THE LOWER COURT ERRED BY VIOLATING EXH. "C", THE CONTRACT OF LEASE, WHICH IS THE LAW BETWEEN THE PARTIES, AND INSTEAD, DELIBERATELY DECLARED VALID AND BINDING THE MORTGAGE EXH. "G", AND THE FORECLOSURE OF MORTGAGE, AND IN NOT ORDERING MBTC TO VACATE THE PREMISES UPON THE TERMINATION OF THE CONTRACT OF LEASE ON JANUARY 9, 1993 PURSUANT TO EXH. "C", AND LIKEWISE PAY RENTAL THEREAFTER, FOR ITS USE AT P96,300.00 MONTHLY UNTIL MBTC ACTUALLY VACATES THE PREMISES.[17]

On March 13, 2002, the Court set a hearing on this petition, and parties were given thirty days for simultaneous submission of their respective memoranda. Petitioners additionally submitted "reply/rejoinder" and respondent MBTC also submitted its "rejoinder – sur-rejoinder."

Two main issues are for our resolution. First, whether or not the REM should be annulled on the ground of vitiated consent; and second, whether or not the dacion en pago by Asiancars in favor of MBTC is valid and binding despite the stipulation in the lease contract that ownership of the building will vest on the Jaymes at the termination of the lease.

The facts show that the spouses affixed their signature on the Deed of Real Estate Mortgage, in the presence of two instrumental witnesses, and duly notarized by Atty. Rodolfo Y. Cabrera. As a notarized document, it has in its favor the presumption of regularity, and to overcome this presumption, there must be evidence that is clear, convincing and more than merely preponderant that there was irregularity in its execution; otherwise, the document should be upheld.[18]

The Deed of Real Estate Mortgage entered into by the Jayme spouses partake of a Third Party Mortgage under Art. 2085 (3) of the Civil Code which reads:

The following requisites are essential to the contracts of pledge and mortgage: xxx (3) That the persons constituting the pledge or mortgage have the free disposal of their property, and in the absence thereof, that they be legally authorized for the purpose.

Third persons who are not parties to the principal obligation may secure the latter by pledging or mortgaging their own property.

In the case of *Lustan vs. CA, et al.*, [19] this Court recognized the abovesited provision and held that "so long as valid consent was given, the fact that the loans were solely for the benefit of (the debtor) would not invalidate the mortgage with respect to petitioner's property. In consenting thereto even granting that petitioner may not be assuming personal liability for the debt, her property shall nevertheless secure and respond for the performance of the principal obligation."

Clearly, the law recognizes instances when persons not directly parties to a loan agreement may give as security their own properties for the principal transaction. In this case, the spouses should not be allowed to disclaim the validity of a transaction they voluntarily and knowingly entered into for the simple reason that such transaction turned out prejudicial to them later on.

Both the trial and appellate courts found that no fraud attended the execution of the deed of mortgage. This is a factual finding that binds this Court. Further, the records clearly show that the spouses Jayme agreed to use their property as collateral for Neri's loan because Neri had their full trust and confidence. Mamerta herself testified that she and her husband were assured by Neri's promise that he would take full responsibility for whatever happens to the property of the spouses and that he would comply with his obligations to the bank.[20]

The spouses were assisted by their own lawyer, Atty. Cirilo Sanchez, in all their transactions, including the ones

with Asiancars and MBTC. Atty. Sanchez even signed as an instrumental witness to a Special Power of Attorney executed by the spouses in favor of Neri, authorizing the latter to mortgage the same property to MBTC. Although the said SPA was eventually not used because MBTC required that the spouses themselves execute the REM, still, the fact remains that the spouses were already set on allowing the mortgage. In addition, we note that Nelia Sanchez, the daughter of the spouses and one of the petitioners herein, admitted that their parents consulted her and her siblings before their parents executed the Deed.[21]

With the assistance of a lawyer and consultation with their literate children, the spouses though illiterate could not feign ignorance of the stipulations in the deed. Patently, theirs was not a vitiated consent. It could not now be justifiably asserted by petitioners that the Jayme spouses only intended to be bound as guarantors and not as mortgagors.

In this jurisdiction, when the property of a third person which has been expressly mortgaged to guarantee an obligation to which the said person is a stranger, said property is directly and jointly liable for the fulfillment thereof, in the same manner as the mortgaged property of the debtor himself.[22]

In the case at bar, when Asiancars failed to pay its obligations with MBTC, the properties given as security (one of them being the land owned by the Jaymes) became subject to foreclosure. When several things are given to secure the same debt in its entirety, all of them are liable for the debt, and the creditor does not have to divide his action by distributing the debt among the various things pledged or mortgaged. Even when only a part of the debt remains unpaid, all the things are liable for such balance.[23]

At the time of the foreclosure, Asiancars had a remaining balance of P2,010,633.28. Thus, MBTC had every right to effect the extrajudicial foreclosure of the mortgaged properties to satisfy its claim.

The appellate court found that the spouses lost their right to redeem their property. Under Section 78 of the General Banking Act then in force,[24] the mortgagor or debtor whose real property has been foreclosed and sold at public auction, has the right to redeem the property within one year from the sale of the real estate as a result of the foreclosure. The reckoning date in the case of a registered land is from the date of registration of the certificate of sale.[25] If no redemption is timely made, the buyer in a foreclosure sale becomes the absolute owner of the property purchased.[26] In this case, the certificate of sale was registered on February 23, 1981, giving petitioners until February 23, 1982 to redeem the property. This they failed to do, hence, ownership of the property already vested in the purchaser, private respondent MBTC.

Much as we sympathize with petitioners' plight, we are unable to find merit in their plea for the annulment of the deed of sale covering Lot 2700 as a result of foreclosure of mortgage. Petitioners failed to show the required quantum of evidence that they were fraudulently made to sign as mortgagors. As early as *Vales v. Villa*, 35 Phil. 769 (1916), this Court has sounded a note of warning to litigants:

...The law furnishes no protection to the inferior simply because he is inferior any more than it protects the strong because he is strong. The law furnishes protection to both alike – to one no more or less than the other. It makes no distinction between the wise and the foolish, the great and the small, the strong and the weak. The foolish may lose all they have to the wise; but that does not mean that the law will give it back to them again. Courts cannot follow one every step of his life and extricate him from bad bargains, protect him from unwise investments, relieve him from one-sided contracts, or annul the effects of foolish acts.[27]

Petitioners however, are not without recourse for the loss of their property. Although they cannot go after respondent MBTC, they have in their favor the undertaking executed by George Neri and other members of his family. The undertaking also bound respondent Asiancars, as well as its officers who were signatories to the aforesaid Undertaking, to reimburse petitioners for the damages they suffered by reason of the mortgage.

The alienation of the building by Asiancars in favor of MBTC for the partial satisfaction of its indebtedness is, in our view, also valid. The ownership of the building had been effectively in the name of the lessee-mortgagor (Asiancars), though with the provision that said ownership be transferred to the Jaymes upon termination of the lease or the voluntary surrender of the premises. The lease was constituted on January 8, 1973 and was to expire 20 years thereafter, or on January 8, 1993. The alienation via dacion en pago was made by Asiancars to MBTC on December 18, 1980, during the subsistence of the lease. At this point, the mortgagor, Asiancars, could validly exercise rights of ownership, including the right to alienate it, as it did to MBTC.

Dacion en pago is the delivery and transmission of ownership of a thing by the debtor to the creditor as an accepted equivalent of the performance of the obligation.[28] It is a special mode of payment where the debtor offers another thing to the creditor who accepts it as equivalent of payment of an outstanding debt. The undertaking really partakes in one sense of the nature of sale, that is the creditor is really buying the thing or property of the debtor, payment for which is to be charged against the debtor's debt. As such, the essential elements of a contract of sale, namely, consent, object certain, and cause or consideration must be present. In its modern concept, what actually takes place in dacion en pago is an objective novation of the obligation where the thing offered as an accepted equivalent of the performance of an obligation is considered as the object of the contract of sale, while the debt is considered as the purchase price. In any case, common consent is an essential prerequisite, be it sale or novation, to have the effect of totally extinguishing the debt or obligation.[29]

We also find that the Court of Appeals did not err in considering MBTC as a purchaser in good faith. MBTC had no knowledge of the stipulation in the lease contract. Although the same lease was registered and duly annotated on the certificate of title of Lot 2700, MBTC was charged with constructive knowledge only of the fact of lease of the land and not of the specific provision stipulating transfer of ownership of the building to the Jaymes upon termination of the lease. There was no annotation on the title of any encumbrance.[30] While the alienation was in violation of the stipulation in the lease contract between the Jaymes and Asiancars, MBTC's own rights could not be prejudiced by Asiancars' actions unbeknownst to MBTC. Thus, the transfer of the building in favor of MBTC was properly held valid and binding by respondent Court of Appeals.

One point, however, has to be cleared. The appellate court ordered MBTC to pay rentals to petitioners at the rate of P25.00 monthly per square meter. For the Asiancars' building stood on the lot owned by the petitioners, until the time MBTC also consolidated its ownership over the lot. Rentals would have to be paid starting on December 18, 1980, when the building's ownership was transferred to MBTC, until February 23, 1982, when MBTC finally consolidated its ownership over Lot 2700. Hence, we agree that there was error in the computation of rentals by the CA.[31] From December 18, 1980 until February 23, 1982, is a period of 1 year, 2 months and 5 days. Thus, MBTC should pay to petitioners rentals for the use of the occupied lot,[32] consisting of 1,700 sq. m. at the monthly rate of P25.00 per sq. m. for that period, in the total amount of P602,083.33, with six (6) percent interest per annum until fully paid.

Finally, we are in agreement that bad faith attended Asiancars' transfer of the building to MBTC. Asiancars was well aware of its covenant with the Jaymes that the building's ownership was to be transferred to the Jaymes upon termination of the lease. Indeed, petitioners suffered mental anxiety and nervous shock upon learning that the ownership of the building standing on their property had already been transferred to MBTC. The apparent disregard of petitioners' right by Asiancars and other private respondents provides enough basis for an award of moral as well as exemplary damages[33] by the appellate court.

WHEREFORE, the assailed decision of the Court of Appeals is AFFIRMED with the MODIFICATION that private respondent MBTC is ordered to pay petitioners rentals in the total amount of P602,083.33, with six (6) percent interest per annum until fully paid. In all other respects, the assailed decision and resolution of the Court

of Appeals are AFFIRMED.

SO ORDERED.

Bellosillo, Acting C.J. (Chairman), Austria-Martinez, and Callejo, Sr., JJ., concur.
Mendoza, J., on official leave.

[1] In other parts of the record, private respondents' names are sometimes spelled as William "Liong" "Koc" Lee, "Edward," Roberto and Charles Uykim."

[2] Rollo, pp. 50-70.

[3] Id. at 73.

[4] CA Rollo, pp. 7-35.

[5] Supra, note 2 at 84-86.

[6] Id. at 84; Stipulation no. 3.

[7] Exhibit Folder No. 1, Exhibits for Plaintiffs, marked as Exhibit "D".

[8] Rollo, p. 54.

[9] Id. at 87-88.

[10] Exhibit Folder No. 1, Exhibits for Plaintiffs, marked as Exhibit "M".

[11] Ibid; Paragraph 2 of the Undertaking.

[12] Rollo, p. 89, the translation of which is at p. 90.

[13] Exhibit Folder No. 1, Exhibits for Defendant MBTC, marked as Exhibit "8".

[14] Supra, note 12 at 74-83.

[15] Records, pp. 34-35.

[16] CA Rollo, p. 386.

[17] Rollo, pp. 15-16.

[18] Bernardo vs. Court of Appeals, 332 SCRA 1, 7 (2000), citing Caoili vs. Court of Appeals, 314 SCRA 345, 361 (1999).

[19] 266 SCRA 663, 675 (1997); See Bank of America, NT & SA vs. American Realty Corp., 321 SCRA 659, 669 (1999).

[20] TSN, March 10, 1987, pp. 21-22; TSN, June 17, 1987, pp. 21-22.

[21] TSN, September 21, 1989, pp. 34-38.

[22] See Lack vs. Alonso, 14 Phil. 630 (1909).

[23] Dayrit vs. Court of Appeals, 36 SCRA 548, 560 (1970).

[24] R.A. 337, as amended.

[25] *Gorospe vs. Santos*, 69 SCRA 191, 206 (1976).

[26] See *Unionbank of the Philippines vs. Court of Appeals*, 311 SCRA 795, 804 (1999), citing *F. David Enterprises vs. Insular Bank of Asia and America*, 191 SCRA 516, 523 (1990).

[27] *Vales vs. Villa*, 35 Phil. 769, 787-788 (1916).

[28] Tolentino, *CIVIL CODE OF THE PHILIPPINES* Vol. IV (1991), citing 2 Castan, 525; 8 Manresa 324; *Filinvest Credit Corporation vs. Philippine Acetylene Co. Inc.*, 111 SCRA 421 (1982).

[29] *Filinvest Credit Corp. vs. Philippine Acetylene Co., Inc.*, *supra*, note 28 at 428.

[30] Exhibit Folder No. 1, Exhibits for Plaintiffs, marked as Exhibit “A”.

[31] The CA erred in computing rentals starting December 18, 1981 instead of the year 1980, the date when the “dacion en pago” was executed. Hence, it erroneously awarded only 2 months and 5 days worth of rentals, altogether omitting a one-year period when petitioners’ rentals were likewise due.

[32] See Exhibit “8” (MBTC), p. 2.

[33] See *Vda. de Araneta vs. Perez de Tagle-Marcelo*, 81 SCRA 629, 640 (1978).

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