

**RODOLFO CORNES, VIRGILIO CORNES, ENRIQUITO CORNES,
ALFREDO CORNES, ELESEO CORNES, BENITO CORNES, CONSUELO
“NITA” CORNES-VALENZUELA, MA. ALBERTA CORNES
AND HER CHILDREN CHERILYN,...**

G.R. No. 172146. July 30, 2008

Ponente: CHICO-NAZARIO, J.

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CHICO-NAZARIO, J.:

For review under Rule 45 of the Rules of Court are the Decision[1] and Resolution[2] of the Court of Appeals, dated 31 March 2005 and 5 April 2005, respectively, which reversed the Decision[3] dated 1 February 2000 of the Department of Agrarian Reform Adjudication Board (DARAB), and reinstated the Decision[4] dated 31 July 1997 of the Provincial Adjudicator in DARAB Cases No. 6489-6492 (Reg. Case Nos. 234-T'91, 396-T'93, 397-T'93 and 827-T'95).

The instant Petition traces its origins from four separate Complaints filed with the Provincial Adjudication Board, Region III in Tarlac, Tarlac.

DARAB Case No. 234-T'91

The first Complaint[5] dated 19 August 1991, and docketed as DARAB Case No. 234-T'91 was filed by petitioners and their predecessors-in interest Rodolfo Cornes, Pablo Cornes, Sr., Renato T. Cornes, Virgilio T. Cornes, Enriquito T. Cornes, Ernesto T. Cornes, Juanito Robles, Donato Robles, Francisco Gadiano and Eduardo Robles against respondents Leal Realty Centrum Co., Inc. (LEAL REALTY), Leal Haven, Inc. (LEAL HAVEN), their Managing Director Ernesto M. Legaspi, and all persons claiming rights under them for maintenance of peaceful possession and for issuance of a writ of preliminary injunction. Petitioners contended that they had been farmers and full- fledged tenants for more than 30 years of an agricultural landholding which was previously owned and registered in the name of Josefina Roxas Omaña (JOSEFINA) under TCT No. 103275 of the Registry of Deeds of Tarlac. The subject landholding consists of at least 21 hectares and is principally devoted to rice and sugar. According to petitioners, the subject landholding is covered by Republic Act No. 6657,[6] but was sold by JOSEFINA to respondents in contravention of the law. Meanwhile, LEAL HAVEN converted a portion of the subject landholding into a memorial park.

It is petitioners' stance that when respondents entered into a contract of sale with JOSEFINA, they were aware of the tenancy relationship which existed between petitioners and JOSEFINA. Respondents purportedly negotiated with petitioners to renounce their tenancy rights under the Comprehensive Agrarian Reform Law (CARL) in exchange for a compensation package as a form of disturbance compensation. However, respondents failed to comply with the terms and conditions thereof. For this reason, petitioners filed a complaint with the Municipal Agrarian Reform Officer (MARO) in Victoria, Tarlac; but the conciliation efforts of the latter proved to be futile, prompting petitioners to move for their termination. Petitioners further claim that in a letter[7] dated 16 February 1991, respondents admitted their inability to pay the balance in the compensation package drawn between them

and advised petitioners to continue working on the subject landholding, and to continue to appropriate for themselves the fruits thereof until complete payment shall have been made.

Finally, petitioners allege that they were residing in their respective homes made of strong materials built within the premises of the subject landholding. However, they were threatened to be ousted and evicted by respondents who had solicited the assistance of saboteurs and military officers to disturb their peaceful possession without any lawful order from the courts. Petitioners sought an injunction against respondents, and prayed for the declaration of the landholding as subject to the compulsory coverage of the CARL and their entitlement to the rights and privileges accorded thereby, as well as for the payment of damages.

DARAB Case No. 396-T'93

The second Complaint,[8] dated 2 March 1993, docketed as DARAB Case No. 396-T'93 was filed by petitioners against respondent LEAL REALTY and Spouses William Tugadi and Remedios Tugadi (SPS. TUGADI) for violation of Republic Act No. 6657, annulment of documents, title and damages, reiterating their averments in DARAB Case No. 396-T'93. In addition, petitioners posited that LEAL REALTY executed a Deed of Absolute Sale in favor of the SPS. TUGADI without proper conversion of the lot from agricultural to non- agricultural in breach of the CARL. Petitioners contended that LEAL REALTY, without proper authority, caused the subdivision of the subject landholding into smaller lots. One of such lots is Lot No. 1961-B-3-B which was transferred by LEAL REALTY in favor of the SPS. TUGADI. Petitioners impugned the subdivision as having been done without the approval of the Housing and Land Use Regulatory Board (HLURB). Fearing that they may be ejected from their dwellings, petitioners prayed that respondents be declared to have violated Republic Act No. 6657; and that the transfer from JOSEFINA to LEAL REALTY, the subdivision of the subject landholding into smaller lots, and the transfer of Lot No. 1961-B-3-B to SPS. TUGADI be declared null and void.

DARAB Case No. 397-T'93

The third Complaint,[9] also dated 2 March 1993, and docketed as DARAB Case No. 397-T'93 was filed by petitioners against respondent LEAL REALTY and Spouses Romeo Alcazaren and Juliet Astrero-Alcazaren (SPS. ALCAZAREN) for violation of Republic Act No. 6657, annulment of documents, title and damages. In like manner, as with their prior Complaints, petitioners questioned the subdivision of the subject landholding into smaller lots as contrary to law. In particular, petitioners contested the issuance of TCT No. T-237899 of the Register of Deeds of Tarlac over Lot No. 1961-B-1-A in favor of the SPS. ALCAZAREN. As with their prior two Complaints, petitioners prayed for the declaration of nullity of the transfer of the subject landholding from JOSEFINA to LEAL REALTY, including the nullity of TCT No. T-237899 in the name of the SPS. ALCAZAREN.

DARAB Case No. 329-T'95

On 17 March 1995, respondent LEAL REALTY, represented by its Manager, Ernesto Legaspi, filed a Complaint[10] with the Provincial Adjudication Board, Region III in Tarlac against petitioner Nita Cornes-Valenzuela (VALENZUELA), docketed as DARAB Case No. 827-T'95 for injunction with prayer for temporary restraining order and preliminary injunction. LEAL REALTY alleged that sometime in February 1995, despite its objection, VALENZUELA constructed a residential house within the premises of the subject landholding; hence, it prayed for the removal of the construction at VALENZUELA's expense.

Later, all four Complaints were consolidated.

The Ruling of the Provincial Adjudicator

On 31 July 1997, Provincial Adjudicator Benjamin M. Yambao rendered a Decision in favor of respondents and against petitioners. The Complaints filed by petitioners, i.e., DARAB Cases No. 234-T'91, No. 396-T'93, and No.

397-T'93 were ordered dismissed. On the other hand, the prayer of respondent LEAL REALTY in the fourth Complaint, DARAB Case No. 329- T'95 was granted.

The Provincial Adjudicator found that there was no tenancy relationship which existed between the parties. He maintained that no convincing evidence was established to prove the tenancy arrangement other than petitioners' self-serving declaration. The Provincial Adjudicator ruled that Jacinto Cornes (JACINTO), the father and predecessor-in-interest of the petitioners Cornes, declared that he was a hired laborer in the subject landholding.[11] Petitioners' other predecessors-in-interest,[12] namely, Pablo Cornes (PABLO), Francisco Gadiano (FRANCISCO), Domingo Pagarigan (DOMINGO), and Juanito Robles (JUANITO), were also found to have worked as hired hands. As petitioners merely derived the relationship from their predecessors-in-interest who were hired workers, they cannot be expected to rise above their source. According to the Provincial Adjudicator, the fact that petitioners were seen working on the subject landholding did not raise a presumption of the existence of a tenancy relationship.

Further, the Provincial Adjudicator declared that a tenancy relationship cannot be inferred from the alleged compensation package entered into by petitioners and their predecessors-in-interest with respondent LEAL REALTY in the amount of P114,000.00, leaving an unpaid balance of P46,000.00. At best, it was deemed as a gesture of compassion akin to a pabuya upon the instruction of JOSEFINA, the former landowner, to respondent LEAL REALTY.

The Provincial Adjudicator also declared the sale between JOSEFINA and LEAL REALTY as valid on the following rationalization:

On the issue of coverage or non-coverage. The landholding in question consists of 201,051 square meters, more or less, located at Brgy. Buló, Victoria, Tarlac. The property was formerly owned by Josefina Roxas Omana then covered by TCT No. 103275. On June 6, 1988 or nine (9) days before Republic Act No. 6657 took effect, Josefina Roxas Omana sold the land by virtue of a Deed of Absolute Sale in favor of defendant corporation. A title was subsequently issued in favor of the latter under TCT No. 215216 of the Register of Deeds of Tarlac, Tarlac and registered on September 12, 1988.

Given this situation, there is no question that the sale between the previous owner, Josefina Roxas Omana, and defendant corporation is valid. [The] [p] rovision of Section 6, paragraph 4 of Republic Act No. 6657 states that:

"x x x Upon the effectivity of this Act, any sale, disposition, lease, management contract or transfer of possession of private lands executed by the original landowner in violation of this Act shall be null and void; Provided, however, That those executed prior to this Act shall be valid only when registered with the Register of Deeds within a period of three (3) months after the effectivity of this Act. Thereafter, all Registers of Deeds shall inform the DAR within thirty (30) days of any transaction involving agricultural lands in excess of five (5) hectares."

What is being prohibited by law is the disposition of the property after the effectivity of RA 6657 in order to circumvent the provision of the said law. [13]

The Provincial Adjudicator also declared that a portion of the subject landholding was within the coverage of the CARL. He reached the foregoing conclusion in this wise:

Likewise, the remaining portion which is 17 hectares, more or less, which is agricultural in nature, excluding the memorial park duly approved for conversion appears to be within the coverage of the Comprehensive Agrarian Reform Program. It should be noted that on July 22, 1988, former President Corazon C. Aquino approved and signed Proclamation No. 131 instituting a Comprehensive Agrarian Reform Program which shall cover, regardless of tenurial arrangements and commodity produce, all public and private agricultural lands as

provided in the Constitution, including whenever applicable in accordance with law, other land if the public domain is suitable for agriculture. On the same date, Executive Order No. 229 was promulgated providing for the mechanism for the implementation of the Comprehensive Agrarian Reform Program. On June 15, 1988, or nine (9) days after the sale of the land in issue, RA 6657 took effect. Said law covers, regardless of tenurial arrangements and commodity produced, all public and private agricultural land as provided in Proclamation No. 131 and Executive Order No. 229, including lands of public domain suitable for agriculture.

The fact that the landholding in question was not covered by Operation Land Transfer pursuant to PD 27 is well[-]taken considering that the land in issue is predominantly sugar land[,] whereas PD No. 27 covers only rice and corn lands. In its schedule of implementation provided in Section 7 thereof, the land in question clearly, squarely and timely falls within its last phase of implementation. Under Phase III (b) of the said section, "Landholdings from the retention limit up to twenty-four (24) hectares, to be covered on the sixth (6[th]) year from the effectivity of this Act and to be completed within four (4) years, to implement principally the right of farmers and regular farmworkers who are landless, to own directly or collectively the lands they till.[14]

The Provincial Adjudicator held that the Department of Agrarian Reform (DAR) was, thus, duty-bound to look into the petitioners' qualification as prospective farmer-beneficiaries, notwithstanding the fact that they were found to be hired laborers.

Finally, the Provincial Adjudicator held that LEAL REALTY violated Republic Act No. 6657 when it subdivided and inter-subdivided the subject landholding and sold portions thereof to the SPS. TUGADI and SPS. ALCAZAREN. Both sales were found to have been made after the effectivity of the said Act. However, it denied jurisdiction thereon on the ground that the matter was within the cognizance of the Regional Trial Court. Also, anent the fourth Complaint which was filed by LEAL REALTY against petitioner VALENZUELA, the Provincial Adjudicator found that VALENZUELA constructed the improvements on the portion of the landholding in question as an extension of the house of her father and predecessor-in-interest Pablo Cornes. As the latter cannot be said to be a bona fide tenant, VALENZUELA was ordered to have the said improvements removed.

The decretal portion of the Provincial Adjudicator's Decision of 31 July 1997 reads:

WHEREFORE, premises considered, judgment is hereby rendered in the following cases, to wit:

- Dismissing DARAB CASE NO. 234-T'91 for lack of merit;
- Dismissing DARAB CASE NO. 396-T'93 and 397-T'93 for lack of jurisdiction;
- Ordering the removal of any improvements made by the defendant in DARAB CASE NO. 827-T'95; and
- No cost.[15]

Petitioners brought forth an appeal of the 31 July 1997 Decision of the Provincial Adjudicator of Tarlac before the DARAB Central Office in Diliman, Quezon City.

The Ruling of the DARAB

On 1 February 2000, the DARAB vacated the appealed Decision. It reversed the 31 July 1997 Decision of the Provincial Adjudicator, and disposed, thus:

WHEREFORE, premises considered, judgment is hereby rendered SETTING ASIDE the decision of the Honorable Adjudicator and ENTERING A NEW ONE as follows:

- Declaring [herein petitioners] as bona fide tenants of the subject landholding;
- If reinstatement is no longer possible due to the effective change of the subject landholding unto other

purposes other than agricultural, then [herein respondents] are ordered to pay [herein petitioners] disturbance compensation and other benefits provided for in par. VI-B (6), DAR Administrative Order No. 7, Series of 1997 without prejudice to the prosecution of the former for illegal conversion.[16]

The DARAB held that the right to security of tenure does not only apply to bona fide tenants; but also to actual tillers of the land. It also declared that there was an implied tenancy between the parties. The DARAB ruled that for more than 30 years, the petitioners were deemed tenants of the subject landholding.

The DARAB pronounced:

Pursuant to Department Memorandum Circular No. 2, Series of 1973 issued by the DAR for the implementation of P.D. No. 27, security of tenure is likewise available to actual tillers of the land and actual tillers has been defined "to be the tenant-farmer, sublessee and purchaser or mortgagee of possession who at the time the decree was promulgated has been in actual possession and cultivation of his farmholding and who has shared the products thereof for at [l]east one (1) agricultural year preceding the Decree." x x x.

x x x x

For tenancy to exist, there must have been an agreement between the tenant and the landowner, x x x x this means that without such agreement, express or implied there can be no tenancy. [Herein respondents] claimed that [herein petitioners] had not been instituted as tenants on the land in suit. However, the fact that they did not at all question his tenancy over the land in question for quite several years, is an implied admission or consent to the establishment of a tenancy relationship between the parties.

Thus, Sec. 5 [of] Republic Act No. 3844 provides:

"Sec. 5. Establishment of Agricultural Leasehold Relation - The agricultural leasehold relation shall be established by operation of law in accordance with Sec. 4 of this Code and, in other cases, either orally or in writing express or implied."

Consequently, the tenant herein is entitled to security of tenure on this landholding and can not be ejected therefrom unless authorized by the Court (Sec. 7 of the Code of Agrarian Reforms (sic), R.A. No. 3844, Baoanan vs. Reyes, CA-G.R. No. SP-04210, July 15, 1976). Security of tenure is a legal concession to agricultural lessees which they value as life itself and deprivation of their landholdings is tantamount to deprivation of their and their families[`] only means of livelihood. Such dispossession, therefor, is indeed a grave injury which social justice seeks to vindicate (Bernardo vs. Court of Appeals, 168 SCRA 440, December 14, 1988).

Likewise in Sec. 56, Republic Act No. 1199, it provides that in case there is doubt in the interpretation and enforcement of laws or acts relative to tenancy, including agreements between the landowner and the tenant, it should be resolved in favor of the latter to protect him from unjust exploitation and arbitrary ejection by unscrupulous landowners.

Sect[ion] 7 of Republic Act No. 3844 (sic) provides:

"Sec. 7. Tenure of Agricultural Leasehold Relation. - The agricultural leasehold relation once established shall confer upon the agricultural lessee the right to continue working on the landholding until such leasehold relation is extinguished. The agricultural lessee shall be entitled to security of tenure on his landholding and cannot be ejected therefrom unless authorized by the Court for causes herein provided."

The Supreme Court in the case of Bernardo vs. Court of Appeals, 168 SCRA 440-441, December 14, 1988, held that "the purchaser of the landholding is subrogated to the rights and substituted to the obligations of the agricultural lessor (Sec. 10, Rep. Act No. 3844), the agricultural leasehold relationship continues between the agricultural lessee and the purchaser automatically by operation of law and the latter, an agricultural lessor, is bound to respect the agricultural lessee[`]s possession and cultivation of the land."

[Petitioners] have been in possession and cultivation of the subject landholding for more than thirty (30) years and have been identified as tenants therein by Araceli Pascua, an employee of DAR, Victoria, Tarlac in an ocular inspection conducted by the latter on the subject landholding.[17] (Underscoring supplied.)

Respondents moved for reconsideration of the foregoing DARAB Decision. On 20 February 2002, the DARAB issued a Resolution[18] denying the Motion for lack of merit.

Respondents went to the Court of Appeals on a Petition for Review. On 24 April 2002, the Court of Appeals issued a Resolution[19] dismissing the same. It found that the certification of non-forum shopping attached to the Petition was signed by Ernesto M. Legaspi sans a board resolution and a special power of attorney giving him authority to file the action in behalf of LEAL REALTY and LEAL HAVEN, and the individual respondents. Also, certified copies of pertinent pleadings were not shown to have been attached to the Petition.

On reconsideration, the Court of Appeals issued a Resolution,[20] dated 7 August 2002, reinstating the Petition.

The Ruling of the Court of Appeals

On 31 March 2005, the Court of Appeals rendered the herein assailed Decision which granted respondents' Petition for Review. The dispositive portion of the judgment states:

WHEREFORE, the decision dated February 1, 2000 of the Department of Agrarian Reform Adjudication Board is VACATED and SET ASIDE, while the decision dated July 31, 1997 of the Provincial Adjudicator is REINSTATED.[21]

Essentially, the Court of Appeals sided with the findings of the Provincial Adjudicator. It was adamant in ruling that for a tenancy relationship to exist, there must be a concurrence of the six requisites, i.e., (i) the parties are the landowner and the tenant; (ii) the subject is agricultural land; (iii) there is consent by the landowner; (iv) the purpose is agricultural production; (v) there is personal cultivation; and (vi) there is sharing of the harvest. The Court of Appeals ruled that substantial evidence was wanting to support a conclusion that a tenancy relationship existed between the parties. It held that the fact that petitioners had worked on the subject landholding did not give rise to the existence of a tenancy relationship. However, it opined that notwithstanding the lack of tenancy relationship between the parties, the compensation agreement package entered into between LEAL REALTY and petitioners must be respected. Hence:

Rodolfo, et al[.] failed to prove that Josefina agreed to constitute them as tenants of the landholding and that there was sharing of the produce thereof between them. On the contrary, Josefina executed an affidavit of non-tenancy in respect to the landholding which was annotated on the back of TCT No. 103275 as Entry Nos. E-17-7182, E-22-4361 and E-28-16373. Such non-tenancy was confirmed by Jacinto, Pablo, Juanito and Francisco in their affidavit admitting that they were merely hired laborers. Although the aforesaid annotations are not conclusive upon courts as to the legal nature and incidents of the relationship between Josefina and said hired laborers (Cuaño vs. Court of Appeals, 237 SCRA 122), the same corroborate the sworn declaration of Jacinto, Pablo, Juanito and Francisco that they were mere hired laborers, thereby precluding the existence of tenancy relationship.

Respondents contend that the status of Rodolfo, et al[.] as tenants was substantially supported by (i) the un rebutted testimony of Rodolfo, (ii) the testimony of [Senior Agrarian Reform Technologist] Araceli, (iii) their compensation package agreement with Leal Realty which partakes of the nature of tenants' disturbance compensation, (iv) the affidavits executed by the chairman of the Barangay Agrarian Reform Council and the barangay chairman of Bulo, Victoria, Tarlac recognizing them as tenants and (v) Leal Realty's letter admitting its inability to comply with the financial package and allowing them to continue working on the landholding.

Nevertheless, Rodolfo et al[.] failed to establish the concurrence of all the requisites of tenancy relationship; the absence of one does not make an occupant or a cultivator of a land or a planter thereon a de jure tenant

(Heirs of Jose Juanite vs. Court of Appeals, 375 SCRA 273).

It is noteworthy that [Senior Agrarian Reform Technologist] Araceli's testimony indicates that in 1989, she conducted an ocular inspection of the landholding and found five tenants working thereon, including Jacinto, Pablo, Juanito and Francisco. However, the former hired laborers' occupation of their respective portions of the landholding was part of their compensation package agreement with Leal Realty which was found by the Provincial Adjudicator to be a gesture of compassion ("pabuya") extended by the latter, upon the instruction of Josefina, that Rodolfo, et al[.], being her laborers, be given some consideration.

It is settled that certifications issued by administrative agencies or officers that a certain person is a tenant are merely provisional and not conclusive on courts (Bautista vs. Araneta, supra, citing Oarde vs. Court of Appeals, 280 SCRA 235). Thus, affidavits of administrative officials recognizing Rodolfo, et al[.] as tenants cannot be given weight in the absence of substantial evidence supporting such fact.[22]

The Court of Appeals also pronounced the sale of the subject landholding to LEAL REALTY as valid for the reason that it was entered into before the effectivity of Republic Act No. 6657.

Petitioners' Motion for Reconsideration of the 31 March 2005 Decision was denied by the Court of Appeals in a Resolution dated 5 April 2005. Moreover, in the same Resolution, the Court of Appeals granted petitioners' Motion for Substitution of Parties, to wit:

It appears from respondents' Motion for Substitution of Parties dated July 18, 2005, that respondents Pablo Cornes, Sr., Ernesto T. Cornes, Juanito C. Robles and Francisco M. Gadiano died on September 23, 2001, April 2, 1997, May 9, 2005 and October 5, 2005, respectively. Consequently, Pablo Cornes, Sr. is substituted by his children Alfredo Cornes, Eleseo Cornes, Benito Cornes and Consuelo "Nita" Cornes- Valenzuela; Ernesto T. Cornes is substituted by his widow Ma. Alberta Cornes and their children Cherilyn, Jonalyn, Dianalyn, Marie Joy, Ernesto Jr., Jerson and Erika, all surnamed Cornes, the last three, being minors, represented by their guardian ad litem Ma. Alberta Cornes; Juanito Robles is substituted by his widow Maria Robles and their children Donato Robles, Eduardo Robles, Rizalino Robles, Edwin Robles, Vicente Robles, Jessie Robles, Aniceto Robles, Jerry Robles and Marites Robles-Fabian; and Francisco Gadiano is substituted by his children Crisanto, Randy, Dinia, Maureen, Joana, Nova, Francisco, Jr. and Beatriz, all surnamed Gadiano, the last four represented by their siblings and guardians ad litem.[23]

Hence, the instant Petition.

The Issue

Petitioners assign several errors[24] which revolve on the jugular issue of whether petitioners and their predecessors-in-interest are tenants de jure of the subject landholding.

The Ruling of the Court

A. Tenancy Relationship

It must be initially emphasized that for the DARAB to have jurisdiction over a case, there must be a tenancy relationship between the parties.[25] We stress that a tenancy relationship cannot be presumed.[26] In order for a tenancy agreement to arise, it is essential to establish all its indispensable elements, viz: 1) the parties are the landowner and the tenant or agricultural lessee; 2) the subject matter of the relationship is an agricultural land; 3) there is consent between the parties to the relationship; 4) the purpose of the relationship is to bring about agricultural production; 5) there is personal cultivation on the part of the tenant or agricultural lessee; and 6) the harvest is shared between the landowner and the tenant or agricultural lessee.[27]

Tenants are defined as persons who - in themselves and with the aid available from within their immediate farm households - cultivate the land belonging to or possessed by another, with the latter's consent, for purposes of

production, sharing the produce with the landholder under the share tenancy system, or paying to the landholder a price certain or ascertainable in produce or money or both under the leasehold tenancy system.[28]

In resolving the question of tenancy, it must be borne in mind that whether a person is an agricultural tenant or not is basically a question of fact.[29] The general rule is, a question of fact is beyond the office of this Court in a petition for review under Rule 45 of the Rules of Court in which only questions of law may be raised.[30] It is settled doctrine that findings of fact of the Court of Appeals are binding and conclusive upon this Court.[31] 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 a 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 appellee; (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.[32]

We find herein a proper application of the exception to the rule. In the case at bar, the findings of fact are conflicting. The Provincial Adjudicator and the Court of Appeals were in concurrence that no tenancy relationship existed between the parties. In contrast, the DARAB ruled that petitioners are bona fide tenants of the subject landholding.

After a thorough evaluation of the records, we conclude that petitioners failed to adduce substantial evidence to show the existence of all the indispensable requisites for the constitution of a tenancy relationship. We shall address the elements of tenancy[33] *seriatim* as they apply to the instant Petition.

At the outset, the parties do not appear to be the landowner and the tenants. While it appears that there was personal cultivation[34] by petitioners and their predecessors-in-interest of the subject landholding, what was established was that petitioners' claim of tenancy was founded on the self-serving testimony of petitioner Rodolfo Cornes that his predecessors-in-interest had been in possession of the landholding for more than 30 years and had engaged in a "50-50" sharing scheme with JOSEFINA and JOSEFINA's grandmother, the previous owner thereof. Self-serving statements in pleadings are inadequate; proof must be adduced.[35] Such claims do not suffice absent concrete evidence to support them. The burden rests on the shoulders of petitioners to prove their affirmative allegation of tenancy, which burden they failed to discharge with substantial evidence. Such a juridical tie must be aptly shown. Simply put, he who alleges the affirmative of the issue has the burden of proof, and from the plaintiff in a civil case, the burden of proof never parts.[36] The same rule applies to administrative cases. In fact, if the complainant, upon whom rests the burden of proving his cause of action, fails to show in a satisfactory manner the facts upon which he bases his claim, the respondent is under no obligation to prove his exception or defense.[37] While it might have been shown and not contested that petitioners' predecessors-in-interest, namely JACINTO, PABLO, JUANITO and FRANCISCO[38] occupied the subject landholding as tillers thereof, the records support the fact that their occupancy was in the nature of hired laborers of JOSEFINA. This was the factual finding of the Provincial Adjudicator which was seconded by the Court of Appeals. On the other hand, there is evidence to support that the subject landholding was not tenanted. As can be gleaned from the Entry No. E-17-7182,[39] annotated on 2 June 1977 at the back of TCT No. 103275, covering the subject landholding in the name of JOSEFINA, the same was not tenanted. Moreover, Entry No. E-22-4361, dated 26 March 1982, also annotated on the aforesaid certificate of title, is explicit that the subject landholding is not tenanted.[40] Further, the records reveal that petitioners' predecessors-in-interest, namely PABLO, JACINTO, FRANCISCO and

JUANITO, executed an affidavit on 8 December 1988, attesting that they were working on the subject landholding as "hired laborers only." These facts taken together were deemed by both the Provincial Adjudicator and the Court of Appeals to be corroborative of the entries annotated on TCT No. 103275 that the subject landholding was indeed not tenanted, and that petitioners' predecessors-in-interest were hired laborers of JOSEFINA. Such type of occupation on the subject landholding does not create a presumption of tenancy in petitioners' favor. Clearly, the fact alone of working on another's landholding does not raise a presumption of the existence of agricultural tenancy.[41]

Neither was it shown to the satisfaction of this Court that there existed a sharing of harvests in the context of a tenancy relationship between petitioners and/or their predecessors-in-interest and JOSEFINA. Jurisprudence is illuminating to the effect that to prove such sharing of harvests, a receipt or any other evidence must be presented.[42] None was shown. No receipts were presented as testaments to the claimed sharing of harvests. The only evidence submitted to establish the purported sharing of harvests was the testimony of petitioner Rodolfo Cornes. The sharing arrangement cannot be deemed to have existed on the basis alone of petitioner Rodolfo Cornes's claim. It is self-serving and is without evidentiary value. Self-serving statements are deemed inadequate; competent proof must be adduced.[43] If at all, the fact alone of sharing is not sufficient to establish a tenancy relationship.[44]

We also sustain the conclusion reached by the Provincial Adjudicator and the Court of Appeals that the testimony of Araceli Pascua, an employee of the DAR in Victoria, Tarlac, that the subject landholding was tenanted cannot overcome substantial evidence to the contrary. To prove the alleged tenancy no reliance may be made upon the said public officer's testimony. What cannot be ignored is the precedent ruling of this Court that the findings of or certifications issued by the Secretary of Agrarian Reform, or his authorized representative, in a given locality concerning the presence or absence of a tenancy relationship between the contending parties, are merely preliminary or provisional and are not binding upon the courts.[45] This ruling holds with greater effect in the instant case in light of the fact that petitioners, as herein shown, were not able to prove the presence of all the indispensable elements of tenancy.

The element of consent in the creation of the tenancy relationship was sorely missing. As was seen earlier, even petitioners' predecessors-in-interest were unequivocal in their admission that they worked as hired laborers on the subject landholding. The intent, if any, to institute them as tenants of the landholdings was debunked by their very admission.

All the requisites[46] must concur in order to create a tenancy relationship between the parties and the absence of one or more requisites is fatal to petitioners' cause. It cannot even make the alleged tenant a *de facto* tenant as contradistinguished from a *de jure* tenant.[47] This is so because unless a person has established his status as a *de jure* tenant, he is not entitled to security of tenure nor is he covered by the Land Reform Program of the Government under existing tenancy laws.[48]

One glaring factor that strikes the mind of this Court is the fact that petitioners did not implead JOSEFINA, the seller of the subject landholding, in any of their Complaints filed below. JOSEFINA, who is a party[49] to the said contract of sale, is an indispensable party. An indispensable party is a party who has such an interest in the controversy or subject matter that a final adjudication cannot be made, in his absence, without injuring or affecting that interest. [50] As a party to the contract of sale, which petitioners seek to declare voided and annulled, there cannot be a determination between the parties already before the court, a determination that is effective, complete, or equitable[51] without impleading JOSEFINA; hence, rendering their action dismissible. From the beginning, this was a legal hindrance which petitioners were not able to successfully overcome. It is hornbook doctrine that the joinder of all indispensable parties must be made under any and all conditions, their

presence being a sine qua non for the exercise of the judicial power.[52] When an indispensable party is not before the court, the action should be dismissed.[53]

B. Compensation Package Agreement

For a wholistic determination of the issues in the case at bar, we proceed to consider the ruling of the Court of Appeals on the compensation package agreement (compensation agreement) between petitioners and their predecessors-in-interest and respondent LEAL REALTY. On this matter, the Court of Appeals held that notwithstanding the lack of tenancy relationship, the compensation agreement must be respected.[54] However, we note that the aforesaid finding concerning the compensation package was not incorporated by the Court of Appeals in the dispositive portion of its 31 March 2005 Decision. The Court of Appeals, in affirming the Decision of the Provincial Adjudicator, merely reinstated the latter's Decision, which was silent on the manner in which the compensation agreement may be settled.

We affirm the ruling of the Court of Appeals that the compensation package agreement must be respected.

As evident from the records, on 10 August 1988, the compensation agreement[55] was particularized, as follows:

Relative to the Omaña property per T.C.T. No. 103275 now owned by LEAL REALT CENTRUM CO., INC., hereunder is the compensation package for you:

- The amount of PESOS: ONE HUNDRED SIXTY THOUSAND ONLY (P160,000.00) to be prorated according to the area apportioned to you with terms as follows:
- P10,000.00 - payable upon signing of affidavit and upon issuance of clearance by the Ministry of Agrarian Reform (MAR). Oct. 17, 1988
- P20,000.00 - payable upon issuance of locational clearance by Housing & Land Use Regulatory Board (HLRS) Nov. 17, 1988.
- P65,000.00 - payable on or before Dec. 15, 1988 upon the beginning of project.
- P65,000.00 - payable upon relocation to new residential area- 2,500 square meters more or less.
- The area across the railroad on the southern portion of the property will be given free to you as your work area.
- An area of 2,500 square meters will be given free to you as your residential area which you will occupy within a year from todate. (sic)
- We will provide trucking services in transporting your home paraphernalia.
- You are given first priority as your workforce recruitment scheme for manual labor.
- USAGE OF LAND:
The property can be used for livelihood while it is not yet needed by the owner however, the term and condition of the usage will be at the discretion of the owner. (Emphasis supplied.)

In addition, the compensation agreement was set forth in more detail in a Memorandum dated 6 January 1989,[56] stating thus:

January 6, 1989

MESSRS.

JUANITO ROBLES

PABLO CORNES

JACINTO CORNES

FRANCISCO GADIANO

Brgy. Bulo, Victoria
Tarlac

GENTLEMEN:

As agreed the following would be the terms and conditions of the land located after the barangay road (ricefield consisting of six (6) hectares and sugarland of nine (9) hectares estimatedly erpsectively). (sic)

It is understood and agreed that within a period of two (2) years from January 1, 1989 to December 31, 1990, you can cultivate the riceland covering an area of six (6) hectares per attached plan, and appropriate for yourselves the fruits thereof after which LEAL REALTY CENTRUM CO., INC. will exclusively cultivate and operate the said parcels of Riceland without need of any demand for you to surrender possession thereof.

As regards the sugarland consisting of seven (7) hectares per attached location plan, you will cultivate the same within a period of two (2) years from January 1, 1989 to December 31, 1990 and divide the fruits and expenses thereof equally between yourselves and LEAL REALTY CENTRUM CO., INC. through MR. FRANCISCO RIVERA, our Farm Supervisor, who is duly authorized to transact in our behalf.

On the third year thereof, that is, on January 1, 1991 LEAL REALTY CENTRUM CO., INC., will takeover the cultivation of said parcel of land exclusively, without need of any further demand for you to surrender possession thereof.

It is also agreed and understood that you are freeing LEAL REALTY CENTRUM CO., INC. and LEAL HAVEN, INC., from any and all further civil or criminal liabilities which may arise out of this usufructuary contract and that you have entered this contract on your free and voluntary will by signing on the spaces provided for below.

Very truly yours,
LEAL REALTY CENTRUM CO., INC.

(sgd.)
ERNESTO M. LEGASPI
Managing Director

CONFORME:

(sgd.)

(sgd.)

JUANITO ROBLES

PABLO CORNES

(sgd.)

(sgd.)

JACINTO CORNES**FRANCISCO GADIANO**

Due to LEAL REALTY's failure to pay the full amount as contained in the compensation agreement, petitioners were allowed to continue tilling the land for their sole benefit until such time that it is able to pay the balance thereof. On 16 February 1991, Ernesto M. Legaspi as Managing Director of LEAL REALTY sent a letter^[57] to JACINO, which is worded in like manner as the letters addressed to PABLO, JUANITO and FRANCISCO, except as to amount owed, to wit:

Feb. 16, 1991

MR. Jacinto Cornes
BRGY. BULO, VICTORIA, TARLAC

Under our compensation package dated August 10, 1988 and the Memorandum dated January 6, 1989 on our Victoria property (Omaña Property), you have been paid so far the total sum of P31,000.00 leaving a balance of P27,000.00 (which includes P2,000.00 representing your unrealized harvest for that piece of lot which had been included in the simple subdivision).

In this regard, please be advised that because of our inability to pay you the balance, you may continue working in the property and continue appropriating for yourself the fruits thereof until we shall have paid you. In other words, we are not yet taking over exclusive cultivation of the area under our agreement but will do so upon payment to you of the balance.

Very truly yours,

(sgd.)

ERNESTO M. LEGASPI

Managing Director

Therefore, LEAL REALTY may not be allowed to ignore the terms of the compensation agreement on the premise that petitioners have long been tilling the land for their sole benefit. The terms of the compensation agreement must be respected.

The records show that out of the amount of P160,000.00 stated in the compensation package, LEAL REALTY has already paid P114,000.00 thereof, leaving a balance of P46,000.00. This amount should, thus, be paid to JACINTO, PABLO, JUANITO and FRANCISCO (or their heirs, where applicable) by LEAL REALTY in accordance with the compensation agreement. In the same vein, LEAL REALTY is enjoined to respect the terms of the compensation agreement by turning over the 2,500 square-meter lot ^[58] to JACINTO, PABLO, JUANITO, and FRANCISCO as described therein.

Finally, anent the question on the coverage of the subject landholding under the CARP, it pays well to heed that the jurisdiction over the aforesaid issue is within the proper confines of the DAR Secretary, pursuant to DARAB Revised Rules, Rule II, Section 1(g), as well as Section 2 of Administrative Order No. 06-00, providing for the Rules of Procedure for Agrarian Law Implementation Cases, granting exclusive jurisdiction to the DAR Secretary in matters involving the classification and identification of landholdings for coverage under the CARP, including the identification, qualification or disqualification of potential farmer-beneficiaries.

WHEREFORE, the instant Petition is DENIED. The Decision and Resolution of the Court of Appeals, dated 31 March 2005 and 5 April 2005, respectively, are AFFIRMED with MODIFICATIONS, to wit:

(1)

Respondent LEAL REALTY are DIRECTED to PAY JACINTO, PABLO, JUANITO, and FRANCISCO (and their heirs, where applicable) the amount of P46,000.00 to be pro-rated among the latter in accordance with the compensation agreement; and

(2)

Respondent LEAL REALTY is ORDERED to TURN OVER THE 2,500 square-meter lot to JACINTO, PABLO, JUANITO, and FRANCISCO (and their heirs, where applicable) per the compensation agreement.

No costs.

SO ORDERED.

Ynares-Santiago, (Chairperson), Austria-Martinez, Nachura, and Reyes, JJ., concur.

[1] Penned by Associate Justice Edgardo P. Cruz with Presiding Justice Romeo A. Brawner and Associate Justice Jose C. Mendoza, concurring; rollo, pp. 84-96.

[2] Penned by Associate Justice Edgardo P. Cruz with Associate Justices Noel G. Tijam and Arturo G. Tayag, concurring; id. at 97-98.

[3] Penned by Assistant Secretary Lorenzo R. Reyes with Secretary Horacio R. Morales, Jr., Undersecretary Federico A. Poblete, Assistant Secretary Augusto P. Quijano, Assistant Secretary Edwin C. Sales and Assistant Secretary Wilfredo M. Peñaflor, concurring; CA rollo, pp. 87-103.

[4] Penned by Provincial Adjudicator Benjamin M. Yambao; id. at 11-24.

[5] The original plaintiffs therein are Rodolfo Cornes, Pablo Cornes, Sr., Renato T. Cornes, Virgilio T. Cornes, Enriquito T. Cornes, Ernesto T. Cornes, Juanito Robles, Donato Robles, Francisco Gadiano and Eduardo Robles. It named respondents Leal Realty Centrum Co., Inc., Leal Haven, Inc., Ernesto M. Legaspi, and all Persons Claiming Rights Under Them as defendants. (Rollo, pp. 143-150.)

[6] Comprehensive Agrarian Reform Law of 1988.

[7] Rollo, p. 145.

[8] The plaintiffs therein are Rodolfo Cornes, Pablo Cornes, Sr., Renato T. Cornes, Virgilio T. Cornes, Enriquito T. Cornes, Ernesto T. Cornes, Juanito Robles, Donato Robles, Francisco Gadiano and Eduardo Robles. It named Leal Realty Centrum Co., Inc., and Spouses William Tugadi and Remedios Tugadi as defendants. (Id. at 165-171.)

[9] The plaintiffs therein are Rodolfo Cornes, Pablo Cornes, Sr., Renato T. Cornes, Virgilio T. Cornes, Enriquito T. Cornes, Ernesto T. Cornes, Juanito Robles, Donato Robles, Francisco Gadiano and Eduardo Robles. It named Leal Realty Centrum Co., Inc. and Spouses Romeo Alcazaren and Juliet Astrero- Alcazaren as defendants. (Id. at 187-193.)

[10] Id. at 285-287.

[11] CA rollo, p. 19.

[12] Pablo Cornes, Francisco Gadiano, and Eduardo Robles were among the original plaintiffs in DARAB Cases

No. 234-T'91, No. 396-T'93, and No. 397-T'93.

[13] CA rollo, pp. 20-21.

[14] Id. at 21.

[15] Records, Volume IV, p. 1525.

[16] CA rollo, p. 39.

[17] Id. at 34-39.

[18] Id. at 57.

[19] The Resolution dated 24 April 2002 was penned by Associate Justice Edgardo P. Cruz with the concurrence of Associate Justice Rebecca de Guia-Salvador and Associate Justice Regalado E. Maambong. (Id. at 125.)

[20] Id. at 313.

[21] Id. at 403.

[22] Id. at 402-403.

[23] Rollo, pp. 97-98.

[24] Petitioners made the following assignment of errors:

- THE HONORABLE COURT OF APPEALS COMMITTED REVERSIBLE ERROR OF LAW WHEN IT VACATED THE DECISION OF THE DEPARTMENT OF AGRARIAN REFORM ADJUDICATION BOARD AND REINSTATED THE DECISION OF THE PROVINCIAL ADJUDICATOR.
- THE HONORABLE COURT OF APPEALS COMMITTED REVERSIBLE ERROR OF LAW IN DISREGARDING THE SUBSTANTIAL EVIDENCE RULE BY OVERTURNING THE FINDING OF THE DEPARTMENT OF AGRARIAN REFORM ADJUDICATION BOARD (DARAB) THAT THE PETITIONERS ARE BONA FIDE TENANTS OF THE SUBJECT LANDHOLDING.
- THE HONORABLE COURT OF APPEALS COMMITTED REVERSIBLE ERROR OF LAW IN FINDING THAT THE PETITIONERS ARE MERE HIRED LABORERS INSTEAD OF BONA FIDE TENANTS/FARMERS BENEFICIARIES OF THE SUBJECT LANDHOLDING.
- THE HONORABLE COURT OF APPEALS COMMITTED REVERSIBLE ERROR OF LAW IN FINDING THAT THE PETITIONERS FAILED TO ESTABLISH THE CONCURRENCE OF ALL THE REQUISITES OF TENANCY RELATIONSHIP.
- THE HONORABLE COURT OF APPEALS COMMITTED REVERSIBLE ERROR OF LAW IN FINDING THAT THERE WAS NO TENANCY RELATIONSHIP THAT EXISTED BETWEEN THE PETITIONERS (sic) AND MRS. OMAÑA, THE FORMER OWNER OF THE SUBJECT LANDHOLDING, AND/OR THE RESPONDENTS.
- THE HONORABLE COURT OF APPEALS COMMITTED REVERSIBLE ERROR OF LAW IN FINDING THAT THE PETITIONERS FAILED TO PROVE THAT MRS. OMAÑA AGREED TO CONSTITUTE THE PETITIONERS AS TENANTS OF THE SUBJECT LANDHOLDING AND THAT THERE WAS NO SHARING OF HARVEST BETWEEN THEM.
- THE HONORABLE COURT OF APPEALS COMMITTED REVERSIBLE ERROR OF LAW IN RULING

THAT THE SALE OF THE LANDHOLDING TO LRCCI BY MRS. OMAÑA WAS VALID.

- THE HONORABLE COURT OF APPEALS COMMITTED REVERSIBLE ERROR OF LAW IN OVERTURNING THE FINDING OF THE DEPARTMENT OF AGRARIAN REFORM ADJUDICATION BOARD THAT THE RESPONDENTS CAN BE PROSECUTED FOR ILLEGAL CONVERSION.

- THE HONORABLE COURT OF APPEALS COMMITTED REVERSIBLE ERROR OF LAW IN RULING THAT THERE WAS NO REASON TO AWARD THE DISTURBANCE COMPENSATION TO THE PETITIONERS.

- THE HONORABLE COURT OF APPEALS COMMITTED REVERSIBLE ERROR OF LAW IN FINDING THAT THE COMPENSATION PACKAGE THAT IS SUPPOSED TO BE GIVEN BY THE RESPONDENTS TO THE PETITIONERS WAS ONLY A GESTURE OF COMPASSION EXTENDED BY THE LATTER TO THE FORMER.

- THE HONORABLE COURT OF APPEALS COMMITTED REVERSIBLE ERROR OF LAW IN FINDING THAT THE PETITIONERS' OCCUPATION OF THE LANDHOLDING (sic) WAS PART OF THEIR COMPENSATION PACKAGE AGREEMENT WITH LRCCI.

- THE HONORABLE COURT OF APPEALS COMMITTED REVERSIBLE ERROR OF LAW IN FINDING THAT THE LRCCI'S NON- FULFILLMENT OF THE COMPENSATION PACKAGE AGREEMENT WAS DUE TO THE VIOLATION OF THE PETITIONERS OF THE SAME. (Rollo, pp. 23-25.)

[25] Philippine Overseas Telecommunications Corporation v. Gutierrez, G.R. No. 149764, 22 November 2006, 507 SCRA 526, 534.

[26] Heirs of Rafael Magpily v. de Jesus, G.R. No. 167748, 8 November 2005, 474 SCRA 366, 372; Suarez v. Saul, G.R. No. 166664, 20 October 2005, 473 SCRA 628, 634, citing VHJ Construction and Development Corporation v. Court of Appeals, G.R. No. 128534, August 13, 2004, 436 SCRA 392, 398-399.

[27] Philippine Overseas Telecommunications Corporation v. Gutierrez, supra note 25.

[28] Suarez v. Saul, supra note 26, citing Bautista v. Mag-isa Vda. de Villena, G.R. No. 152564, 13 September 2004, 438 SCRA 259, 265-266.

[29] Mon v. Court of Appeals, G.R. No. 118292, 14 April 2004, 427 SCRA 165, 178.

[30] Spouses Calvo v. Spouses Vergara, 423 Phil. 939, 947 (2001), citing Salcedo v. People, 400 Phil. 1302, 1308 (2000).

[31] Baricuatro, Jr. v. Court of Appeals, 382 Phil. 15, 24 (2000), citing Sarmiento v. Court of Appeals, 353 Phil. 834, 845-846 (1998).

[32] Sarmiento v. Court of Appeals, id. at 846.

[33] In order for a tenancy agreement to arise, it is essential to establish all its indispensable elements, viz: 1) the parties are the landowner and the tenant or agricultural lessee; 2) the subject matter of the relationship is an agricultural land; 3) there is consent between the parties to the relationship; 4) the purpose of the relationship is to bring about agricultural production; 5) there is personal cultivation on the part of the tenant or agricultural lessee; and 6) the harvest is shared between the landowner and the tenant or agricultural lessee. (Philippine Overseas Telecommunications Corporation v. Gutierrez, supra note 25.)

[34] There is personal cultivation if the tenant (lessee) cultivates the land himself or with the aid of the immediate

farm household, which refers to the members of the family of the tenant (lessee) and other persons who are dependent upon him for support and who usually help him in the activities. (See *Sps. Romero v. Tan*, 468 Phil. 224 [2004].)

[35] *Chico v. Court of Appeals*, G.R. No. 122704, 5 January 1998, 284 SCRA 33, 37.

[36] *Asian Construction and Development Corporation v. Tulabut*, G.R. No. 161904, 26 April 2005, 457 SCRA 317, 326, citing *Manongsong v. Estimo*, 452 Phil. 862, 877 (2003).

[37] *Tam v. Regencia*, A.M. No. MTJ-05-1604, 27 June 2006, 493 SCRA 26, citing *Go v. Achas*, A.M. No. MTJ-04-1564, 11 March 2005, 453 SCRA 189, 195.

[38] CA rollo, pp. 20-21.

[39] Rollo, p. 142 and its dorsal page.

[40] *Id.* at 142.

[41] *VHJ Construction and Development Corporation v. Court of Appeals*, *supra* note 26.

[42] *Id.*

[43] *Id.*, citing *Bejasa v. Court of Appeals*, 390 Phil. 499, 508 (2000).

[44] *Heirs of Nicolas Jugalbot v. Court of Appeals*, G.R. No. 170346, 12 March 2007, 518 SCRA 202, 215.

[45] *Oarde v. Court of Appeals*, 345 Phil. 457, 469 (1997); *Bautista v. Mag- isa Vda. de Villena*, *supra* note 28.

[46] *Philippine Overseas Telecommunications Corporation v. Gutierrez*, *supra* note 25.

[47] *VHJ Construction and Development Corporation v. Court of Appeals*, *supra* note 26 at 399, citing *Caballes v. Department of Agrarian Reform*, G.R. No. L-78214, 5 December 1988, 168 SCRA 247, 254. The Court in *Heirs of Nicolas Jugalbot* elucidated that the requisites that all elements of a tenancy relationship must be established to be present is because the security of tenure guaranteed by our tenancy laws may be invoked only by tenants *de jure*, not by those who are not true and lawful tenants."

[48] *Solmayor v. Arroyo*, G.R. No. 153817, 31 March 2006, 486 SCRA 326, 348.

[49] *Papa v. A.U. Valencia and Co., Inc.*, G.R. No. 105188, 23 January 1998, 284 SCRA 643, 654.

[50] *Metropolitan Bank & Trust Company v. Hon. Alejo*, 417 Phil. 303, 315 (2001).

[51] *Id.*

[52] *De Galicia v. Mercado*, G.R. No. 146744, 6 March 2006, 484 SCRA 131, 136-137, citing *Arcelona v. Court of Appeals*, 345 Phil. 250, 267 (1997).

[53] *Id.*

[54] Rollo, p. 691.

[55] Set forth in a letter from LEAL REALTY CENTRUM CO., INC. and its Managing Director Ernesto M. Legaspi addressed to and with the conforme of Pablo Cornes, Jacinto Cornes, Francisco Gadiano and Juanito Robles, dated 10 August 1988; DARAB records, pp. 19-20.

[56] *Id.* at 98.

[57] Id. at 22.

[58] Described in the compensation package, thus:

3. An area of 2,500 square meters will be given free to you as your residential area which you will occupy within a year from to date (sic).

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