

SECOND DIVISION

[G.R. No. 203336, June 06, 2016]

**SPOUSES GERARDO AND CORAZON TRINIDAD, PETITIONERS,
VS. FAMA REALTY, INC. AND FELIX ASSAD, RESPONDENTS.**

D E C I S I O N

DEL CASTILLO, J.:

This case refers to a Petition for Contempt^[1] filed directly with this Court.

Factual Antecedents

In 1991, petitioners Gerardo and Corazon Trinidad offered to buy from respondent Fama Realty, Inc. (FAMA) 14 lots of the latter's St. Charbel Executive Village located at Mindanao Avenue, Tandang Sora, Quezon City, at a total price of P17,620,800.00, or P5,000.00 to P5,100.00 per square meter. The parties, thus, executed Reservation Agreements^[2] (RAs), pursuant to which petitioners made partial payments.

HLURB CaseNos. REM-022194-5807andREM-A-950328-0039

Later on, a controversy arose regarding petitioners' payments, prompting them to file with the Housing and Land Use Regulatory Board (HLURB) an action for specific performance against FAMA and herein respondent Felix Assad, then FAMA President and General Manager, which was docketed as HLURB Case No. REM-022194-5807. On January 26, 1995, HLURB Arbiter Arturo M. Dublado rendered a Decision^[3] in said case, decreeing thus:

WHEREFORE, PREMISES CONSIDERED, judgment is hereby rendered directing respondent to execute the appropriate deed of sale over at least 3 lots from Lots 3 to 14, Block 1 or Lots 1 and 2, Block 12, Phase 2, with an area of at least 240 square meters each. The reservation application for the rest of the lots are hereby cancelled.

All other claims are hereby dismissed.

IT IS SO ORDERED^[4]

Respondents interposed an appeal before the HLURB Board of Commissioners, which was docketed as HLURB Case No. REM-A-950328-0039. On December 15, 1995, the HLURB Board of Commissioners (Special Division) issued its Decision,^[5] decreeing as follows:

WHEREFORE, THE FOREGOING PREMISES CONSIDERED, the decision appealed from is hereby MODIFIED to read as follows:

1. Directing respondents to execute the appropriate deed of absolute sale over at least three (3) lots from Lots 3 to 14, Block 1 or Lots 1 and 2, Block 12, Phase 2 with an area of at least 240 square meter[s] each. The reservation application[s] for the rest of the lots are hereby cancelled.
2. Ordering the complainants to pay respondents the amount of:
 - a. P500,000.00 as actual damages;
 - b. P30,000.00 as exemplary damages; and
 - c. P50,000.00 as and by way of attorney's fees.

SO ORDERED.^[6]

Petitioners moved to reconsider, whereupon the HLURB Board of Commissioners issued an April 2, 1997 Decision^[7] modifying the above December 15, 1995 Decision, as follows:

WHEREFORE, premises considered, the decision in x x x and the decision in REM-A-950328-0039 (Trinidad case) are hereby MODIFIED to read as follows:

1. Declaring the rescission of the contracts as null and void;
2. Ordering respondent FAMA to execute the pertinent contract to sell as follows:
 - a. x x x x
 - b. Lot 5-14, Block 1, Phase 2 to Sps. Trinidad.
3. Ordering complainant Trinidad to update the remaining downpayments if any, and pay the amortization in accordance with the original terms of the contract x x x.
4. Ordering respondent to accept the payments of complainants; in the event FAMA refuses to accept payments, then TRINIDAD x x x is directed to deposit the same to this Board.
5. xxxx
6. FAMA is hereby ordered to pay to this Board the amount of P20,000.00 as and by way of administrative fine.

SO ORDERED.^[8]

Respondents then filed an appeal with the Office of the President, which in turn rendered an August 31, 1998 Decision dismissing the same and affirming the above

HLURB Board of Commissioners' April 2, 1997 Decision. A subsequent motion for reconsideration was similarly rebuffed.^[9]

CA-G.R. SP No. 82993

Respondents thus went up to the Court of Appeals (CA) via a Petition for Review, docketed as CA-G.R. SP No. 82993. On February 21, 2007, however, the CA issued its Decision^[10] denying the petition for lack of merit, declaring as follows:

Petitioners^[11] argue that their rescission and cancellation of the RAs are valid and legal as respondents^[12] failed to fully pay the 30% downpayment, despite the grace period of fifteen (15) months given them; that they did not waive their right to rescind the RAs when they granted a grace period to respondents and accepted their late payments; and that the *Siska* case is not applicable because respondents did not pay the 30% downpayment in full and they did not accept the manager's check for P1,446,240.00 as they had already rescinded the RAs and said amount was insufficient to cover respondents' arrearages which, as of July, 1992, amounted to P2,892,855.31, so that respondents are not entitled to the execution of the contract to sell.

The petition is without merit.

Petitioners claim that the downpayment made by respondents amounted only to P3,840,000.00, while the latter insist that they paid the amount of P5,286,240.00, which is the required 30% downpayment. It is interesting to note that the difference of P1,446,240.00 is covered by the Bank of Commerce manager's check dated October 9, 1992 which respondents tendered to petitioners' counsel, who acknowledged receipt thereof on October 22, 1992. In a letter dated November 3, 1992, petitioners' counsel informed respondents that said check for P1,446,240.00 was not accepted by FAMA as their RAs were already cancelled and their payments were forfeited. On page 6 of respondents' motion for reconsideration of the Decision dated December 15, 1995 of the HLURB, they pointed out that the amount of P1,446,240.00 was not returned to them by petitioners, which the latter did not refute. It appears, therefore, that respondents had fully paid the required downpayment of P5,286,740.00 before the revocation or cancellation of their RAs.

The RAs granted FAMA the right to cancel the same and forfeit the payments made by respondents in the event of failure on the part of the latter to pay any installment in the downpayment as stipulated therein. As found by the HLURB and Office of the President, petitioners accepted the late payments made by respondents on the prescribed 30% downpayment. As held in *Siska Development Corporation vs. Office of the President of the Philippines*, when the seller accepted and received delayed payments beyond the grace period, it waived its right to rescind and is now estopped from exercising it. Said ruling was reiterated in *Development Bank of the Philippines vs. Court of Appeals*, which held

that the seller's unqualified acceptance of late payments resulted in the loss of its right to rescind the sale on the basis of such delayed payments.

Neither did the Office of the President err in imposing an administrative fine on petitioners for unsound real estate practices for selling to Enrica Dizon some of the lots they had already sold to respondents.

WHEREFORE, the petition for review is *DENIED* for lack of merit and the Decision dated August 31, 1998, Resolution dated March 12, 2003 and Order dated August 21, 2003 of the Office of the President are *AFFIRMED*.

SO ORDERED.^[13]

Respondents moved to reconsider, but were rebuffed.^[14]

G.R. No. 179811

Respondents then came to this Court on Petition for Review, docketed as G.R. No. 179811. On April 23, 2008, the Court issued a Resolution^[15] denying the petition for failure to sufficiently show any reversible error in the assailed February 21, 2007 CA Decision as to warrant the exercise of its discretionary appellate jurisdiction, and for raising substantially factual issues. Said Resolution became final and executory on October 16, 2008,^[16] and, in effect, the HLURB Board of Commissioners' April 2, 1997 Decision became executory as well.

Execution Proceedings in HLURB Case Nos. REM-022194-5807 and REM-A-950328-0039

On February 27, 2009, petitioners filed before the HLURB a motion for execution of the April 2, 1997 Decision. Respondents opposed the motion, after which a hearing was held.

On December 11, 2009, respondents filed a Manifestation (Re: Execution), submitting a copy of a Contract to Sell for petitioners' signature and a Demand Letter¹⁸ for the petitioners to pay the balance of the downpayment and amortizations as stated therein. The demand letter states, as follows:

Dear Sps. Trinidad;

We write in behalf of our clients, FAMA Realty, Inc. and Felix Assad, in connection with the two (2) Reservation Agreements (R.A. 008 and R.A. 009) executed by you and approved by our clients in [sic] April 02, 1991.

Under the said Reservation Agreements, you were supposed to pay the amount of P930,240.00 under R.A. 008, and P4,356,000.00 under R.A. 009, or a total of P5,286,240.00 for the two (2) agreements, which were all due on August 02, 1991. Said aggregate amount of P5,286,240.00 represents thirty percent (30%) down payment of the purchase price of

the lots, subject of said Reservation Agreements, Under the said Agreements, it is only upon your full payment of the 30% down payment that the contracts to sell for the subject lots may be executed by FAMA Realty, Inc.

In the consolidated Decision of the HLURB Board of Commissioners in the cases entitled Sps. Gerardo & Corazon Trinidad, x x x versus FAMA Realty, Inc. & Felix Assad, x x x (HL[U]RB Case No. REM-A-950328-0039) x x x, which was affirmed by the Office of the President, the Court of Appeals and the Supreme Court, it was established that you have only paid the amount of P3,840,000.00, out of the amount of P5,286,240.00, representing the aggregate down payments under the two (2) Reservation Agreements, leaving an aggregate balance of P1,446,240.00, which remains unpaid of [sic] to this time.

Considering the foregoing and in connection with the execution proceedings now pending in the case between you and our client with the HLURB, DEMAND is hereby made upon you to pay the said amount of P1,446,240.00 to FAMA Realty, Inc. or through our law firm, within seven (7) days from receipt hereof, otherwise, much to our regret, we will be constrained to institute the proper action to protect the interest of our client, including the availing of remedies/reliefs/options provided our client under the Reservation Agreements and under existing laws.

We will appreciate your prompt and favorable action by communicating with us through our office address and telephone numbers.

Very truly yours,

(signed)

JEFFREY JOHN L. ZARATE

For the Firm^[19]

A Writ of Execution^[20] was issued and served upon respondents, who in turn sent a May 11, 2010 Letter^[21] to petitioners demanding the issuance of 60 postdated checks totaling P12,334,560.00.

Thinking that the above amount demanded was more than what they believed was still owing to FAMA, petitioners filed with this Court in G.R. No. 179811 a Motion^[22] to clarify the computation of the purchase price payable to FAMA. Petitioners explained that since only 10 lots totaling 2,424 square meters with a price of P5,000.00 per square meter were awarded to them under the HLURB EJoard of Commissioners' April 2, 1997 Decision - and not 14 lots as originally agreed under the RAs - then, essentially, they owe FAMA only the balance of P6,833,260.00, computed as follows:

PURCHASE PRICE:

2,424 square meters (10 lots) X P5,000.00/sq.m. P12,120,000.00

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LESS PAYMENTS MADE TO FAMA AS FINALLY P 5,286,240.00