

## THIRD DIVISION

[ G.R. No. 172279, February 11, 2010 ]

**VALENTIN MOVIDO, SUBSTITUTED BY MARGINITO MOVIDO,  
PETITIONER, VS. LUIS REYES PASTOR, RESPONDENT.**

### DECISION

**CORONA, J.:**

Respondent Luis Reyes Pastor filed a complaint for specific performance in the Regional Trial Court (RTC) of Imus, Cavite, praying that petitioner Valentin Movido<sup>[1]</sup> be compelled to cause the survey of a parcel of land subject of their contract to sell.

In his complaint, respondent alleged that he and petitioner executed a *kasunduan sa bilihan ng lupa* where the latter agreed to sell a parcel of land located in Paliparan, Dasmariñas, Cavite with an area of some 21,000 sq. m. out of the 22,731 sq. m. covered by Transfer Certificate of Title (TCT) No. 362995 at P400/sq. m. The agreement read:

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1. *Na si MOVIDO ang tunay at ganap na may-ari ng isang (1) parselang lupa sa Paliparan, Dasmariñas, Cavite, na ang nasabing lupa sakop ng TRANSFER CERTIFICATE OF TITLE No. T-362995, na ito ay lalong mailalarawan ng tulad ng sumusunod:*

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2. *Na ipinagkakasundo ni MOVIDO na ipagbili kay PASTOR ang 21,000 metro cuadrado humigit-kumulang, ng lupang nakalarawan sa dakong taas sa halagang APAT NA RAANG PISO (P400.00) bawat metro cuadrado o sa kabuuang halaga na WALONG MILYON AT APAT NA RAANG LIBONG PISO (P8,400,000.00), na ang nasabing halaga ay babayaran ni PASTOR kay MOVIDO ng gaya ng sumusunod:*

P500,000.00 - *babayaran sa paglagda ng kasulatang ito;*  
P500,000.00 - *babayaran sa loob ng tatlong (3) buwan mula sa petsa ng unang bayad;*  
P1,000, 000.00 - *babayaran sa loob ng tatlong (3) buwan mula sa petsa ng ikalawang bayad;*  
P1,000, 000.00 - *babayaran sa loob ng tatlong (3) buwan mula sa petsa ng ikatlong bayad;*  
P1,000, 000.00 - *babayaran sa loob ng tatlong (3) buwan mula sa petsa ng ikaapat na bayad;*  
P1,000, 000.00 - *babayaran sa loob ng tatlong (3) buwan mula sa*

*petsa ng ikalimang bayad;*

*P1,000, 000.00 - babayaran sa loob ng tatlong (3) buwan mula sa petsa ng ikaanim na bayad;*

*P2,400, 000.00 - babayaran sa loob ng tatlong (3) buwan mula sa petsa ng ikapitong bayad;*

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*P8,400, 000.00 - Kabuuan.*

*3. Na ang 1,731 metro cuadrado, humigit-kumulang, na hindi kasama sa bilingang ito ay nasasakop ni Leonardo Cuevas, na ito ay ipapasukat at ipapahiwalay ni MOVIDO sa kabuuan ng nasabing lupa bago matapos ang huling bayad ng bilingang ito;*

*4. Na si MOVIDO ang magbabayad ng lahat ng gastos tungkol sa bilingang ito tulad ng capital gains tax, selyo dokumentaryo, transfer tax, registration fees, bayad sa nagsasaka ng nasabing lupa, sampu ng komisyon ng mga ahente. Ang babayaran ni MOVIDO na capital gains tax ay hanggang sa ISANG DAANG PISO (P100.00) lamang;*

*5. Na kung si PASTOR ay hindi makabayad sa balance sa takdang panahon, ang kalahati ng lahat ng kanyang naibayad ay mapopornada sa kapakanan ni MOVIDO at ang kasulatang ito ay mawawalan ng bisa;*

*6. Na kasabay ng pagbabayad ng huling bayad, si MOVIDO ay lalagda sa kaukulang kasulatan ng ganap na bilihan (Deed of Absolute Sale) ng lupang dito ay tinutukoy.<sup>[2]</sup>*

Respondent further alleged that another *kasunduan* was later executed supplementing the *kasunduan sa bilihan ng lupa*. It provided that, if a Napocor power line traversed the subject lot, the purchase price would be lowered to P200/sq. m. beyond the distance of 15 meters on both sides from the center of the power line while the portion within a distance of 15 meters on both sides from the center of the power line would not be paid. In particular, the *kasunduan* provided:

xxx

*1. Na ipinagkasundo ni MOVIDO na ipagbili kay PASTOR ang kanyang lupa lupa sa Paliparan, Dasmariñas, Cavite na may sukat na 22731 metro kwadrado at sakop ng Transfer Certificate of Title No. T-362995.*

*2. Na kanilang napagkasunduan na kung sakali na ang lupang tinutukoy ay pumailalim sa linya ng kuryente ng NAPOCOR, ang bahagi ng lupa na hindi hihigit sa layo ng LABING LIMANG (15) METRO mula sa kailaliman ng linya ng kuryente ay hindi pababayaran ni MOVIDO kay PASTOR, at ang bahagi ng lupa na pumakabila sa linya ng kuryente mula sa Paliparan Road at hihigit ng LABING LIMANG (15) METRO mula sa kailaliman ng linya ng kuryente ay pababayaran ni MOVIDO kay PASTOR sa halagang*

DALAWANG DAANG PISO bawat metro kwadrado.<sup>[3]</sup> (italics supplied)

Respondent likewise claimed that petitioner undertook to cause the survey of the property in order to determine the portion affected by the Napocor power line.

Lastly, respondent alleged that he already paid petitioner P5 million out of the original purchase price of P8.4 million stated in the *kasunduan sa bilihan ng lupa*. He was willing and ready to pay the balance of the purchase price but due to petitioner's refusal to have the property surveyed despite incessant demands, his unpaid balance could not be determined with certainty.

In his answer, petitioner alleged that the original negotiation for the sale of his property involved the entire area of 22,731 sq. m. However, as respondent was not sure whether a Napocor power line traversed the property, they then executed the *kasunduan*. After respondent personally inspected the property, a final agreement--the *kasunduan sa bilihan ng lupa*--was executed where the area to be sold was 21,000 sq. m. for P400/sq. m. for a total sum of P8.4 million. The final agreement also listed a schedule of payments of the purchase price and included a penalty clause in case of default.

Petitioner also charged respondent with delay in paying several installments due and did not pay the 7<sup>th</sup> installment in the amount of P1 million. This was allegedly a material breach because they agreed that the survey of the property would only be done after respondent would have paid the 7<sup>th</sup> installment. Due to respondent's failure to fulfill his obligations, petitioner claimed that he had no choice except to rescind the *kasunduan sa bilihan ng lupa*. He, however, was willing to reimburse 50% of whatever respondent had paid him so far.

After hearing, the RTC<sup>[4]</sup> ruled in favor of petitioner and held that the *kasunduan* preceded the *kasunduan sa bilihan ng lupa*. Thus, the RTC dismissed the complaint of respondent for lack of merit and/or cause of action. It also ordered the rescission of the *kasunduan sa bilihan ng lupa* as well as the forfeiture of 50% of the amount already paid by respondent (but ordered petitioner to return to respondent 50% of the amount already paid). The RTC also directed respondent to pay petitioner P50,000 attorney's fees and costs of suit.

On appeal, the Court of Appeals (CA)<sup>[5]</sup> reversed the RTC and held that the *kasunduan sa bilihan ng lupa* was the first document executed by the parties, not the *kasunduan*. Thus, the CA ordered respondent to pay the heirs of petitioner the balance of the purchase price in the amount of P2,796,400. The CA also ordered that, upon complete payment by respondent, Marginito Movido (the substitute of petitioner) should execute the necessary deed of absolute sale in favor of respondent and comply with petitioner's other obligations under the *kasunduan sa bilihan ng lupa*.

Marginito Movido's motion for reconsideration did not have its desired result.<sup>[6]</sup> Hence, this petition for review on certiorari,<sup>[7]</sup> where he insists that it was the *kasunduan*, not the *kasunduan sa bilihan ng lupa*, which was first executed by the