

[SYLLABUS]

[G.R. No. 102360, March 20, 1996]

**ROSITA DOMINGO, PETITIONER, VS. COURT OF APPEALS AND
ARANETA INSTITUTE OF AGRICULTURE, RESPONDENTS.**

D E C I S I O N

KAPUNAN, J.:

The instant case illustrates a long drawn-out litigation between parties who already entered into a compromise agreement some thirty-five (35) years ago and which agreement was given judicial imprimatur. One of them, up to now, still refuses to be bound by the said judicial compromise.

Petitioner Rosita Domingo was one of the bona fide tenants-occupants of an eighty-seven (87) hectare land located at Barrio Baesa, Caloocan City then known as the Gonzales Estate.

Upon petition of the tenants sometime in 1947, the Republic of the Philippines through the Rural Progress Administration (RPA) instituted an action which was docketed as Civil Case No. 131 with the then Court of First Instance of Rizal for the expropriation of the Gonzales Estate and its subsequent resale to the tenants thereof. The court ruled in favor of the Republic and on appeal to this Court, the said decision was affirmed.^[1]

The Republic of the Philippines thereafter acquired title over the estate. Administration of the estate was later transferred to the Peoples's Homesite and Housing Corporation (PHHC) by the RPA. With the change in administration came a change of policy with regard to the resale of the subdivided lots. On March 16, 1960, the President ordered PHHC to sell a bigger portion of the estate to persons other than the bona fide tenants-occupants of the estate.

On October 29, 1960, fifty-two (52) tenants-occupants of the estate, petitioner included, filed an action to compel the Republic of the Philippines through the PHHC to sell the entire estate to them pursuant to Commonwealth Act No. 539 and the decision of the Supreme Court in Civil Case No. 131. Said case was docketed as Civil Case No. 6376 (later redocketed as Civil Case No. C-760).

On May 3, 1961, private respondent Araneta Institute of Agriculture (AIA) filed a complaint in intervention on the basis of a document entitled "**KASUNDUAN NA MAY PAGBIBIGAY KAPANGYARIHAN HINGGIL SA ASYENDA GONZALES SA BAESA, CALOOCAN RIZAL.**" The said **KASUNDUAN** was actually a document of sale or transfer whereby the 52 tenants conveyed unto AIA their respective landholdings in the estate. AIA was allowed to intervene.

On November 28, 1961, AIA submitted to the lower court a Compromise Agreement

it entered into with 13 tenants-occupants of the estate. The said agreement reads in full:

COMPROMISE AGREEMENT

Intervenor and plaintiffs Fausto Bajamonde, Gregorio Bajamonde, Juan Bajamonde, Damaso Bajamonde, Andres Bajamonde, Perfecto Bajamonde, Sixta Cleofas, Rosita Domingo, Catalina Pascual, Macaria Santos, Evaristo Aquino, Narciso Aquino and Lazaro Pineda, assisted by their respective counsel, respectfully manifest that they have arrived at an amicable settlement of their case, as follows:

1. That plaintiffs herein admit all the allegations and prayer of intervenor's complaint in intervention;

2. That immediately upon acquisition of title to their respective lots, plaintiffs herein shall convey the same to intervenor by way of absolute sale, free from all liens and encumbrances, except any prior lien in favor of defendants, for the purchase price of P5.55 per square meter, to be paid by intervenor, in the following manner:

P11,600.00 -previously paid to and acknowledged by plaintiffs herein.

110,634.62 -upon execution of this agreement, as follows:

P60,000.00 -directly to plaintiffs herein.

50,634.62 -to defendant PHHC, for plaintiffs' account, as 10% initial down-payment on the purchase price of the lots, due to said defendants from plaintiffs.

101,269.24 -upon court approval of this agreement - to be paid to defendant PHHC, for the account of plaintiffs herein, to complete the required 30% downpayment on said lots.

53,335.75 -upon transfer of title in the name of intervenor.

462,692.34 -balance of purchase price, to be liquidated in five years, in ten equal semestral installments.

in accordance with the schedule, marked Annex 'A', which is attached hereto and made an integral part hereof;

3. That the purchase price to be paid by intervenor for the individual lots of plaintiffs herein shall be subject to adjustment, in accordance with the actual survey of said lots to be made by defendant PHHC, duly approved by the proper government office;

4. That plaintiffs shall, immediately upon demand of intervenor, execute any and all other documents which may be necessary to carry out the provisions of this agreement;

5. That plaintiffs shall deliver possession of said lots to intervenor, immediately upon payment of the aforesaid sum of P101,269.24, free from all other occupants;

6. That intervenor is hereby authorized to advance, for the account of plaintiffs herein, any and all amounts necessary to expedite the latter's acquisition of title, which amounts shall be deducted from the purchase price of their respective lots, due to them from intervenor;

7. That for the sake of expediency, payments of the amounts mentioned herein above, except those to defendants, shall be made by intervenor thru plaintiff Marciano Baylon, who is hereby authorized by plaintiffs herein to receive the same for and in their behalf, and to issue the corresponding receipts there for;

8. That documentation, notarization and other incidental expenses to be incurred in the transfer of title from plaintiffs to intervenor shall be for the account of the latter;

9. That if, for any reason whatsoever, conveyance of title to intervenor could not be affected, plaintiffs herein shall, upon demand from intervenor, reimburse the latter of any and all amounts paid by intervenor under this agreement; provided, however, that intervenor's right to reimbursement under this agreement shall be without prejudice to other legal remedies which intervenor may elect in the alternative, including the right to ask for and receive the refund of whatever amounts it has advanced or paid for plaintiffs' account;

10. That, as security for the performance of plaintiffs' obligation under this agreement, plaintiffs herein hereby assigns, transfers and conveys to intervenor, all their rights, interests and participation over their lots aforementioned;

11. That in the event of default by either of the parties hereto, the defaulting party shall pay liquidated damages and attorney's fees equivalent to 25% of the amount involved.

WHEREFORE, the parties hereto respectfully pray that judgment be rendered in accordance with the foregoing compromise agreement, without pronouncement as to costs.

Quezon City and Malabon, Rizal, for Pasig, Rizal, November 28, 1961.

Sgd.

**FAUSTO
BAJAMONDE**

**Plaintiff
Sgd.**

Sgd.

**GREGORIO
BAJAMONDE**

**Plaintiff
Sgd.**

**JUAN
BAJAMONDE**

**Plaintiff
Sgd.**

**ANDRES
BAJAMONDE**

**Plaintiff
Sgd.**

**PERFECTO
BAJAMONDE**

**Plaintiff
Sgd.**

**CATALINA
PASCUAL**

**Plaintiff
Sgd.**

**EVARISTO
AQUINO**

Plaintiff

Sgd

**LAZARO
PINEDA**

Plaintiff

**DAMASO
BAJAMONDE**

**Plaintiff
Sgd.**

**SIXTA
CLEOFAS**

**Plaintiff
Sgd.**

**ROSITA
DOMINGO**

**Plaintiff
Sgd**

**MACARIA
SANTOS**

**Plaintiff
Sgd.**

**NARCISO
AQUINO**

Plaintiff

Sgd.

**CRISPIN D.
BAIZAS**

**Counsel for
Plaintiffs Shurdut
Bldg., Manila**

**ARANETA
INSTITUTE OF
AGRICULTURE**

**(Now
ARANETA
UNIVERSITY)**

Intervenor

**By:
Sgd.**

**SALVADOR
ARANETA**

ROQUE & DAVID

**By:
Sgd.**

**PORFIRIO C.
DAVID**

**Counsel for
Intervenor**

**R-410 Phil.
Bank of Commerce
Bldg.**

**Plaza Sta. Cruz,
Manila^[2]**

On December 23, 1961, the trial court approved the above Compromise Agreement in a partial decision embodying the said agreement.^[3]

On February 6, 1962, counsel for the tenants filed a motion for immediate execution of the partial decision. The same was granted by the court on February 23, 1962. Thereafter, PHHC filed a petition for certiorari and prohibition with this Court seeking to annul the order of execution. On November 5, 1965, said petition was dismissed.

Meanwhile, some of the 13 tenants who entered into the Compromise Agreement with AIA filed separate proceedings against the latter before the trial courts of Caloocan City to annul the partial decision approving their agreement. All the cases were dismissed. On her part, petitioner filed Civil Case No. 473 but the same was dismissed for failure to prosecute.

Subsequently, counsel for AIA filed a Motion for Issuance of a Writ of Execution of the Partial Decision dated December 23, 1961.

On May 23, 1986, the lower court issued an order enforcing the said decision, the decretal portion of which reads:

WHEREFORE, the PHHC (now National Housing Authority) is ordered to comply with the Partial Decision dated December 23, 1961 by executing a Deed of Conveyance and/or transfer and delivering the titles of the lots originally awarded to plaintiffs Rosita Domingo respecting Lot 48 free from all liens and encumbrances in favor of Intervenor Araneta Institute of Agriculture upon proof of payment by the intervenor of the purchase price.

So Ordered.^[4]