



Republic of the Philippines
Supreme Court
 Manila

THIRD DIVISION

FELIX SAMPILO,

Petitioner,

G.R. No. 237583

Present:

- versus -

LEONEN, J.,
 Chairperson,
 HERNANDO,
 INTING,
 DELOS SANTOS, and
 ROSARIO, JJ.

**ELIAQUIM AMISTAD and
 DEPARTMENT OF AGRARIAN
 REFORM ADJUDICATION
 BOARD (DARAB CENTRAL
 OFFICE),**

Respondents.

Promulgated:

January 13, 2021

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DECISION

DELOS SANTOS, J.:

The Case

Before the Court is a Petition for Review on *Certiorari*¹ under Rule 45 of the Rules of Court assailing the Decision² dated March 10, 2017 and the Resolution³ dated January 26, 2018 of the Court of Appeals (CA), Cagayan de Oro City in CA-G.R. SP No. 06051-MIN which denied Felix Sampilo's (petitioner) appeal of the Decision by the Department of Agrarian Reform Adjudication Board (DARAB).

¹ *Rollo*, pp. 13-35.

² Penned by Associate Justice Ruben Reynaldo G. Roxas, with Associate Justices Edgardo T. Lloren and Rafael Antonio M. Santos, concurring; *id.* at 37-47.

³ Penned by Associate Justice Ruben Reynaldo G. Roxas, with Associate Justices Edgardo T. Lloren and Oscar V. Badelles, concurring; *id.* at 54-55.

The Facts

The subject matter of the case involves a parcel of land with an aggregate area of 1.9860 hectares, situated in Cabasagan, Lala, Lanao del Norte, formerly owned by Claudia Udyang Reble (Reble). The said property was the subject of a leasehold tenancy agreement between Reble, as owner-lessee and petitioner.⁴ On May 29, 2008, petitioner received a Summons and Notice from the Municipal Agrarian Reform Officer Rico S. Balsomo (Balsomo) for a conference meeting. During the conference meeting on June 2, 2008, petitioner was informed by private respondent Eliaquin Amistad (respondent) that he had purchased the subject property from Reble. As proof of his purchase, respondent presented an Extra-Judicial Partition with Sale dated June 14, 2004. Petitioner was then asked to vacate the property and surrender the same to respondent.⁵

On December 22, 2008, petitioner filed a Complaint for Redemption and Consignation against respondent before the Provincial Agrarian Reform Adjudicator of Lanao del Norte. Petitioner alleged that he was a tenant of the said property since 2002 and had been religiously paying lease rentals to Reble through respondent.⁶

In his Answer with Counterclaim, respondent moved for the dismissal of the complaint on the ground of failure to state a cause of action and for failure to implead Reble as an indispensable party. Respondent countered that the said property was actually offered to petitioner sometime in 2000, but the latter refused to purchase the property due to financial difficulties. Respondent added that petitioner could no longer exercise his right to redeem the property as prescription had already set in, as more than four years had lapsed since the filing of the complaint.⁷

On July 30, 2009, the Office of the Provincial Adjudicator rendered a Decision dismissing petitioner's complaint.

The CA cited the Decision of the Provincial Adjudicator, as follows:

In the above[-]entitled case, the fact of tenancy is no longer an issue as this is admitted by both parties. Thus, being a tenant, the complainant is by all means entitled to redeem the subject property x x x in accordance with the requirements set by law, to wit:

- a) The redemptioner must be an agricultural lessee or share tenant;

⁴ Id. at 38.

⁵ Id.

⁶ Id.

⁷ Id.

- b) The land must have been sold by the owner to a third party without prior written notice of the sale given to the lessee or lessees and the DAR in accordance with Sec. 11, RA 3844, as amended;
- c) Only the area cultivated by the agricultural lessee may be redeemed;
- d) The right of redemption must be exercised within 180 days from notice; and
- e) There must be an actual tender or valid consignment of the entire amount which is reasonable price of the land sought to be redeemed.

However, the questioned sale or extrajudicial partition with sale to be specific was executed on June 14, 2004 x x x while the present action for redemption and consignment was filed on December 22, 2008; clearly the present action was filed after the [lapse] of four (4) years from the time when the said deed of conveyance was duly executed on June 14, 2004 x x x, while the present action for redemption and consignment was filed on December 22, 2008; clearly the present action was filed after the [lapse] of four (4) years from the time x x x when the said deed of conveyance was duly executed.⁸

Petitioner then appealed his case before the DARAB.

The Ruling of the DARAB

In a Decision dated September 13, 2012, the DARAB denied petitioner's appeal. The DARAB ruled that petitioner is not entitled to redeem the subject property. The DARAB held that petitioner failed to comply with the requisite of consignment under Section 11 of Republic Act (R.A.) No. 3844 to validly exercise his right to redeem the property. The DARAB held that the mere intent to redeem if not coupled with an actual tender or valid consignment of the entire amount of redemption price does not warrant the agricultural tenant/lessee to exercise his right of legal redemption.⁹

The dispositive portion of the DARAB Decision provides:

WHEREFORE, the appeal is DENIED and the Decision dated 30 July 2009 is hereby AFFIRMED.

SO ORDERED.¹⁰

⁸ Id. at 39.

⁹ Id. at 41.

¹⁰ Id. at 37.

The Ruling of the CA

In a Decision dated March 10, 2017,¹¹ the CA affirmed the Decision of the DARAB. The CA ruled that Reble, as the owner of the subject property, had the right to dispose of her property to respondent even without the knowledge of petitioner, subject only to petitioner's right of redemption. The CA ruled that the lack of written notice did not render the sale void. Petitioner, as the tenant of the property, is afforded the right of redemption under Section 12 of R.A. No. 3844 in the event that such property is sold without his knowledge. As a result, the CA sustained the findings of the DARAB that petitioner failed to make a valid tender or consignment of the redemption price at the time of the filing of the complaint. As such, petitioner failed to properly exercise his right of redemption.

The dispositive portion of the CA Decision provides:

WHEREFORE, premises considered, the appeal is DENIED. The 13 September 2012 Decision by the DARAB Central Office in DARAB Case No. 16492 (Reg. Case No. X-831-LN-08) is hereby AFFIRMED.

SO ORDERED.¹²

In a Resolution¹³ dated January 26, 2018, the CA denied petitioner's Motion for Reconsideration.¹⁴

The Issue

The issue for resolution is whether petitioner validly exercised his right of redemption.

The Ruling of the Court

The petition has no merit. We affirm the ruling of the CA.

R.A. No. 3844,¹⁵ also known as "The Agricultural Land Reform Code," is the applicable law governing the rights of leasehold tenants of agricultural lands. Section 12 of R.A. No. 3844, as amended by R.A. No.

¹¹ Supra note 2.

¹² *Rollo*, p. 46.

¹³ Supra note 3.

¹⁴ *Rollo*, pp. 48-52.

¹⁵ AN ACT TO ORDAIN THE AGRICULTURAL LAND REFORM CODE AND TO INSTITUTE LAND REFORMS IN THE PHILIPPINES, INCLUDING THE ABOLITION OF TENANCY AND THE CHANNELING OF CAPITAL INTO INDUSTRY, PROVIDE FOR THE NECESSARY IMPLEMENTING AGENCIES, APPROPRIATE FUNDS THEREFOR AND FOR OTHER PURPOSES.

6389,¹⁶ provides:

Sec. 12. Lessee's Right of Redemption. – **In case the landholding is sold to a third person without the knowledge of the agricultural lessee, the latter shall have the right to redeem the same at a reasonable price and consideration:** *Provided,* That where there are two or more agricultural lessees, each shall be entitled to said right of redemption only to the extent of the area actually cultivated by him. The right of the redemption under this Section may be exercised within one hundred eighty days from notice in writing which shall be served by the vendee on all lessees affected and the Department of Agrarian Reform upon the registration of the sale, and shall have priority over any other right of legal redemption. The redemption price shall be the reasonable price of the land at the time of the sale.

Upon the filing of the corresponding petition or request with the department or corresponding case in court by the agricultural lessee or lessees, the said period of one hundred and eighty days shall cease to run.

Any petition or request for redemption shall be resolved within sixty days from the filing thereof; otherwise, the said period shall start to run again. (Emphasis supplied)

In the present case, the CA did not err in ruling that Reble, the registered owner, had the right to sell the property covered by the agricultural tenancy. The law clearly allows the agricultural lessor to sell the landholding, with or without the knowledge of the agricultural lessee. Consequently, the existence of agricultural tenancy rights of an agricultural lessee cannot affect nor derogate from the right of the agricultural lessor to sell the property covered by the agricultural lease. Notably, Section 12 of R.A. No. 3844 gives the agricultural tenant the legal remedy of redemption in case the agricultural lessor sells the property covered by the agricultural tenancy without the agricultural lessee's knowledge.

Section 12 of R.A. No. 3844 (as amended) states that the 180-day period within which to exercise the right to redeem the property must be counted from the period when the written notice of sale was served by the vendee to the affected agricultural lessees. Petitioner contends that no prior written notice was ever served by respondent that would trigger the running of the 180-day period to exercise the right of redemption.

We disagree.

¹⁶ AN ACT AMENDING REPUBLIC ACT NUMBERED THIRTY-EIGHT HUNDRED AND FORTY-FOUR, AS AMENDED, OTHERWISE KNOWN AS THE AGRICULTURAL LAND REFORM CODE, AND FOR OTHER PURPOSES.


In the present case, petitioner was summoned by Municipal Agrarian Reform Officer Balsomo for a conference meeting. On the June 2, 2008 conference meeting in the DARAB office, petitioner had acquired actual notice of the sale to respondent. During the said conference meeting, petitioner, as the agricultural tenant, had acquired actual notice of the sale upon the presentation of the Extra-Judicial Partition with Sale dated June 14, 2004 between respondent and Reble. During the June 2, 2008 conference meeting, petitioner was clearly and directly informed by respondent that he had purchased the property from Reble. To prove the said purchase, respondent presented the Extra-Judicial Partition as evidence. Consequently, petitioner's 180-day period to redeem the property should be counted from the said date of actual notice of the sale or from June 2, 2008. Accordingly, the CA did not err in ruling that petitioner filed his complaint on December 22, 2008 or 203 days after the actual notice of the sale or clearly beyond the 180-day period granted by law.

Notwithstanding, petitioner also failed to comply with the essential requisites to validly exercise his right to redeem the property. The Court agrees with the CA that petitioner failed to comply with the requirement of consignation to completely exercise his right of redemption over the subject property. In *Quiño v. Court of Appeals*,¹⁷ the Court ruled that an offer to redeem a property subject of the right of redemption should be either in the form of a formal tender with consignation or by filing a complaint in court coupled with consignation of the redemption price within the prescribed period of 180 days. The Court ruled that mere intention to repurchase alone without an actual and simultaneous tender of payment of the full amount in the form of consignation is insufficient to validly exercise the right of redemption, thus:

The preceding discussion leads us to the requirement concerning reasonable price and consideration. **An offer to redeem to be properly effected can either be through a formal tender with consignation or by filing a complaint in court coupled with consignation of the redemption price within the prescribed period. It must be stressed however that in making a repurchase it is not sufficient that a person offering to redeem merely manifests his desire to repurchase;** this statement of intention must be accompanied by an actual and simultaneous tender of payment which constitutes the legal use or exercise of the right to repurchase. And the tender of payment must be for the full amount of the repurchase price, otherwise the offer to redeem will be held ineffectual. As to what constitutes reasonable price and consideration, the valuation placed by the Leonardo spouses and respondent Bitoon themselves as price of the land must be taken to be such reasonable price and consideration.¹⁸ (Emphasis supplied)

¹⁷ 353 Phil. 449 (1998).

¹⁸ Id. at 457-458.



Similarly, in *Rupa, Sr. v. Court of Appeals*,¹⁹ the Court applied the principle of consignation to an issue covered by the right of redemption under Section 12 of R.A. No. 3844. In *Rupa*, the Court held that, to validly exercise the said right of redemption, there must be an actual tender or valid consignation of the entire amount of the reasonable price of the land sought to be redeemed.

As correctly pointed out by the CA, this right of redemption is validly exercised upon compliance with the following requirements: a) the redemptioner must be an agricultural lessee or share tenant; b) the land must have been sold by the owner to a third party without prior written notice of the sale given to the lessee or lessees and the DAR in accordance with Sec. 11, RA 3844, as amended; c) only the area cultivated by the agricultural lessee may be redeemed; d) the right of redemption must be exercised within 180 days from notice; and e) **there must be an actual tender or valid consignation of the entire amount which is the reasonable price of the land sought to be redeemed.**²⁰ (Emphasis supplied)

As can be gleaned from the records of the case, besides filing his complaint 203 days after notice, petitioner also failed to make a valid tender of payment or valid consignation of the entire amount of the redemption price at the time of filing of the complaint. Thus, the essential requisite of tender of payment or consignation to exercise petitioner's right of redemption was not fulfilled. Accordingly, the CA did not err when it ruled that petitioner did not properly exercise his right of redemption over the subject property.

WHEREFORE, the petition is **DENIED** and the Court **AFFIRMS** the Decision dated March 10, 2017 and the Resolution dated January 26, 2018 of the Court of Appeals, Cagayan de Oro City in CA-G.R. SP No. 06051-MIN.


SO ORDERED.


EDGARDO L. DELOS SANTOS
Associate Justice


¹⁹ 380 Phil. 112 (2000).

²⁰ Id. at 123.


WE CONCUR:



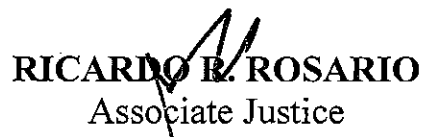
MARVIC MARIO VICTOR F. LEONEN
Associate Justice
Chairperson



RAMON PAUL L. HERNANDO
Associate Justice




HENRI JEAN PAUL B. INTING
Associate Justice



RICARDO R. ROSARIO
Associate Justice

ATTESTATION

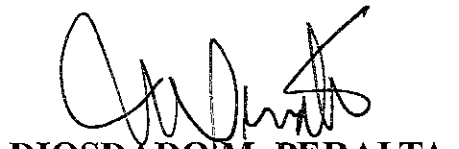
I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



MARVIC MARIO VICTOR F. LEONEN
Associate Justice
Chairperson, Third Division

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



DIOSDADO M. PERALTA
Chief Justice