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SO ORDERED.

Ynares-Santiago (Chairperson), Chico-Nazario, Nachura, and *Reyes, JJ.*, concur.

THIRD DIVISION

[G.R. No. 159550. June 27, 2008]

LUCIA CARLOS ALIÑO, substituted by her Surviving Heirs, Nicolas C. Aliño and Potenciano C. Aliño, *petitioners, vs.* **HEIRS OF ANGELICA A. LORENZO, namely: Servillano V. Lorenzo, Agerico Lorenzo, Virginia Servangelli L. Aspera, Ben Errol Aspera, Servillano A. Lorenzo, Jr., Servillano Santiago A. Lorenzo III, Ma. Angelica A. Lorenzo, Servillano II and Anthony A. Lorenzo, represented by Servillano V. Lorenzo, Sr. (father), and Atty. Armando Lauban, in his capacity as Register of Deeds for Cotabato City,** *respondents.*

SYLLABUS

1. REMEDIAL LAW; APPEALS; FINDINGS OF FACT OF THE COURT OF APPEALS ARE CONCLUSIVE AND BINDING ON THIS COURT; EXCEPTIONS; PRESENT IN CASE AT BAR. — The general rule is that in the exercise of the Supreme Court's power of review, the Court not being a trier of facts, does not normally embark on a re-examination of the evidence presented by the contending parties during the trial of the case considering that the finding of facts of the CA are conclusive and binding on the Court. This rule, however, has several well-recognized exceptions: **(1) when the findings are grounded entirely on speculation, surmises or conjectures; (2) when the inference made is manifestly mistaken, absurb or impossible;** (3) when there is grave abuse of discretion; **(4) when**

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the judgment is based on a misapprehension of facts; (5) when the findings of fact are conflicting; (6) when in making its findings the CA went beyond the issues of the case, or its findings are contrary to the admissions of both the appellant and the appellee; (7) when the findings are contrary to the trial court; (8) when the findings are conclusions without citation of specific evidence on which they are based; (9) when the facts set forth in the petition as well as in the petitioner's main and reply briefs are not disputed by the respondent; (10) when the findings of fact are premised on the supposed absence of evidence and contradicted by the evidence on record; and **(11) when the CA manifestly overlooked certain facts not disputed by the parties, which, if properly considered, would justify a different conclusion**. Exceptions (1),(2),(4) and (11) are present in the instant case.

2. CIVIL LAW; CONTRACTS; SIMULATED CONTRACTS; THE APPARENT CONTRACT IS NOT REALLY DESIRED OR INTENDED TO PRODUCE LEGAL EFFECTS. — It is a cardinal rule in the interpretation of contracts that the intention of the parties shall be accorded primordial consideration. Such intention is determined from the express terms of their agreement, as well as their contemporaneous and subsequent acts. When the parties do not intend to be bound at all, the contracts is absolutely simulated; if the parties conceal their true agreement, then the contract is not really desired or intended to produce legal effects or in any way alter the juridical situation of the parties.

3. ID.; ID.; ID.; RESPONDENTS NEVER ATTEMPTED TO EXERCISE ANY ACT OF DOMINION OVER THE SUBJECT LOT. — In *Suntay v. Court of Appeals*, the Court held that the most protuberant index of simulation is the complete absence of an attempt in any manner on the part of the vendee to assert his rights of ownership over the disputed property. This pronouncement was reiterated in such cases as *Sps. Santiago v. Court of Appeals, Cruz v. Bancom Finance Corporation, Ramon v. Heirs of Honorio Ramos, Sr., Manila Banking Corporation v. Silverio*, and most recently in *Tating v. Marcella*. In the present case, the evidence clearly shows that Angelina or Servillano, Sr. did not attempt to exercise any act of dominion over the subject lot. From the time the sale was effected on April 2, 1979 up to the time of the institution

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of the complaint on August 3, 1989, Angelina or Servillano, Sr. did not enter the subject lot and occupy the premises. When Servillano, Sr. transferred his residence, he did not even choose to utilize the subject lot. None of the respondent heirs also took possession of the subject lot. In contrast, Lucia was in actual possession of the property. She designated Vivian as caretaker of the subject lot in 1984. Vivian constructed a house on the subject lot and has been residing therein since then. It is well-settled that actual possession of land consists in the manifestation of acts of dominion over it of such a nature as those a party would naturally exercise over his own property. It is not necessary that the owner of a parcel of land should himself occupy the property as someone in his name may perform the act. In other words, the owner of real estate has possession, either when he himself is physically in occupation of the property, or when another person who recognizes his rights as owner is in such occupancy.

4. ID.; ID.; ID.; PAYMENT OF REALTY TAXES STRENGTHENS ONE'S *BONA FIDE* CLAIM OF ACQUISITION OF OWNERSHIP. — Lucia religiously paid the realty taxes on the subject lot from 1980 to 1987. While tax receipts and declarations of ownership for taxation purposes are not, in themselves, incontrovertible evidence of ownership, they constitute at least proof that the holder has a claim of title over the property, particularly when accompanied by proof of actual possession. They are good *indicia* of the possession in the concept of owner, for no one in his right mind would be paying taxes for property that is not in his actual or at least constructive possession. The voluntary declaration of a piece of property for taxation purposes manifests not only one's sincere and honest desire to obtain title to the property and announces his adverse claim against the State and all other interested parties, but also the intention to contribute needed revenues to the Government. Such an act strengthens one's *bona fide* claim of acquisition of ownership.

5. ID.; ID.; ID.; SUBSEQUENT ACTS OF THE PARTIES BELIE THE INTENT TO BOUND BY THE DEED OF SALE. — Respondent heirs failed to present evidence that Angelica, during her lifetime, paid the realty taxes on the subject lot. They presented only two tax receipts showing that Servillano, Sr. belatedly paid taxes due on the subject lot for the years

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1980-1981 and part of year 1982 on September 8, 1989, or about a month after the institution of the complaint on August 3, 1989, a clear indication that payment was made as an afterthought to give the semblance of truth to their claim. Thus, the subsequent acts of the parties belie the intent to be bound by the deed of sale.

6. CIVIL LAW; PRESCRIPTION; IF A PERSON CLAIMING TO BE THE OWNER OF THE PROPERTY IS IN ACTUAL POSSESSION THEREOF, THE RIGHT TO SEEK RECONVEYANCE, WHICH IN EFFECT SEEKS TO QUIET TITLE TO THE PROPERTY, DOES NOT PRESCRIBE; CASE AT BAR. — The lower courts fault Lucia for allegedly not taking concrete steps to recover the subject lot, demanding its return only after 10 years from the registration of the title. They, however, failed to consider that Lucia was in actual possession of the property. It is well-settled that an action for reconveyance prescribes in 10 years, the reckoning point of which is the date of registration of the deed or the date of issuance of the certificate of title over the property. In an action for reconveyance, the decree of registration is highly regarded as incontrovertible. What is sought instead is the transfer of the property or its title, which has been erroneously or wrongfully registered in another person's name, to its rightful or legal owner or to one who has a better right. However, in a number of cases in the past, the Court has consistently ruled that if the person claiming to be the owner of the property is in actual possession thereof, the right to seek reconveyance, which in effect seeks to quiet title to the property, does not prescribe. The reason for this is that one who is in actual possession of a piece of land claiming to be the owner thereof may wait until his possession is disturbed or his title is attacked before taking steps to vindicate his right. The reason being, that his undisturbed possession gives him the continuing right to seek the aid of a court of equity to ascertain the nature of the adverse claim of a third party and its effect on his title, which right can be claimed only by one who is in possession. Thus, considering that Lucia continuously possessed the subject lot, her right to institute a suit to clear the cloud over her title cannot be barred by the statute of limitations.

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APPEARANCES OF COUNSEL

Nicolas C. Aliño for himself and for petitioners.
Servillano Santiago A. Lorenzo III for respondents.

D E C I S I O N

AUSTRIA-MARTINEZ, *J.*:

Before the Court is a Petition for Review on *Certiorari* under Rule 45 of the Rules of Court assailing the Decision[1] dated February 21, 2003 of the Court of Appeals (CA) in CA-G.R. CV No. 44857 which affirmed the Decision dated October 28, 1993 of the Regional Trial Court (RTC), Branch 13, Cotabato City dismissing the complaint in Civil Case No. 2823, and the CA Resolution[2] dated August 20, 2003 which denied petitioners' Motion for Reconsideration.

The present case arose from a controversy involving a 1,745-square meter parcel of land known as Lot 183-A-1-B-3-A of Subdivision Plan Psd-12-001000, located at Sinsuat Avenue, Rosary Heights, Cotabato City. The subject lot was registered in the name of petitioner Lucia Carlos Aliño (Lucia) under Transfer Certificate of Title (TCT) No. T-15443 issued by the Registry of Deeds of the City of Cotabato.

On April 2, 1979, Angelica A. Lorenzo (Angelica), Lucia's daughter, bought the subject lot for ₱10,000.00 under a Deed of Absolute Sale.[3] Consequently, TCT No. T-15443 was canceled and TCT No. T-15500[4] was issued in Angelica's name. The subject lot was declared for taxation purposes in Angelica's name under Tax Declaration No. 14136.[5]

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[1] Penned by Associate Justice Roberto A. Barrios and concurred in by Associate Justices Perlita J. Tria Tirona and Edgardo F. Sundiam, CA *rollo*, p. 90.

[2] *Id*. at 140.

[3] Exhibit "I", records, p. 175.

[4] Exhibit "J", *id*. at 177.

[5] Exhibit "A", *id*. at 166.

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In the meantime, Lucia continued to pay, under her name, the real estate taxes due on the subject lot from 1980 to 1987.[6] Sometime in 1984, Lucia designated Vivian Losaria (Vivian) as caretaker of the subject lot.[7] Vivian built a 100-square meter house on the subject lot and resided thereon.[8] She took care of the fruit-bearing trees on the subject lot and delivered the fruits thereof to Lucia every harvest season.[9] She also notified tenants of the two adjacent properties owned by Lucia when their rent was due.[10]

On October 3, 1985, Angelica died, leaving private respondents, as surviving heirs, her husband, Servillano, Sr. and their eight children, namely: Servillano, Leila Lorenzo-Gepte, Agerico, Servillano II, Virginia Servangelli Lorenzo-Aspera, Servillano III, Ma. Angelica and Anthony. Two and a half years later, or on May 31, 1988, Angelica's heirs executed an Extra-Judicial Settlement of her estate.[11] The subject lot was adjudicated to Servillano III, Ma. Angelica and Anthony, then all minors. As a result, TCT No. T-15500 was canceled and TCT No. T-24417[12] was issued in the name of the three minors.

Meanwhile, on January 31, 1989, Lucia executed a document entitled Authority to Look for a Buyer[13] authorizing Felixberto Bautista to look for a buyer for her lots in Rosary Heights. Subsequently, in Proposal to Sell Real Property[14] dated February 1, 1989, Lucia offered to sell to the Central Bank of the Philippines

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[6] Exhibits "B" to "H", *id*. at 168-174. TSN, Testimony of Francisco Gepte, May 8, 1990, pp. 9-20.

[7] TSN, Testimony of Vivian Losaria, March 20, 1990, p. 7.

[8] *Id*. at 12, 14-15.

[9] *Id*. at 4-5, 11, 20-21, 23.

[10] *Id*. at 23-24.

[11] Exhibit "M", records, p. 181.

[12] Exhibit "9", *id*. at 16.

[13] Exhibit "2", *id*. at 45.

[14] Exhibit "3", *id*. at 44.

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(CBP) her lots in Rosary Heights, including the subject lot, as registered in Angelica's name.

On April 12, 1989, Lucia wrote a letter to Servillano, Sr. demanding the return of the subject lot.[15] When Servillano, Sr. refused to accede to Lucia's demand, Lucia filed on August 3, 1989 a Complaint[16] against the heirs of Angelica[17] for the declaration of nullity of the Deed of Absolute Sale dated April 2, 1979, annulment of the extra-judicial settlement and partition of estate and reconveyance of land title with damages. She alleged that the sale of the subject lot was simulated, intended to merely accommodate the housing loan application of Angelica.

In their Answer,[18] the heirs of Angelica denied Lucia's allegations, contending that the subject lot was acquired for valuable consideration.

Following trial on the merits, the RTC rendered a Decision[19] on October 28, 1993, dismissing the complaint and ordering Lucia to pay the heirs of Angelica ₱30,000.00 as attorney's fees. It held that the sale was not simulated because Lucia recognized Angelica's ownership of the subject lot when she paid the taxes for the same, gave written offers to sell her properties, along with Angelica's property, to the CBP, and issued an Authority to Look for a Buyer indicating Angelica's children as owners of the subject lot; that Lucia did not take concrete steps to recover the subject lot for 10 years until she demanded from Servillano, Sr. its return.

Dissatisfied, Lucia appealed. On February 21, 2003, the CA rendered a Decision[20] adopting the findings of the RTC that Lucia recognized Angelica's ownership of the subject lot by her payment of the real property taxes and the written offers to

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[15] Exhibit "L", *id.* at 180.

[16] *Id.* at 1.

[17] Excluding Leila Lorenzo-Gepte as defendant.

[18] *Id.* at 37.

[19] *Id.* at 319.

[20] CA *rollo*, p. 90.

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sell and authority to look for a buyer. It also emphasized that the deed of sale was a notarized document and enjoyed the presumption of regularity which Lucia failed to overcome. It, however, deleted the award for attorney's fees.

Since Lucia died[21] during the pendency of the appeal, she was substituted by her surviving heirs, Nicolas and Potenciano.[22] In a Resolution[23] dated August 20, 2003, the CA denied their Motion for Reconsideration.[24]

Hence, the present petition. Potenciano died[25] during the pendency of the present petition and he was substituted by his wife, Rosita Pinto Aliño.[26]

The core issue posed before the Court is whether or not the Deed of Absolute Sale dated April 2, 1979 executed by Lucia in favor of Angelica is valid and binding upon the parties.

Petitioners contend that the sale was simulated, considering the complete absence of any attempt on the part of Angelica or Servillano, Sr. to assert dominical rights over the subject property, even as Lucia remained in continuous, open and adverse possession of the subject lot and continued to pay the real property taxes due thereon. They also point to the gross disproportion between the purchase price and the market value of the property, the non-payment of the consideration, and sale having been made in Angelica's name only as other indications of simulation.

Respondent heirs, on the other hand, submit that the sale was not simulated because Lucia's subsequent acts affirmed the genuineness of the sale. They also contend that Lucia did not take any concrete steps to recover the subject lot.

The Court finds for the petitioners.

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[21] *Id*. at 132.

[22] *Id*. at 129.

[23] *Id*. at 140.

[24] *Id*. at 100.

[25] *Rollo*, p. 417.

[26] *Id*. at 550.

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The general rule is that in the exercise of the Supreme Court's power of review, the Court not being a trier of facts, does not normally embark on a re-examination of the evidence presented by the contending parties during the trial of the case considering that the findings of facts of the CA are conclusive and binding on the Court.[27] This rule, however, has several well-recognized exceptions: **(1) when the findings are grounded entirely on speculation, surmises or conjectures; (2) when the inference made is manifestly mistaken, absurd or impossible;** (3) when there is grave abuse of discretion; (**4) when the judgment is based on a misapprehension of facts;** (5) when the findings of fact are conflicting; (6) when in making its findings the CA went beyond the issues of the case, or its findings are contrary to the admissions of both the appellant and the appellee; (7) when the findings are contrary to the trial court; (8) when the findings are conclusions without citation of specific evidence on which they are based; (9) when the facts set forth in the petition as well as in the petitioner's main and reply briefs are not disputed by the respondent; (10) when the findings of fact are premised on the supposed absence of evidence and contradicted by the evidence on record; and **(11) when the CA manifestly overlooked certain relevant facts not disputed by the parties, which, if properly considered, would justify a different conclusion**.[28] Exceptions (1), (2), (4) and (11) are present in the instant case.

It is a cardinal rule in the interpretation of contracts that the intention of the parties shall be accorded primordial consideration.[29] Such intention is determined from the express terms of their

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[27] *Chua v. Soriano*, G.R. No. 150066, April 13, 2007, 521 SCRA 68, 77; *Heirs of Dicman v. Cariño*, G.R. No. 146459, June 8, 2006, 490 SCRA 240, 261; *Bank of the Philippine Islands v. Sarmiento*, G.R. No. 146021, March 10, 2006, 484 SCRA 261, 267-268.

[28] *Chua v. Soriano, supra* note 27, at 77-78; *Heirs of Dicman v. Cariño, supra* note 27, at 261-262; *Bank of the Philippine Islands v. Sarmiento, supra* note 27, at 268.

[29] *Valerio v. Refresca*, G.R. No. 163687, March 28, 2006, 485 SCRA 494, 501*; Ramos v. Heirs of Honorio Ramos, Sr.*, 431 Phil. 337, 345 (2002).

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agreement,[30] as well as their contemporaneous and subsequent acts.[31] When the parties do not intend to be bound at all, the contract is absolutely simulated; if the parties conceal their true agreement, then the contract is relatively simulated.[32] Characteristic of simulation is that the apparent contract is not really desired or intended to produce legal effects or in any way alter the juridical situation of the parties.[33]

In *Suntay v. Court of Appeals*,[34] the Court held that the most protuberant index of simulation is the complete absence of an attempt in any manner on the part of the vendee to assert his rights of ownership over the disputed property. This pronouncement was reiterated in such cases as *Sps. Santiago v. Court of Appeals*,[35] *Cruz v. Bancom Finance Corporation*,[36] *Ramos v. Heirs of Honorio Ramos, Sr.*,[37] *Manila Banking Corporation v. Silverio*,[38] and most recently in *Tating v. Marcella*.[39]

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[30] CIVIL CODE, Art. 1370. If the terms of a contract are clear and leave no doubt upon the intention of the contracting parties, the literal meaning of its stipulations shall control.

If the words appear to be contrary to the evident intention of the parties, the latter shall prevail over the former.

[31] CIVIL CODE, Art. 1371. In order to judge the intention of the contracting parties. Their contemporaneous and subsequent acts shall be principally considered.

[32] CIVIL CODE, Article 1345. Simulation of a contract may be absolute or relative. The former takes place when the parties do not intend to be bound at all; the latter, when the parties conceal their true agreement.

[33] *Valerio v. Refresca*, *supra* note 29, at 500; *Loyola v. Court of Appeals*, 383 Phil. 171, 182 (2000); *Tongoy v. Court of Appeals*, 208 Phil. 95, 113 (1983); *Vda. De Rodriguez v. Rodriguez*, 127 Phil. 294, 301 (1967).

[34] 321 Phil. 809, 831-832 (1995).

[35] 343 Phil. 612, 620-621 (1997).

[36] 429 Phil. 225, 235-236 (2002).

[37] *Supra* note 29, at 347.

[38] G.R. No. 132887, August 11, 2005, 466 SCRA 438, 452.

[39] G.R. No. 155208, March 27, 2007, 519 SCRA 79, 87.

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In the present case, the evidence clearly shows that Angelica or Servillano, Sr. did not attempt to exercise any act of dominion over the subject lot. From the time the sale was effected on April 2, 1979 up to the time of the institution of the complaint on August 3, 1989,[40] Angelica or Servillano, Sr. did not enter the subject lot and occupy the premises. When Servillano, Sr. transferred his residence, he did not even choose to utilize the subject lot.[41] None of the respondent heirs also took possession of the subject lot.

In contrast, Lucia was in actual possession of the property. She designated Vivian as caretaker of the subject lot in 1984.[42] Vivian constructed a house on the subject lot and has been residing therein since then.[43] It is well-settled that actual possession of land consists in the manifestation of acts of dominion over it of such a nature as those a party would naturally exercise over his own property.[44] It is not necessary that the owner of a parcel of land should himself occupy the property as someone in his name may perform the act. In other words, the owner of real estate has possession, either when he himself is physically in occupation of the property, or when another person who recognizes his rights as owner is in such occupancy.[45]

Furthermore, Lucia religiously paid the realty taxes on the subject lot from 1980 to 1987.[46] While tax receipts and declarations of ownership for taxation purposes are not, in themselves, incontrovertible evidence of ownership, they constitute at least

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[40] Records, p. 1.

[41] TSN, Testimony of Leila Lorenzo-Gepte, March 12, 1990, p. 15.

[42] TSN, Testimony of Vivian Losaria, March 20, 1990, p. 7.

[43] *Id*. at 12, 14-15.

[44] *Reyes v. Court of Appeals*, 374 Phil. 236, 242-243 (1999); *Ramos v. Director of Lands*, 39 Phil. 175, 178 (1918).

[45] *Reyes v. Court of Appeals, supra* note 44, at 243; *Repide v. Astuar*, 2 Phil. 757, 762 (1902).

[46] Exhibits "B" to "H", records, pp. 168-174; TSN, Testimony of Francisco Gepte, May 8, 1990, pp. 9-20.

proof that the holder has a claim of title over the property,[47] particularly when accompanied by proof of actual possession.[48] They are good *indicia* of the possession in the concept of owner, for no one in his right mind would be paying taxes for a property that is not in his actual or at least constructive possession.[49] The voluntary declaration of a piece of property for taxation purposes manifests not only one's sincere and honest desire to obtain title to the property and announces his adverse claim against the State and all other interested parties, but also the intention to contribute needed revenues to the Government.[50] Such an act strengthens one's *bona fide* claim of acquisition of ownership.[51]

On the other hand, respondent heirs failed to present evidence that Angelica, during her lifetime, paid the realty taxes on the subject lot. They presented only two tax receipts showing that Servillano, Sr. belatedly paid taxes due on the subject lot for the years 1980-1981 and part of year 1982 on September 8, 1989,[52] or about a month after the institution of the complaint on August 3, 1989,[53] a clear indication that payment was made as an afterthought to give the semblance of truth to their claim.

Thus, the subsequent acts of the parties belie the intent to be bound by the deed of sale.

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[47] *Tating v. Marcella, supra* note 39, at 89; *Heirs of Miguel Franco v. Court of Appeals*, 463 Phil. 417, 433 (2003).

[48] *Republic of the Philippines v. Candy Maker, Inc.*, G.R. No. 163766, June 22, 2006, 492 SCRA 272, 296; *Republic of the Philippines v. Court of Appeals*, 216 Phil. 500, 508-509 (1984).

[49] *Republic v. Tri-Plus Corporation*, G.R. No. 150000, September 26, 2006, 503 SCRA 91, 103-104; *Republic v. Enriquez*, G.R. No. 160990, September 11, 2006, 501 SCRA 436, 449.

[50] *Tating v. Marcella, supra* note 47, at 89-90; *Calicdan v. Cendaña*, 466 Phil. 894, 904 (2004).

[51] *Tating v. Marcella, supra* note 47, at 90; *Calicdan v. Cendaña, supra* note 50.

[52] Exhibits "6-A" and "6-B", records, pp. 235-236.

[53] *Supra* note 40.

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The lower courts fault Lucia for allegedly not taking concrete steps to recover the subject lot, demanding its return only after 10 years from the registration of the title. They, however, failed to consider that Lucia was in actual possession of the property.

It is well-settled that an action for reconveyance prescribes in 10 years, the reckoning point of which is the date of registration of the deed or the date of issuance of the certificate of title over the property. In an action for reconveyance, the decree of registration is highly regarded as incontrovertible. What is sought instead is the transfer of the property or its title, which has been erroneously or wrongfully registered in another person's name, to its rightful or legal owner or to one who has a better right.[54]

However, in a number of cases in the past, the Court has consistently ruled that if the person claiming to be the owner of the property is in actual possession thereof, the right to seek reconveyance, which in effect seeks to quiet title to the property, does not prescribe.[55] The reason for this is that one who is in actual possession of a piece of land claiming to be the owner thereof may wait until his possession is disturbed or his title is attacked before taking steps to vindicate his right.[56] The reason being, that his undisturbed possession gives him the continuing right to seek the aid of a court of equity to ascertain the nature of the adverse claim of a third party and its effect on his title, which right can be claimed only by one who is in possession.[57] Thus, considering that Lucia continuously possessed the subject

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[54] *Leyson v. Bontuyan*, G.R. No. 156357, February 18, 2005, 452 SCRA 94, 113; *Heirs of Pomposa Saludares v. Court of Appeals*, 464 Phil. 958, 966 (2004).

[55] *Aznar Brothers Realty Company v. Aying*, G.R. No. 144773, May 16, 2005, 458 SCRA 496, 510; *Heirs of Jose Olviga v. Court of Appeals*, G.R. No. 104813, October 21, 1993, 227 SCRA 330, 335.

[56] *Delfin v. Billones*, G.R. No. 146550, March 17, 2006, 485 SCRA 38, 50; *Cuizon v. Remoto*, G.R. No. 143027, October 11, 2005, 472 SCRA 274, 287.

[57] *Delfin v. Billones*, *supra* note 56; *Arlegui v. Court of Appeals*, 428 Phil. 381, 398 (2002).

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lot, her right to institute a suit to clear the cloud over her title cannot be barred by the statute of limitations.

Having resolved the core issue on the validity of the deed of sale, the Court sees no need to further discuss the remaining matters raised in the petition. Suffice it to state that the concept of inadequacy or non-payment of price is irreconcilable with the concept of simulation. If there exists an actual consideration for transfer evidenced by the alleged act of sale, no matter how inadequate it be, the transaction could not be a "simulated sale."[58] As to filial relationship, *i.e.*, the sale was effected in the name of the daughter only, the same, by itself, cannot be considered an indication of simulation, absent an indication of the absence of intent to be bound by the contract,[59] which in the present case was shown by subsequent acts of the parties.

WHEREFORE, the present petition is *GRANTED*. The Decision dated February 21, 2003 and Resolution dated August 20, 2003 of the Court of Appeals in CA-G.R. CV No. 44857 are *REVERSED and SET ASIDE*. The Deed of Absolute Sale dated April 2, 1979 is declared *NULL and VOID ab initio*. Accordingly, respondent heirs are ordered to reconvey the subject lot to petitioners within fifteen (15) days after the Decision becomes final and executory, failing in which, the Clerk of Court is ordered to execute the Deed of Reconveyance in favor of the petitioners. The respondent Register of Deeds shall cancel TCT No. T-24417 upon presentation of said Deed of Reconveyance and issue a Transfer Certificate of Title in the name of petitioners.

Costs against private respondents.

SO ORDERED.

Ynares-Santiago (Chairperson), Chico-Nazario, Nachura, and *Reyes, JJ.,* concur.

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[58] *Loyola v. Court of Appeals, supra* note 33, at 186. See also *Bravo-Guerrero v. Bravo,* G.R. No. 152658, July 29, 2005, 465 SCRA 244, 261; *Sps. Buenaventura v. Court of Appeals*, 461 Phil. 761, 772 (2003).

[59] See *Suntay v. Court of Appeals, supra* note 34; *Ramos v. Heirs of Honorio Ramos, Sr., supra* note 29, at 347.