

Title: Saraza v. Francisco, G.R. No. 206548

Facts:

- Initial Agreement:** On September 1, 1999, William Francisco (respondent) and Fernando Saraza entered into an Agreement for the sale of Fernando's 100-square meter share in a lot in Bangkal, Makati City. The lot, initially registered under Emilia Serafico with TCT No. 40376 (later TCT No. 220530), was agreed to be sold for P3,200,000. Francisco paid P1,200,000 upfront, while the P2,000,000 balance was for installment payments to the Philippine National Bank (PNB) to settle a loan by Spouses Teodoro and Rosario Saraza (Fernando's parents).
- Collateral Agreement:** The Agreement included a provision that if the transfer of the subject property couldn't be completed, another property owned by the Spouses Saraza, covered by TCT No. 156126 and also encumbered for the bank loan, would serve as collateral. Francisco was allowed to assume possession of this property via lease.
- Authority to PNB:** The Sarazas granted Francisco authority to pay the PNB loan, restructure it, and receive the TCT No. 156126 upon full payment.
- Breach and Dispute:** When the loan balance was reduced to P226,582.13, Francisco requested a Special Power of Attorney (SPA) to receive TCT No. 156126 upon full payment. The Sarazas denied the SPA request and amended the Authority, causing the TCT to be returned to them upon payment. They also evicted Francisco from the property, prompting him to file a civil case against them in the RTC on December 7, 2004, for specific performance, sum of money, and damages.
- RTC Decision:** On June 5, 2009, the RTC decided for Francisco, opining that the Agreement was notarized and thus carried a presumption of veracity. The RTC found that Francisco's payment of P3,200,000 was evidenced by the PNB's certification of the loan's full payment. It ordered Fernando to execute a Deed of Absolute Sale among other reliefs and dismissed the case against the spouses for specific performance.
- Appeal and CA Decision:** Fernando appealed, challenging jurisdiction and claiming non-payment of P1,200,000. The CA, on June 28, 2011, affirmed the RTC, deeming the action for specific performance as personal, not implicating property ownership, and validated the Agreement's claims about payment. Fernando's motion for reconsideration was denied.

7. **Supreme Court Petition:** Fernando brought the issue to the Supreme Court via a petition under Rule 45, circumscribing the review to legal questions concerning their compliance obligations.

Issues:

1. **Full Compliance with Payment:** Whether Francisco satisfied his payment obligations under the Agreement.
2. **Jurisdiction and Venue:** Whether the RTC of Imus, Cavite was the proper venue for the specific performance suit.
3. **Award of Damages:** Whether the award of damages and attorney's fees was justified.

Court's Decision:

1. **Full Payment Obligation Met:** The Supreme Court held that both the RTC and CA correctly found that Francisco met his payment obligations. The notarized Agreement confirmed the P1,200,000 payment, unrefuted by substantial evidence. PNB certified the full settlement of the remaining balance owed by Spouses Saraza, satisfying the agreed terms.
2. **Proper Venue and Jurisdiction:** The Supreme Court concluded that the suit, being for specific performance rather than real property recovery, was validly filed in Imus, where Francisco resided. As actions for personal obligations could be filed at the election of the plaintiff's or defendant's residence, jurisdiction was properly laid in Imus.
3. **Modification of Damages:** The Supreme Court modified the damages award, deleting P100,000, as justification wasn't shown. The award seemed to lack a defined legal basis as the RTC failed to classify or rationalize the type of damages intended.

Doctrine:

- **Specific Performance as Personal Action:** Actions for specific performance primarily concern personal duties related to contractual commitments, even when incidental to real property, allowing plaintiff discretion on venue based on party residence.

Class Notes:

- **Specific Performance:** Involves enforcement of contractual duties rather than title disputes.

- **Venue for Personal Actions:** Governed by Rule 4, Section 2 of the Rules of Court, based on party residence.
- **Presumption of Regularity:** Notarized agreements carry evidentiary weight, difficult to overturn absent substantial rebuttal.

Historical Background:

This decision epitomizes frequent real estate disputes in urbanization contexts like Makati, centered on specific contracts and rural judicial choices, mirrored by enforcement challenges and the pivotal role of obligations and notarial validation in property transactions.