

REV. FR. DANTE MARTINEZ, PETITIONER, VS. HONORABLE COURT OF APPEALS, HONORABLE JUDGE JOHNSON BALLUTAY, PRESIDING JUDGE, BRANCH 25, REGIONAL TRIAL COURT OF CABANATUAN CITY, HONOR...*G.R. No. 123547. May 21, 2001*

Ponente: MENDOZA, J.

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This is a petition for review on certiorari of the decision, dated September 7, 1995, and resolution, dated January 31, 1996, of the Court of Appeals, which affirmed the decisions of the Regional Trial Court, Branches 25[1] and 28,[2] Cabanatuan City, finding private respondents spouses Reynaldo and Susan Veneracion owners of the land in dispute, subject to petitioner's rights as a builder in good faith.

The facts are as follows:

Sometime in February 1981, private respondents Godofredo De la Paz and his sister Manuela De la Paz, married to Maximo Hipolito, entered into an oral contract with petitioner Rev. Fr. Dante Martinez, then Assistant parish priest of Cabanatuan City, for the sale of Lot No. 1337-A-3 at the Villa Fe Subdivision in Cabanatuan City for the sum of P15,000.00. The lot is located along Maharlika Road near the Municipal Hall of Cabanatuan City. At the time of the sale, the lot was still registered in the name of Claudia De la Paz, mother of private respondents, although the latter had already sold it to private respondent Manuela de la Paz by virtue of a Deed of Absolute Sale dated May 26, 1976 (Exh. N/Exh. 2-Veneracion).[3] Private respondent Manuela subsequently registered the sale in her name on October 22, 1981 and was issued TCT No. T-40496 (Exh. 9).[4] When the land was offered for sale to petitioner, private respondents De la Paz were accompanied by their mother, since petitioner dealt with the De la Pazes as a family and not individually. He was assured by them that the lot belonged to Manuela De la Paz. It was agreed that petitioner would give a downpayment of P3,000.00 to private respondents De la Paz and that the balance would be payable by installment. After giving the P3,000.00 downpayment, petitioner started the construction of a house on the lot after securing a building permit from the City Engineer's Office on April 23, 1981, with the written consent of the then registered owner, Claudia de la Paz (Exh. B/Exh. 1).[5] Petitioner likewise began paying the real estate taxes on said property (Exh. D, D-1, D-2).[6] Construction on the house was completed on October 6, 1981 (Exh. V).[7] Since then, petitioner and his family have maintained their residence there.[8]

On January 31, 1983, petitioner completed payment of the lot for which private respondents De la Paz executed two documents. The first document (Exh. A) read:

1-31-83

Ang halaga ng Lupa sa Villa Fe Subdivision na ipinagbili kay Fr. Dante Martinez ay P15,000.00 na pinangangako namin na ibibigay ang Deed of Sale sa ika-25 ng Febrero 1983.

[SGD.] METRING HIPOLITO

[SGD.] JOSE GODOFREDO DE LA PAZ[9]

The second writing (Exh. O) read:

Cabanatuan City

March 19, 1986

TO WHOM IT MAY CONCERN:

This is to certify that Freddie dela Paz has agreed to sign tomorrow (March 20) the affidavit of sale of lot located at Villa Fe Subdivision sold to Fr. Dante Martinez.

[Sgd.] Freddie dela Paz

FREDDIE DELA PAZ[10]

However, private respondents De la Paz never delivered the Deed of Sale they promised to petitioner.

In the meantime, in a Deed of Absolute Sale with Right to Repurchase dated October 28, 1981 (Exh. 10),[11] private respondents De la Paz sold three lots with right to repurchase the same within one year to private respondents spouses Reynaldo and Susan Veneracion for the sum of P150,000.00. One of the lots sold was the lot previously sold to petitioner.[12]

Reynaldo Veneracion had been a resident of Cabanatuan City since birth. He used to pass along Maharlika Highway in going to the Municipal Hall or in going to and from Manila. Two of the lots subject of the sale were located along Maharlika Highway, one of which was the lot sold earlier by the De la Pazes to petitioner. The third lot (hereinafter referred to as the Melencio lot) was occupied by private respondents De la Paz. Private respondents Veneracion never took actual possession of any of these lots during the period of redemption, but all titles to the lots were given to him.[13]

Before the expiration of the one year period, private respondent Godofredo De la Paz informed private respondent Reynaldo Veneracion that he was selling the three lots to another person for P200,000.00. Indeed, private respondent Veneracion received a call from a Mr. Tecson verifying if he had the titles to the properties, as private respondents De la Paz were offering to sell the two lots along Maharlika Highway to him (Mr. Tecson) for P180,000.00. The offer included the lot purchased by petitioner in February, 1981. Private respondent Veneracion offered to purchase the same two lots from the De la Pazes for the same amount. The offer was accepted by private respondents De la Paz. Accordingly, on June 2, 1983, a Deed of Absolute Sale was executed over the two lots (Exh. I/Exh. 5-Veneracion).[14] Sometime in January, 1984, private respondent Reynaldo Veneracion asked a certain Renato Reyes, petitioner's neighbor, who the owner of the building erected on the subject lot was. Reyes told him that it was Feliza Martinez, petitioner's mother, who was in possession of the property. Reynaldo Veneracion told private respondent Godofredo about the matter and was assured that Godofredo would talk to Feliza. Based on that assurance, private respondents Veneracion registered the lots with the Register of Deeds of Cabanatuan on March 5, 1984. The lot in dispute was registered under TCT No. T-44612 (Exh. L/Exh. 4-Veneracion).[15]

Petitioner discovered that the lot he was occupying with his family had been sold to the spouses Veneracion after receiving a letter (Exh. P/Exh. 6-Veneracion) from private respondent Reynaldo Veneracion on March 19, 1986, claiming ownership of the land and demanding that they vacate the property and remove their improvements thereon.[16] Petitioner, in turn, demanded through counsel the execution of the deed of sale from private respondents De la Paz and informed Reynaldo Veneracion that he was the owner of the property as he had previously purchased the same from private respondents De la Paz.[17]

The matter was then referred to the Katarungang Pambarangay of San Juan, Cabanatuan City for conciliation, but the parties failed to reach an agreement (Exh. M/Exh. 13).[18] As a consequence, on May 12, 1986, private respondent Reynaldo Veneracion brought an action for ejectment in the Municipal Trial Court, Branch III, Cabanatuan City against petitioner and his mother (Exh. 14).[19]

On the other hand, on June 10, 1986, petitioner caused a notice of lis pendens to be recorded on TCT No. T-44612 with the Register of Deeds of Cabanatuan City (Exh. U).[20]

During the pre-trial conference, the parties agreed to have the case decided under the Rules on Summary Procedure and defined the issues as follows:

1. Whether or not defendant (now petitioner) may be judicially ejected.
2. Whether or not the main issue in this case is ownership.
3. Whether or not damages may be awarded.[21]

On January 29, 1987, the trial court rendered its decision, pertinent portions of which are quoted as follows:

With the foregoing findings of the Court, defendants [petitioner Rev. Fr. Dante Martinez and his mother] are the rightful possessors and in good faith and in concept of owner, thus cannot be ejected from the land in question. Since the main issue is ownership, the better remedy of the plaintiff [herein private respondents Veneracion] is Accion Publiciana in the Regional Trial Court, having jurisdiction to adjudicate on ownership.

Defendants' counterclaim will not be acted upon it being more than P20,000.00 is beyond this Court's power to adjudge.

WHEREFORE, judgment is hereby rendered, dismissing plaintiff's complaint and ordering plaintiff to pay Attorney's fee of P5,000.00 and cost of suit.

SO ORDERED.[22]

On March 3, 1987, private respondents Veneracion filed a notice of appeal with the Regional Trial Court, but failed to pay the docket fee. On June 6, 1989, or over two years after the filing of the notice of appeal, petitioner filed a Motion for Execution of the Judgment, alleging finality of judgment for failure of private respondents Veneracion to perfect their appeal and failure to prosecute the appeal for an unreasonable length of time.

Upon objection of private respondents Veneracion, the trial court denied on June 28, 1989 the motion for execution and ordered the records of the case to be forwarded to the appropriate Regional Trial Court. On July 11, 1989, petitioner appealed from this order. The appeal of private respondents Veneracion from the decision of the MTC and the appeal of petitioner from the order denying petitioner's motion for execution were forwarded to the Regional Trial Court, Branch 28, Cabanatuan City. The cases were thereafter consolidated under Civil Case No. 670-AF.

On February 20, 1991, the Regional Trial Court rendered its decision finding private respondents Veneracion as the true owners of the lot in dispute by virtue of their prior registration with the Register of Deeds, subject to petitioner's rights as builder in good faith, and ordering petitioner and his privies to vacate the lot after receipt of the cost of the construction of the house, as well as to pay the sum of P5,000.00 as attorney's fees and the costs of the suit. It, however, failed to rule on petitioner's appeal of the Municipal Trial Court's order denying their Motion for Execution of Judgment.

Meanwhile, on May 30, 1986, while the ejectment case was pending before the Municipal Trial Court, petitioner Martinez filed a complaint for annulment of sale with damages against the Veneracions and De la Pazes with the Regional Trial Court, Branch 25, Cabanatuan City. On March 5, 1990, the trial court rendered its decision finding

private respondents Veneracion owners of the land in dispute, subject to the rights of petitioner as a builder in good faith, and ordering private respondents De la Paz to pay petitioner the sum of P50,000.00 as moral damages and P10,000.00 as attorney's fees, and for private respondents to pay the costs of the suit.

On March 20, 1991, petitioner then filed a petition for review with the Court of Appeals of the RTC's decision in Civil Case No. 670-AF (for ejectment). Likewise, on April 2, 1991, petitioner appealed the trial court's decision in Civil Case No. 44-[AF]-8642-R (for annulment of sale and damages) to the Court of Appeals. The cases were designated as CA G.R. SP. No. 24477 and CA G.R. CV No. 27791, respectively, and were subsequently consolidated. The Court of Appeals affirmed the trial courts' decisions, without ruling on petitioner's appeal from the Municipal Trial Court's order denying his Motion for Execution of Judgment. It declared the Veneracions to be owners of the lot in dispute as they were the first registrants in good faith, in accordance with Art. 1544 of the Civil Code. Petitioner Martinez failed to overcome the presumption of good faith for the following reasons:

- when private respondent Veneracion discovered the construction on the lot, he immediately informed private respondent Godofredo about it and relied on the latter's assurance that he will take care of the matter.
- the sale between petitioner Martinez and private respondents De la Paz was not notarized, as required by Arts. 1357 and 1358 of the Civil Code, thus it cannot be said that the private respondents Veneracion had knowledge of the first sale.[23]

Petitioner's motion for reconsideration was likewise denied in a resolution dated January 31, 1996.[24] Hence this petition for review. Petitioner raises the following assignment of errors:

- THE PUBLIC RESPONDENTS HONORABLE COURT OF APPEALS AND REGIONAL TRIAL COURT JUDGES JOHNSON BALLUTAY AND ADRIANO TUAZON ERRED IN HOLDING THAT PRIVATE RESPONDENTS REYNALDO VENERACION AND WIFE ARE BUYERS AND REGISTRANTS IN GOOD FAITH IN RESOLVING THE ISSUE OF OWNERSHIP AND POSSESSION OF THE LAND IN DISPUTE.
- THAT PUBLIC RESPONDENTS ERRED IN NOT RESOLVING AND DECIDING THE APPLICABILITY OF THE DECISION OF THIS HONORABLE COURT IN THE CASES OF SALVORO VS. TANEGA, ET AL., G.R. NO. L 32988 AND IN ARCENAS VS. DEL ROSARIO, 67 PHIL 238, BY TOTALLY IGNORING THE SAID DECISIONS OF THIS HONORABLE COURT IN THE ASSAILED DECISIONS OF THE PUBLIC RESPONDENTS.
- THAT THE HONORABLE COURT OF APPEALS ERRED IN NOT GIVING DUE COURSE TO THE PETITION FOR REVIEW IN CA G.R. SP. NO. 24477.
- THAT THE HONORABLE COURT OF APPEALS IN DENYING PETITIONER'S PETITION FOR REVIEW AFORECITED INEVITABLY SANCTIONED AND/OR WOULD ALLOW A VIOLATION OF LAW AND DEPARTURE FROM THE USUAL COURSE OF JUDICIAL PROCEEDINGS BY PUBLIC RESPONDENT HONORABLE JUDGE ADRIANO TUAZON WHEN THE LATTER RENDERED A DECISION IN CIVIL CASE NO. 670-AF [ANNEX "D"] REVERSING THE DECISION OF THE MUNICIPAL TRIAL COURT JUDGE SENDON DELIZO IN CIVIL CASE NO. 9523 [ANNEX "C"] AND IN NOT RESOLVING IN THE SAME CASE THE APPEAL INTERPOSED BY DEFENDANTS ON THE ORDER OF THE SAME COURT DENYING THE MOTION FOR EXECUTION.
- THAT THE RESOLUTION [ANNEX "B"] (OF THE COURT OF APPEALS) DENYING PETITIONER'S MOTION FOR RECONSIDERATION [ANNEX "I"] WITHOUT STATING CLEARLY THE FACTS AND THE LAW ON WHICH SAID RESOLUTION WAS BASED, (IS ERRONEOUS).

These assignment of errors raise the following issues:

1. Whether or not private respondents Veneracion are buyers in good faith of the lot in dispute as to make them the absolute owners thereof in accordance with Art. 1544 of the Civil Code on double sale of immovable property.
2. Whether or not payment of the appellate docket fee within the period to appeal is not necessary for the perfection of the appeal after a notice of appeal has been filed within such period.
3. Whether or not the resolution of the Court of Appeals denying petitioner's motion for reconsideration is contrary to the constitutional requirement that a denial of a motion for reconsideration must state the legal reasons on which it is based.

First. It is apparent from the first and second assignment of errors that petitioner is assailing the findings of fact and the appreciation of the evidence made by the trial courts and later affirmed by the respondent court. While, as a general rule, only questions of law may be raised in a petition for review under Rule 45 of the Rules of Court, review may nevertheless be granted under certain exceptions, namely: (a) when the conclusion is a finding grounded entirely on speculation, surmises, or conjectures; (b) when the inference made is manifestly mistaken, absurd, or impossible; (c) where there is a grave abuse of discretion; (d) when the judgment is based on a misapprehension of facts; (e) when the findings of fact are conflicting; (f) when the Court of Appeals, in making its findings, went beyond the issue of the case and the same is contrary to the admissions of both appellant and appellee; (g) when the findings of the Court of Appeals are contrary to those of the trial court; (h) when the findings of fact are conclusions without citation of specific evidence on which they are based; (i) when the facts set forth in the petition as well as in the petitioner's main and reply briefs are not disputed by the respondents; (j) when the finding of fact of the Court of Appeals is premised on the supposed absence of evidence but is contradicted by the evidence on record; and (k) when the Court of Appeals manifestly overlooked certain relevant facts not disputed by the parties and which, if properly considered, would justify a different conclusion.[25]

In this case, the Court of Appeals based its ruling that private respondents Veneracion are the owners of the disputed lot on their reliance on private respondent Godofredo De la Paz's assurance that he would take care of the matter concerning petitioner's occupancy of the disputed lot as constituting good faith. This case, however, involves double sale and, on this matter, Art. 1544 of the Civil Code provides that where immovable property is the subject of a double sale, ownership shall be transferred (1) to the person acquiring it who in good faith first recorded it to the Registry of Property; (2) in default thereof, to the person who in good faith was first in possession; and (3) in default thereof, to the person who presents the oldest title.[26] The requirement of the law, where title to the property is recorded in the Register of Deeds, is two-fold: acquisition in good faith and recording in good faith. To be entitled to priority, the second purchaser must not only prove prior recording of his title but that he acted in good faith, i.e., without knowledge or notice of a prior sale to another. The presence of good faith should be ascertained from the circumstances surrounding the purchase of the land.[27]

1. With regard to the first sale to private respondents Veneracion, private respondent Reynaldo Veneracion testified that on October 10, 1981, 18 days before the execution of the first Deed of Sale with Right to Repurchase, he inspected the premises and found it vacant.[28] However, this is belied by the testimony of Engr. Felix D. Minor, then building inspector of the Department of Public Works and Highways, that he conducted on October 6, 1981 an ocular inspection of the lot in dispute in the performance of his duties as a building inspector to monitor the progress of the construction of the building subject of the building permit issued in favor of petitioner on April 23, 1981, and that he found it 100 % completed (Exh. V).[29] In the absence of contrary evidence, he is to be presumed to have regularly performed his official duty.[30] Thus, as early as October, 1981, private respondents Veneracion already knew that there was construction being made on the property they purchased.

2. The Court of Appeals failed to determine the nature of the first contract of sale between the private respondents by considering their contemporaneous and subsequent acts.[31] More specifically, it overlooked the fact that the first contract of sale between the private respondents shows that it is in fact an equitable mortgage.

The requisites for considering a contract of sale with a right of repurchase as an equitable mortgage are (1) that the parties entered into a contract denominated as a contract of sale and (2) that their intention was to secure an existing debt by way of mortgage.[32] A contract of sale with right to repurchase gives rise to the presumption that it is an equitable mortgage in any of the following cases: (1) when the price of a sale with a right to repurchase is unusually inadequate; (2) when the vendor remains in possession as lessee or otherwise; (3) when, upon or after the expiration of the right to repurchase, another instrument extending the period of redemption or granting a new period is executed; (4) when the purchaser retains for himself a part of the purchase price; (5) when the vendor binds himself to pay the taxes on the thing sold; (6) in any other case where it may be fairly inferred that the real intention of the parties is that the transaction shall secure the payment of a debt or the performance of any other obligation.[33] In case of doubt, a contract purporting to be a sale with right to repurchase shall be construed as an equitable mortgage.[34]

In this case, the following circumstances indicate that the private respondents intended the transaction to be an equitable mortgage and not a contract of sale: (1) Private respondents Veneracion never took actual possession of the three lots; (2) Private respondents De la Paz remained in possession of the Melencio lot which was co-owned by them and where they resided; (3) During the period between the first sale and the second sale to private respondents Veneracion, they never made any effort to take possession of the properties; and (4) when the period of redemption had expired and private respondents Veneracion were informed by the De la Pazes that they are offering the lots for sale to another person for P200,000.00, they never objected. To the contrary, they offered to purchase the two lots for P180,000.00 when they found that a certain Mr. Tecson was prepared to purchase it for the same amount. Thus, it is clear from these circumstances that both private respondents never intended the first sale to be a contract of sale, but merely that of mortgage to secure a debt of P150,000.00.

With regard to the second sale, which is the true contract of sale between the parties, it should be noted that this Court in several cases,[35] has ruled that a purchaser who is aware of facts which should put a reasonable man upon his guard cannot turn a blind eye and later claim that he acted in good faith. Private respondent Reynaldo himself admitted during the pre-trial conference in the MTC in Civil Case No. 9523 (for ejectment) that petitioner was already in possession of the property in dispute at the time the second Deed of Sale was executed on June 1, 1983 and registered on March 4, 1984. He, therefore, knew that there were already occupants on the property as early as 1981. The fact that there are persons, other than the vendors, in actual possession of the disputed lot should have put private respondents on inquiry as to the nature of petitioner's right over the property. But he never talked to petitioner to verify the nature of his right. He merely relied on the assurance of private respondent Godofredo De la Paz, who was not even the owner of the lot in question, that he would take care of the matter. This does not meet the standard of good faith.

3. The appellate court's reliance on Arts. 1357 and 1358 of the Civil Code to determine private respondents Veneracion's lack of knowledge of petitioner's ownership of the disputed lot is erroneous.

Art. 1357[36] and Art. 1358,[37] in relation to Art. 1403(2)[38] of the Civil Code, requires that the sale of real property must be in writing for it to be enforceable. It need not be notarized. If the sale has not been put in writing, either of the contracting parties can compel the other to observe such requirement.[39] This is what petitioner did when he repeatedly demanded that a Deed of Absolute Sale be executed in his favor by private respondents De la Paz. There is nothing in the above provisions which require that a contract of sale of realty must be executed in a public document. In any event, it has been shown that private respondents Veneracion had

knowledge of facts which would put them on inquiry as to the nature of petitioner's occupancy of the disputed lot.

Second. Petitioner contends that the MTC in Civil Case No. 9523 (for ejectment) erred in denying petitioner's Motion for Execution of the Judgment, which the latter filed on June 6, 1989, two years after private respondents Veneracion filed a notice of appeal with the MTC on March 3, 1987 without paying the appellate docket fee. He avers that the trial court's denial of his motion is contrary to this Court's ruling in the cases of *Republic v. Director of Lands*,^[40] and *Aranas v. Endona*^[41] in which it was held that where the appellate docket fee is not paid in full within the reglementary period, the decision of the MTC becomes final and unappealable as the payment of docket fee is not only a mandatory but also a jurisdictional requirement.

Petitioner's contention has no merit. The case of *Republic v. Director of Lands* deals with the requirement for appeals from the Courts of First Instance, the Social Security Commission, and the Court of Agrarian Relations to the Court of Appeals. The case of *Aranas v. Endona*, on the other hand, was decided under the 1964 Rules of Court and prior to the enactment of the Judiciary Reorganization Act of 1981 (B.P. Blg. 129) and the issuance of its Interim Rules and Guidelines by this Court on January 11, 1983. Hence, these cases are not applicable to the matter at issue.

On the other hand, in *Santos v. Court of Appeals*,^[42] it was held that although an appeal fee is required to be paid in case of an appeal taken from the municipal trial court to the regional trial court, it is not a prerequisite for the perfection of an appeal under §20^[43] and §23^[44] of the Interim Rules and Guidelines issued by this Court on January 11, 1983 implementing the Judiciary Reorganization Act of 1981 (B.P. Blg. 129). Under these sections, there are only two requirements for the perfection of an appeal, to wit: (a) the filing of a notice of appeal within the reglementary period; and (b) the expiration of the last day to appeal by any party. Even in the procedure for appeal to the regional trial courts,^[45] nothing is mentioned about the payment of appellate docket fees.

Indeed, this Court has ruled that, in appealed cases, the failure to pay the appellate docket fee does not automatically result in the dismissal of the appeal, the dismissal being discretionary on the part of the appellate court.^[46] Thus, private respondents Veneracions' failure to pay the appellate docket fee is not fatal to their appeal.

Third. Petitioner contends that the resolution of the Court of Appeals denying his motion for reconsideration was rendered in violation of the Constitution because it does not state the legal basis thereof.

This contention is likewise without merit.

Art. VIII, Sec. 14 of the Constitution provides that "No petition for review or motion for reconsideration of a decision of the court shall be refused due course or denied without stating the basis therefor." This requirement was fully complied with when the Court of Appeals, in denying reconsideration of its decision, stated in its resolution that it found no reason to change its ruling because petitioner had not raised anything new.^[47] Thus, its resolution denying petitioner's motion for reconsideration states:

For resolution is the Motion for Reconsideration of Our Decision filed by the petitioners.

Evidently, the motion poses nothing new. The points and arguments raised by the movants have been considered and passed upon in the Decision sought to be reconsidered. Thus, We find no reason to disturb the same.

WHEREFORE, the motion is hereby DENIED.

SO ORDERED.^[48]

Attorney's fees should be awarded as petitioner was compelled to litigate to protect his interest due to private

respondents' act or omission.[49]

WHEREFORE, the decision of the Court of Appeals is REVERSED and a new one is RENDERED:

- (1) declaring as null and void the deed of sale executed by private respondents Godofredo and Manuela De la Paz in favor of private respondents spouses Reynaldo and Susan Veneracion;
- (2) ordering private respondents Godofredo and Manuela De la Paz to execute a deed of absolute sale in favor of petitioner Rev. Fr. Dante Martinez;
- (3) ordering private respondents Godofredo and Manuela De la Paz to reimburse private respondents spouses Veneracion the amount the latter may have paid to the former;
- (4) ordering the Register of Deeds of Cabanatuan City to cancel TCT No. T-44612 and issue a new one in the name of petitioner Rev. Fr. Dante Martinez; and
- (5) ordering private respondents to pay petitioner jointly and severally the sum of P20,000.00 as attorney's fees and to pay the costs of the suit.

SO ORDERED.

Bellosillo, (Chairman), Buena and De Leon, Jr., JJ., concur.
Quisumbing, J., on leave.

[1] Per Judge Johnson L. Ballutay.

[2] Per Judge Adriano I. Tuason.

[3] Records (Civil Case No. 44-AF-8642-R), pp. 146-147.

[4] Id., p. 190.

[5] Id., pp. 132, 180.

[6] Id., pp. 134-136.

[7] Id., p. 217; TSN (Engr. Felix D. Minor), p. 10-11, Feb. 23, 1989.

[8] TSN (Fr. Dante Martinez), pp. 4, 6-9, 12-16, 45, Dec. 11, 1987.

[9] Records (Civil Case No. 44-AF-8642-R), p. 131; TSN (Fr. Dante Martinez), p. 9, Dec. 11, 1987.

[10] Records (Civil Case No. 44-AF-8642-R), p. 148.

[11] Id., pp. 193-194.

[12] TSN (Reynaldo Veneracion), pp. 3-8, Sept. 28, 1988.

[13] Id., pp. 18-19, Nov. 3, 1988.

[14] Records (Civil Case No. 44-AF-8642-R), p. 183.

[15] TSN (Reynaldo Veneracion), pp. 10-17, 16-17, Sept. 28, 1988; Records (Civil Case No. 44-AF-8642-R), p. 144.

[16] TSN (Fr. Dante Martinez), pp. 25-28, Dec. 11, 1987; Records (Civil Case No. 44-AF-8642-R), 149, 184.

- [17] Records (Civil Case No. 44-AF-8642-R), pp. 151-152.
- [18] *Id.*, p. 145, 197.
- [19] *Id.*, p. 198.
- [20] *Id.*, p. 155.
- [21] *Id.*, p. 140; Order, p. 1.
- [22] CA Rollo (CA-G.R. SP. No. 24477), p. 42; MTC Judgment, p. 5.
- [23] Rollo, pp. 56-61; CA Decision, pp. 6-11.
- [24] *Id.*, p. 63; Resolution, p. 1.
- [25] *Lacanilao v. Court of Appeals*, 262 SCRA 486 (1996); *Philippine Home Assurance Corp. v. Court of Appeals*, 257 SCRA 468 (1996); *Floro v. Llenado*, 244 SCRA 715 (1995).
- [26] *Balatbat v. Court of Appeals*, 261 SCRA 128 (1996).
- [27] *Bautista v. Court of Appeals*, 230 SCRA 446 (1994).
- [28] TSN (*Reynaldo Veneracion*), p. 16, Sept. 28, 1988.
- [29] TSN (*Engr. Felix D. Minor*), pp. 10-11, Feb. 23, 1989; Records (Civil Case No. 44-AF-8642-R), p. 217.
- [30] *Celeste v. Court of Appeals*, 209 SCRA 79 (1992).
- [31] *Matanguihan v. Court of Appeals*, 275 SCRA 380 (1997).
- [32] *Id.*
- [33] CIVIL CODE, Art. 1602.
- [34] *Id.*, Art. 1603.
- [35] *De la Cruz v. Intermediate Appellate Court*, 157 SCRA 660 (1988); *Bautista v. Court of Appeals*, 230 SCRA 446 (1994); *Balatbat v. Court of Appeals*, 261 SCRA 128 (1996).
- [36] Art. 1357. If the law requires a document or other special form, as in the acts and contracts enumerated in the following article, the contracting parties may compel each other to observe that form, once the contract has been perfected. This right may be exercised simultaneously with the action upon the contract.
- [37] Art. 1358. The following must appear in a public document:
- (1) Acts and contracts which have for their object the creation, transmission, modification or extinguishment of real rights over immovable property; sales of real property or of an interest therein are governed by Articles 1403, No. 2 and 1405;
- [38] Art. 1403. The following contracts are unenforceable, unless they are ratified:
-
- (e) An agreement for the leasing for a longer period than one year, or for the sale of real property or of an interest therein;
- [39] *Heirs of Amparo del Rosario v. Santos*, 108 SCRA 43 (1981).

[40] 71 SCRA 450 (1976).

[41] 117 SCRA 753 (1982).

[42] 253 SCRA 632 (1996).

[43] Sec. 20. Procedure for taking appeal. - An appeal from the metropolitan trial courts, municipal trial courts or municipal circuit trial courts to the regional trial courts, and from the regional trial courts to the Intermediate Appellate Court in actions or proceedings originally filed in the former shall be taken by filing a notice of appeal with the court that rendered the judgment or order appealed from.

[44] Sec. 23. Perfection of appeal. - In cases where appeal is taken, the perfection of the appeal shall be upon the expiration of the last day to appeal by any party.

[45] INTERIM RULES AND GUIDELINES, §21.

[46] Fontanar v. Bonsubre, 145 SCRA 663 (1986); Del Rosario and Sons Logging Enterprises, Inc. v. NLRC, 136 SCRA 669 (1985).

[47] Borromeo v. Court of Appeals, 186 SCRA 1 (1990).

[48] Rollo, p. 63; Resolution, p. 1.

[49] CIVIL CODE, Art. 2208 (2).

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