

**MA. TERESA VIDAL, LULU MARQUEZ, AND CARLOS SOBREMONTTE,
PETITIONERS, VS. MA. TERESA O. ESCUETA, REPRESENTED BY
HERMAN O. ESCUETA, RESPONDENT.**

G.R. No. 156228. December 10, 2003

Ponente: CALLEJO, SR., J.

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CALLEJO, SR., J.:

This is a petition for review of the Decision[1] dated July 23, 2002 of the Court of Appeals in CA-G.R. SP NO. 68895 which affirmed the decision[2] of the Regional Trial Court (RTC) of Mandaluyong City, Branch 208, which reversed and set aside the decision[3] of the Metropolitan Trial Court of Mandaluyong City (MTC), Branch 60; and granted the motion for execution filed by private respondent Ma. Teresa O. Escueta in Civil Case No. 17520.

The petition at bar stemmed from the following antecedents:

When Abelardo Escueta died intestate on December 3, 1994, he was survived by his widow Remedios Escueta and their six children, including Ma. Teresa O. Escueta and her brother Herman O. Escueta. Part of his estate was a parcel of land located at No. 14 Sierra Madre corner Kanlaon Streets, Barangay Highway Hills, Mandaluyong City, covered by Transfer Certificate of Title (TCT) No. (77083) - 27568, and the house thereon. The property was leased to Rainier Llanera, who sublet the same to 25 persons. The heirs executed an extra-judicial settlement of estate over the property. They also executed a special power of attorney authorizing Ma. Teresa Escueta to sell the said property.[4]

Sometime in 1999, Ma. Teresa Escueta, as a co-owner of the property, filed an ejectment case against Llanera and the sub-lessees before the Lupon of Barangay Highway Hills, docketed as Barangay Case No. 99-09.[5]

In the meantime, on April 15, 1999, the heirs of Abelardo Escueta executed a deed of conditional sale[6] over the property including the house thereon, to Mary Liza Santos for P13,300,000.00 payable as follows:

"Down payment - ONE MILLION FIVE HUNDRED THOUSAND (P1,500,000.00) which the HEIRS-SELLERS acknowledged receipt thereof with complete and full satisfaction;

Second payment - TEN MILLION EIGHT HUNDRED THOUSAND (P10,800,000.00) after publication of the Extra-Judicial Settlement of the Estate of the late Abelardo Escueta and payment of the taxes with the Bureau of Internal Revenue by the Attorney-in-Fact; and

The balance of ONE MILLION (P1,000,000.00) upon vacation of all the occupants of the subject property within SIX (6) months from date hereof."[7]

The parties further agreed that:

"Ms. Maria Teresa Escueta shall deliver unto the BUYER the Owner's Duplicate Copy of the title upon receipt of the down payment while the original copies of the Special Power of Attorney shall be delivered upon

payment of the Second Payment stated above.

The ATTORNEY-IN-FACT-SELLER shall be responsible for the ejectment of all the tenants in the said subject property.

The ATTORNEY-IN-FACT-SELLER shall pay the estate tax, capital gains tax and documentary stamp tax including the telephone, water and Meralco bills and the publication for the Extra-Judicial Settlement of the estate of the late ABELARDO ESCUETA while the registration and transfer fees shall be shouldered by the BUYER."[8]

On May 5, 1999, Escueta and Llanera, and the sub-lessees, executed an "Amicable Settlement,"[9] where they agreed that (a) the owners of the property would no longer collect the rentals due from the respondents therein (lessee and sub-lessees) starting May 1999, with the concomitant obligation of the respondents to vacate the property on or before December 1999; (b) time was the essence of the agreement, and that consequently, if the lessee and sub-lessees fail or refuse to vacate the property on or before December 1999, the barangay chairman was authorized without any court order to cause the eviction and removal of all the respondents on the property.[10] The amicable settlement was attested by Pangkat Chairman Jose Acong. The parties did not repudiate the amicable settlement within ten days from the execution thereof. Neither did any of the parties file any petition to repudiate the settlement.

The vendees having paid the down payment and second installment of the price of the property, the vendors caused the cancellation on December 17, 1999, of TCT No. 27568 and the issuance of TCT No. 15324 to and under the names of the vendees Mary Liza Santos, Susana Lim and Johnny Lim.[11] However, Escueta and the other vendors had yet to receive the balance of the purchase price of P1,000,000.00 because the respondents were still in the property.

Llanera vacated the leased premises. Later, twenty of the sub-lessees also vacated the property. By January 2000, five sub-lessees, namely, Ma. Teresa Vidal, Lulu Marquez, Marcelo Trinidad, Carlos Sobremonte,[12] and Jingkee Ang remained in the property, and requested Escueta for extensions to vacate the property. Escueta agreed, but despite the lapse of the extensions granted them, the five sub-lessees refused to vacate the property.

Escueta opted not to have the sub-lessees evicted through the Punong Barangay as provided for in the amicable settlement. Neither did she file a motion with the Punong Barangay for the enforcement of the settlement. Instead, she filed on May 12, 2000, a verified "Motion for Execution" against the recalcitrant sub-lessees with the MTC for the enforcement of the amicable settlement and the issuance of a writ of execution. The pleading was docketed as Civil Case No. 17520, with Teresa Escueta as plaintiff, and the sub-lessees as defendants.[13]

The defendants opposed the motion[14] alleging that they were enveigled into executing the amicable settlement despite the fact that they had not violated any of the terms and conditions of the verbal lease of the property; they were coerced and forced to enter into such amicable settlement as it was the only way of prolonging their stay in the leased premises; and that they had been paying faithfully and religiously the monthly rentals in advance.

They also contended that the plaintiff came to court with unclean hands, as the property had been sold by the co-owners thereof on June 8, 1999, without notifying them. The real parties-in-interest as plaintiffs, would be the new owners of the property, and not the Escuetas. The defendants further asserted that the amicable settlement was not elevated to or approved by the MTC as required by Section 419 of the Local Government Code (LGC), nor approved by a competent court; hence, there was no judgment to enforce by a new motion for a writ of execution. As such, the plaintiff's motion was premature and procedurally improper. The defendants asserted that the plaintiff must first secure a certification to file action from the barangay and thereafter, file an action for ejectment against them as required by Section 417 of the LGC. The amicable settlement of the parties before the

Lupon cannot be a substitute for an action for ejectment. Finally, they averred that they had been sub-lessees for more than ten years already; hence, had the right of first refusal under Section 6 of the Urban Land Reform Law (P.D. No. 1517). For her part, the plaintiff asserted that there having been no execution of the amicable settlement on or before November 6, 1999 by the Lupon, the settlement may now be enforced by action in the proper city or municipal court.

On February 22, 2001, the court issued an Order^[15] denying the "Motion for Execution." The court held that the plaintiff was not the real party-in-interest as the subject property had already been sold and titled to Susana Lim, Johnny Lim and Mary Liza Santos. Only the vendees had the right to demand the ejectment of the defendants from the said property. The court further ruled that the defendants had the right of first refusal to purchase the property under Presidential Decree No. 1517. The MTC, however, did not rule on the issue of whether or not the plaintiff's motion for execution was premature.

Aggrieved, the plaintiff, now the appellant, appealed the order to the RTC where she contended that:

THE METROPOLITAN TRIAL COURT COMMITTED THE REVERSIBLE ERROR IN FINDING AND IN CONCLUDING THAT PLAINTIFF IS NO LONGER THE REAL PARTY-IN-INTEREST.

THE METROPOLITAN TRIAL COURT COMMITTED THE REVERSIBLE ERROR IN FINDING AND IN CONCLUDING THAT DEFENDANTS CANNOT BE EJECTED AND CAN EXERCISE THE RIGHT OF FIRST REFUSAL.

THE METROPOLITAN TRIAL COURT COMMITTED THE REVERSIBLE ERROR IN NOT FINDING AND IN NOT MAKING THE CONCLUSION THAT DEFENDANTS HAVE VIOLATED THE FINAL AND EXECUTORY THE WRITTEN AMICABLE SETTLEMENT BETWEEN PARTIES EXECUTED IN THEIR BARANGAY CONFRONTATION.

THE METROPOLITAN TRIAL COURT COMMITTED THE REVERSIBLE ERROR IN NOT ORDERING THE EJECTMENT OF THE DEFENDANTS AND IN NOT ORDERING SAID DEFENDANTS TO PAY THEIR ARREARAGES IN RENTAL PAYMENTS FROM MAY 1999 UP TO THE DAY THEY ACTUALLY LEAVE THE PREMISES AS WELL AS ATTORNEY'S FEES AND DAMAGES.^[16]

On August 31, 2001, the RTC rendered a decision holding that the plaintiff-appellant was still the owner of the property when the ejectment case was filed in the office of the barangay captain, and, as such, was the real party-in-interest as the plaintiff in the MTC. Moreover, under the deed of conditional sale between her and the buyers, it was stipulated therein that the purchase price of P1,000,000.00 would be delivered to the vendors only "upon the vacation of all the occupants of the subject property within six (6) months from date hereof." She was duty-bound to cause the eviction of the defendant from the property; hence, the appellant, as a co-owner, had a substantial interest in the property. The MTC further held that the sale, having been executed while the appellant's complaint was pending with the Lupon, the action in the MTC may be continued by the plaintiff-appellant.

As to the right of first refusal being asserted by the appellees, the court ruled that there was no showing that the land leased had been proclaimed to be within a specific Urban Land Reform Zone. In fact, the Housing and Land Use Regulatory Board had certified that the subject property was outside the area for priority development; thus, the appellees may not claim that they had been deprived of their preemptive right when no such right existed in the first place. The court did not rule on the third and fourth issues on the ground that the said issues were never raised by the parties. The decretal portion of the RTC decision reads as follows:

PREMISES CONSIDERED, the appeal is GRANTED. The Order dated February 2, 2001 issued by the Metropolitan Trial Court of Mandaluyong City, Branch 60, in Civil Case No. 17520 is hereby REVERSED and SET ASIDE, and a new one is entered granting the Motion for Execution.

Let the Record of this case be remanded to the court a quo for proper disposition.

SO ORDERED.[17]

A petition for review under Rule 42 was filed with the Court of Appeals by three of the appellees, now petitioners Ma. Teresa Vidal, Lulu Marquez and Carlos Sobremonte. The court, however, dismissed the petition on (1) procedural grounds, and (2) for lack of merit. [18]

On procedural grounds, the CA ruled that the petitioners failed to indicate the specific material dates, showing that their petition was filed on time as required by the rules, and in declaring that they failed to justify their failure to do so.

On the merits of the petition, the appellate court upheld the ruling of the RTC. The decretal portion of the decision of the CA reads:

WHEREFORE, the instant petition is hereby DISMISSED. The assailed Decision of the Regional Trial Court of Mandaluyong City, Branch 208, rendered in Civil Case No. MC01-333-A, dated August 31, 2001 is hereby AFFIRMED.

SO ORDERED.[19]

In their petition at bar, the petitioners assert that the CA erred as follows: (1) in not applying the rules of procedure liberally; (2) in declaring that there was no need for the respondents to file an ejectment case for the eviction of the petitioners; (3) that the real parties-in-interest as plaintiffs in the MTC were the new owners of the property, Susana Lim, Johnny Lim and Mary Liza Santos; (4) in not finding that the Amicable Settlement was obtained through deceit and fraud; and (5) in ruling that the petitioners had no right of first refusal in the purchase and sale of the subject property under Presidential Decree No. 1517.

The petition is bereft of merit.

On the procedural issue, the CA dismissed the petition before it for the petitioners' failure to comply with Section 2, par. 1, Rule 42 of the 1997 Rules of Civil Procedure.[20] The CA ratiocinated that there was no justification for a relaxation of the Rules, thus:

Petitioners cited decisions of the Supreme Court where a relaxation of procedural rules was allowed. However, a reading of those cases shows that they are not exactly similar with the present case. In the case of *Mactan Cebu International Airport Authority vs. Francisco Cuizon Mangubat*, the Supreme Court allowed the late payment of docket fee by the Solicitor General on the ground that the 1997 Rules of Civil Procedure regarding payment of docket fees was still new at that time. The same cannot be said in the present case. The petition was filed on February 28, 2002, almost five years from the issuance of the 1997 Rules of Civil Procedure. The circumstances of typhoon and holiday for failure to obtain a certified true copy of the DOJ's Decision, in the case of *Hagonoy Market Vendor Association vs. Municipality of Hagonoy, Bulacan*, were present in the instant petition. The case of *Salazar vs. Court of Appeals* is also not similar with the present case.[21]

The petitioners aver in this case that the failure of their counsel to include the material dates in their petition with the CA was, as stated in their Amended Manifestation, because the said counsel was suffering from a slight heart attack. The Court finds the petitioners' pretext flimsy. If the petitioners' counsel was able to prepare their petition despite her condition, there was no valid reason why she failed to include the material dates required under the Rules of Court. Besides, the petitioners stated in their petition that they had appended a copy of their Amended Manifestation, but failed to do so. If the rules were to be applied strictly, the CA could not be faulted for dismissing the petition.

However, in order to promote their objective of securing a just, speedy and inexpensive dispensation of every

action and proceedings, the Rules are to be liberally construed.[22] Rules of procedure are intended to promote, not to defeat substantial justice and, therefore, should not be applied in a very rigid and technical sense. This Court ruled in *Buenaflor vs. Court of Appeals, et al.*[23] that appeal is an essential part of our judicial system and trial courts and the Court of Appeals are advised to proceed with caution so as not to deprive a party of the right to appeal and that every party litigant should be afforded the amplest opportunity for the proper and just disposition of his cause, free from the constraints of technicalities. The Court has given due course to petitions where to do so would serve the demands of substantial justice and in the exercise of its equity jurisdiction.[24] In this case, the Court opts to apply the rules liberally to enable it to delve into and resolve the cogent substantial issues posed by the petitioners.

We agree with the contention of the petitioners that under Section 416 of the LGC, the amicable settlement executed by the parties before the Lupon on the arbitration award has the force and effect of a final judgment of a court upon the expiration of ten (10) days from the date thereof, unless the settlement is repudiated within the period therefor, where the consent is vitiated by force, violence or intimidation, or a petition to nullify the award is filed before the proper city or municipal court.[25] The repudiation of the settlement shall be sufficient basis for the issuance of a certification to file a complaint.[26]

We also agree that the Secretary of the Lupon is mandated to transmit the settlement to the appropriate city or municipal court within the time frame under Section 418 of the LGC and to furnish the parties and the Lupon Chairman with copies thereof.[27] The amicable settlement which is not repudiated within the period therefor may be enforced by execution by the Lupon through the Punong Barangay within a time line of six months, and if the settlement is not so enforced by the Lupon after the lapse of the said period, it may be enforced only by an action in the proper city or municipal court as provided for in Section 417 of the LGC of 1991, as amended, which reads:

SEC. 417. Execution. – The amicable settlement or arbitration award may be enforced by execution by the Lupon within six (6) months from the date of the settlement. After the lapse of such time, the settlement may be enforced by action in the proper city or municipal court. (Underlining supplied).

Section 417 of the Local Government Code provides a mechanism for the enforcement of a settlement of the parties before the Lupon. It provides for a two-tiered mode of enforcement of an amicable settlement executed by the parties before the Lupon, namely, (a) by execution of the Punong Barangay which is quasi-judicial and summary in nature on mere motion of the party/parties entitled thereto;[28] and (b) by an action in regular form, which remedy is judicial. Under the first remedy, the proceedings are covered by the LGC and the Katarungang Pambarangay Implementing Rules and Regulations. The Punong Barangay is called upon during the hearing to determine solely the fact of non-compliance of the terms of the settlement and to give the defaulting party another chance at voluntarily complying with his obligation under the settlement. Under the second remedy, the proceedings are governed by the Rules of Court, as amended. The cause of action is the amicable settlement itself, which, by operation of law, has the force and effect of a final judgment.

Section 417 of the LGC grants a party a period of six months to enforce the amicable settlement by the Lupon through the Punong Barangay before such party may resort to filing an action with the MTC to enforce the settlement. The *raison d'être* of the law is to afford the parties during the six-month time line, a simple, speedy and less expensive enforcement of their settlement before the Lupon.

The time line of six months is for the benefit not only of the complainant, but also of the respondent. Going by the plain words of Section 417 of the LGC, the time line of six months should be computed from the date of settlement. However, if applied to a particular case because of its peculiar circumstance, the computation of the time line from the date of the settlement may be arbitrary and unjust and contrary to the intent of the law. To

illustrate: Under an amicable settlement made by the parties before the Lupon dated January 15, 2003, the respondents were obliged to vacate the subject property on or before September 15, 2003. If the time line of six months under Section 417 were to be strictly and literally followed, the complainant may enforce the settlement through the Lupon only up to July 15, 2003. But under the settlement, the respondent was not obliged to vacate the property on or before July 15, 2003; hence, the settlement cannot as yet be enforced. The settlement could be enforced only after September 15, 2003, when the respondent was obliged to vacate the property. By then, the six months under Section 417 shall have already elapsed. The complainant can no longer enforce the settlement through the Lupon, but had to enforce the same through an action in the MTC, in derogation of the objective of Section 417 of the LGC. The law should be construed and applied in such a way as to reflect the will of the legislature and attain its objective, and not to cause an injustice. As Justice Oliver Wendell Holmes aptly said, "courts are apt to err by sticking too closely to the words of the law where these words support a policy that goes beyond them. The Court should not defer to the letter that killeth but to the spirit that vivifieth." [29]

In light of the foregoing considerations, the time line in Section 417 should be construed to mean that if the obligation in the settlement to be enforced is due and demandable on the date of the settlement, the six-month period should be counted from the date of the settlement; otherwise, if the obligation to be enforced is due and demandable on a date other than the date of the settlement, the six-month period should be counted from the date the obligation becomes due and demandable.

Parenthetically, the Katarungang Pambarangay Implementing Rules and Regulations, Rule VII, Section 2 provides:

SECTION 2. Modes of Execution. - The amicable settlement or arbitration award may be enforced by execution by the Lupon within six [6] months from date of the settlement or date of receipt of the award or from the date the obligation stipulated in the settlement or adjudged in the arbitration award becomes due and demandable. After the lapse of such time, the settlement or award may be enforced by the appropriate local trial court pursuant to the applicable provisions of the Rules of Court . An amicable settlement reached in a case referred by the Court having jurisdiction over the case to the Lupon shall be enforced by execution by the said court. (Underlining supplied).

By express provision of Section 417 of the LGC, an action for the enforcement of the settlement should be instituted in the proper municipal or city court. This is regardless of the nature of the complaint before the Lupon, and the relief prayed for therein. The venue for such actions is governed by Rule 4, Section 1 of the 1997 Rules of Civil Procedure, as amended. An action for the enforcement of a settlement is not one of those covered by the Rules on Summary Procedure in civil cases; [30] hence, the rules on regular procedure shall apply, as provided for in Section 1, Rule 5 of the Rules of Civil Procedure, as amended. [31]

As to the requisite legal fees for the filing of an action in the first level court under Section 417 of the Local Government Code, indigents-litigants (a) whose gross income and that of their immediate family do not exceed ten thousand (P10,000.00) pesos a month if residing in Metro Manila, and five thousand (P5,000.00) pesos a month if residing outside Metro Manila, and (b) who do not own real property with an assessed value of more than fifty thousand (P50,000.00) pesos shall be exempt from the payment of legal fees. Section 18, Rule 141 of the Revised Rules of Court, as amended by A.M. No. 00-2-01-SC, is hereby further amended accordingly.

In this case, the parties executed their Amicable Settlement on May 5, 1999. However, the petitioners were obliged to vacate the property only in January 2000, or seven months after the date of the settlement; hence, the respondent may enforce the settlement through the Punong Barangay within six months from January 2000 or until June 2000, when the obligation of the petitioners to vacate the property became due. The respondent was precluded from enforcing the settlement via an action with the MTC before June 2000. However, the respondent

filed on May 12, 2000 a motion for execution with the MTC and not with the Punong Barangay. Clearly, the respondent adopted the wrong remedy. Although the MTC denied the respondent's motion for a writ of execution, it was for a reason other than the impropriety of the remedy resorted to by the respondent. The RTC erred in granting the respondent's motion for a writ of execution, and the CA erred in denying the petitioners' petition for review.

Normally, the Court would remand the case to the Punong Barangay for further proceedings. However, the Court may resolve the issues posed by the petitioners, based on the pleadings of the parties to serve the ends of justice. It is an accepted rule of procedure for the Court to strive to settle the existing controversy in a single proceeding, leaving no root or branch to bear the seeds of future litigation.[32]

In this case, there is no question that the petitioners were obliged under the settlement to vacate the premises in January 2000. They refused, despite the extensions granted by the respondent, to allow their stay in the property. For the court to remand the case to the Lupon and require the respondent to refile her motion for execution with the Lupon would be an idle ceremony. It would only unduly prolong the petitioners' unlawful retention of the premises.[33]

The RTC and the CA correctly ruled that the respondent is the real party-in-interest to enforce amicable settlement. Rule 3, Section 2 of the Rules of Court, as amended, reads:

SEC. 2. Parties in interest. - A real party in interest is the party who stands to be benefited or injured by the judgment in the suit, or the party entitled to the avails of the suit. Unless otherwise authorized by law or these Rules, every action must be prosecuted or defended in the name of the real party in interest.

The party-in-interest applies not only to the plaintiff but also to the defendant. "Interest" within the meaning of the rules means material interest, an interest in issue and to be affected by the decree as distinguished from mere interest in the question involved, or a mere incidental interest.[34] A real party in interest is one who has a legal right.[35] Since a contract may be violated only by the parties thereto as against each other, in an action upon that contract, the real parties-in-interest, either as plaintiff or as defendant, must be parties to the said contract.[36] The action must be brought by the person who, by substantive law, possesses the right sought to be enforced.[37] In this case, the respondent was the party in the amicable settlement. She is the real party-in-interest to enforce the terms of the settlement because unless the petitioners vacate the property, the respondent and the other vendors should not be paid the balance of P1,000,000.00 of the purchase price of the property under the Deed of Conditional Sale.

The petitioners are estopped from assailing the amicable settlement on the ground of deceit and fraud. First. The petitioners failed to repudiate the settlement within the period therefor. Second. The petitioners were benefited by the amicable settlement. They were allowed to remain in the property without any rentals therefor until December 1998. They were even granted extensions to continue in possession of the property. It was only when the respondent filed the motion for execution that the petitioners alleged for the first time that the respondents deceived them into executing the amicable settlement.[38]

On the petitioners' claim that they were entitled to the right of first refusal under P.D. No. 1517, we agree with the disquisition of the trial court, as quoted by the Court of Appeals:

We likewise find no reversible error on the part of [the] RTC in rejecting that the petitioners have a right of first refusal in the purchase and sale of the subject property. As ratiocinated by the court:
"xxx. Presidential Decree No. 1517 (The Urban Land Reform Law) does not apply where there is no showing that the land leased has been proclaimed to be within a specific Urban Land Reform Zone. In the instant case, the annex attached to the Proclamation 1967 creating the areas declared as priority development and urban land

reform zone ... does not indicate that the barangay where the subject property is located is included therein. This is bolstered by the certification issued by the Housing and Land Regulatory Board to the effect that the location of the property is outside the area of Priority Development. It is therefore a reversible error for the lower court to conclude that defendants-appellees were deprived of their preemptive right when no right exists in the first place."

Indeed, before a preemptive right under PD 1517 can be exercised, the disputed land should be situated in an area declared to be both an APD (Areas for Priority Development) and a ULRZ (Urban Land Reform Zones). Records show, and as not disputed by the petitioners, the disputed property is not covered by the aforementioned areas and zones.[39]

IN LIGHT OF ALL THE FOREGOING, the petition is DENIED. The petitioners and all those acting for and in their behalf are directed to vacate, at their own expense, the property covered by Transfer Certificate of Title No. 15324 of the Register of Deeds of Muntinlupa City and deliver possession of the property to the vendees Mary Liza Santos, Susana Lim and Johnny Lim. This is without prejudice to the right of the vendees to recover from the petitioners reasonable compensation for their possession of the property from January 2000 until such time that they vacate the property. Costs against the petitioners.

SO ORDERED.

Davide, Jr., C.J., Puno, Vitug, Panganiban, Quisumbing, Ynares-Santiago, Sandoval-Gutierrez, Carpio, Austria-Martinez, Corona, Carpio-Morales, Azcuna, and Tinga, JJ., concur.

[1] Penned by Associate Justice Perlita J. Tria Tirona, with Associate Justices Buenaventura J. Guerrero and Rodrigo V. Cosico, concurring.

[2] Penned by Judge Japar B. Dimaampao.

[3] Penned by Judge Alden Vasquez-Cervantes.

[4] Rollo, p. 77.

[5] Article 487 of the New Civil Code provides:

Art. 487. Any one of the co-owners may bring an action in ejectment.

[6] Rollo, p. 77.

[7] Rollo, p. 76.

[8] Id. at 78-79.

[9] Id. at 42.

[10] The Amicable Settlement of the parties reads:

The complainant will no longer collect the rentals due from the defendants, starting this month May 1999;

Defendants has (sic) committed to vacate and leave the leased premises on or before December 1999 without need of any notice, demand or any juridical processes whatsoever because it is hereby being waived;

As time is the essence of this agreement, the Barangay Chairman is hereby empowered and given the authority to remove and bring out everything of the leased premises including but not limited to all the persons of defendants and all persons claiming right to any of the defendants and their things and personal belongings, in the event that

the period agreed upon under paragraph no. 2 herein is not complied with by the defendants without need of any Court Order or processes whatsoever and further, without any liability whatsoever of any damage or injury that it may happened (sic) or inflicted in the carrying of this authority, and bind ourselves to comply honestly and faithfully with the above terms of settlement.

[11] Rollo, p. 82.

[12] Also referred to as "Sobromonte."

[13] Rollo, p. 44.

[14] Id. at 49.

[15] Id. at 85-87.

[16] Id. at 108-109.

[17] Id. at 111.

[18] Id. at 32-39.

[19] Id. at 38.

[20] SEC. 2. Form and contents. - The petition shall be filed in seven (7) legible copies, with the original copy intended for the court being indicated as such by the petitioner, and shall (a) state the full names of the parties to the case, without impleading the lower courts or judges thereof either as petitioners or respondents; (b) indicate the specific material dates showing that it was filed on time; (c) set forth concisely a statement of the matters involved, the issues raised, the specification of errors of fact or law, or both, allegedly committed by the Regional Trial Court, and the reasons or arguments relied upon for the allowance of the appeal; (d) be accompanied by clearly legible duplicate originals or true copies of the judgments or final orders of both lower courts, certified correct by the clerk of court of the Regional Trial Court, the requisite number of plain copies thereof and of the pleadings and other material portions of the record as would support the allegations of the petition.

[21] Records, p. 35.

[22] Rule 1, Section 6, 1997 Rules of Civil Procedure.

[23] 346 SCRA 563 (2000).

[24] Id. at 567.

[25] SEC. 416. Effect of Amicable Settlement and Arbitration Award. – The amicable settlement and arbitration award shall have the force and effect of a final judgment of a court upon the expiration of ten (10) days from the date thereof, unless repudiation of the settlement has been made or a petition to nullify the award has been filed before the proper city or municipal court.

However, this provision shall not apply to court cases settled by the lupon under the last paragraph of Section 408 of this Code, in which case the compromise settlement agreed upon by the parties before the lupon chairman or the pangkat chairman shall be submitted to the court and upon approval thereof, have the force and effect of a judgment of said court.

[26] SEC. 418. Repudiation. – Any party to the dispute may, within ten (10) days from the date of the settlement, repudiate the same by filing with the lupon chairman a statement to that effect sworn to before him, where the consent is vitiated by fraud, violence, or intimidation. Such repudiation shall be sufficient basis for the issuance of

the certification for filing a complaint as hereinabove provided.

[27] SEC. 419. Transmittal of Settlement and Arbitration Award to the Court. - The secretary of the lupon shall transmit the settlement or the arbitration award to the appropriate city or municipal court within five (5) days from the date of the award or from the lapse of the ten-day period repudiating the settlement and shall furnish copies thereof to each or the parties to the settlement and the lupon chairman.

[28] The Katarungang Pambarangay Implementing Rules and Regulations issued by the Department of Interior and Local Government provides:

SECTION 3. Motion for Execution. - The disputant/s may file a motion with the Punong Barangay, copy furnished to the other disputant/s, for the execution of a final settlement or award which has not been complied with.

SECTION 4. Hearing. - On the day the motion for execution is filed, the Punong Barangay shall set the same for hearing on a date agreed to by the movant, which shall not be later than five (5) days from the date of the filing of the motion. The Punong Barangay shall give immediate notice of hearing to the other party.

During the hearing, the Punong Barangay shall ascertain the fact of non-compliance with the terms of the settlement or award. Upon such determination of non-compliance, the Punong Barangay shall strongly urge the party obliged to voluntarily comply with the settlement or award.

SECTION 5. Issuance, form and contents of the notice of the execution. - The Punong Barangay shall within [5] days from the day of hearing, determine whether or not voluntary compliance can be secured. Upon the lapse of said five-day period, there being no voluntary compliance, he shall issue a notice of execution in the name of the Lupon Tagapamayapa. The said notice must intelligently refer to the settlement or award and the amount actually due thereunder if it be for money, or the terms thereof which must be complied with.

SECTION 6. Procedure for execution:

- If the execution be for the payment of money, the party obliged is allowed a period of five [5] days to make a voluntary payment, failing which, the Punong Barangay shall take possession of sufficient personal property located in the barangay of the party obliged to satisfy the settlement or award from the proceeds of the sale thereof with legal interest such sale to be conducted in accordance with the procedure herein provided. If sufficient personal property exists, the party obliged is allowed to point out which of them shall be taken possession of ahead of the others. If personal property is not sufficient to satisfy the settlement or award, the deficiency shall be satisfied in accordance with the applicable provisions of the Rules of Court.

- If it be for the delivery or restitution of property located in the barangay, the Punong Barangay shall oust therefrom the person against whom the settlement or award is rendered and place the place the party entitled thereto in possession of such property.

If it be for the delivery or restitution of property located in another barangay of the same city or municipality, the Punong Barangay issuing the notice shall authorize the Punong Barangay of the barangay where the property is situated to take possession of the property and to act in accordance with paragraph [b] hereof.

- If a settlement or award directs to a party to execute a conveyance of land, or to deliver deeds or other documents, or to perform any other specific act, and the party fails to comply within the time specified, the Punong Barangay may direct the Lupon Secretary to perform the act at the cost of the disobedient party and the act when so done shall like effects as if done by the party.

[29] Cometa v. Court of Appeals, 351 SCRA 294 (2001).

[30] Section 1. Scope. - This rule shall govern the summary procedure in the Metropolitan Trial Court, the Municipal Trial Courts in Cities, the Municipal Trial Courts, and the Municipal Circuit Trial Courts in the following cases falling within their jurisdiction.

Civil Cases:

(1) All cases of forcible entry and unlawful detainer, irrespective of the amount of damages or unpaid rentals sought to be recovered. Where attorneys fees are awarded, the same shall not exceed Twenty Thousand Pesos (P20,000.00). (The 1997 Rules on Civil Procedure has incorporated in Rule 70 the Applicable Rules on Summary Procedure and now governs cases of forcible entry and unlawful detainer.)

(2) All other civil cases, except probate proceedings, where the total amount of the plaintiff's claim does not exceed Ten Thousand Pesos (P10,000.00), exclusive of interest and costs.

[31] SECTION 1. Uniform procedure. - The procedure in the Municipal Trial Courts shall be the same as in the Regional Trial Courts, except (a) where a particular provision expressly or impliedly applies only to either of said courts, or (b) in civil cases governed by the Rule on Summary Procedure.

[32] *San Luis v. Court of Appeals*, 365 SCRA 279 (2001); *Ching v. Court of Appeals*, 331 SCRA 16 (2000).

[33] *David v. Ejercito*, 71 SCRA 484 (1976).

[34] *Rebollido v. Court of Appeals*, 170 SCRA 800 (1989).

[35] *Lee v. Romillo, Jr.*, 161 SCRA 589 (1988).

[36] *Marimperio Compañía Naviera, S.A. v. Court of Appeals*, 156 SCRA 368 (1987).

[37] *Philtrust v. Court of Appeals*, 320 SCRA 719 (1999).

[38] *David v. Ejercito*, *supra*.

[39] *Rollo*, p. 38.

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