

THIRD DIVISION

[G.R. No. 171832, October 12, 2009]

ANTIPOLO PROPERTIES, INC. (NOW PRIME EAST PROPERTIES, INC.), PETITIONER, VS. CESAR NUYDA, RESPONDENT.

R E S O L U T I O N

NACHURA, J.:

Assailed in this petition for review on *certiorari* under Rule 45 are the August 31, 2005 Decision^[1] and the March 6, 2006 Resolution^[2] of the Court of Appeals (CA) in CA-G.R. CV No. 72194.

The antecedent facts and proceedings follow.

On February 14, 1991, petitioner, a realty development company, and Magtanim Upang Mabuhay, Inc. (MUMI), an association of alleged illegal settlers in the Melitona estate and the Ozaeta lots in Binangonan, Rizal, entered into a contract denominated as *Kasunduan*.^[3] As agreed, the MUMI members were to vacate the aforementioned estate and move to a resettlement area, so that petitioner could develop the same into a residential and commercial complex. Petitioner, for its part, was, among others, tasked to provide and develop a resettlement area, award the subdivided lots therein to the members of the association, and pay the displaced members disturbance compensation.

Four months thereafter or on June 7, 1991, petitioner and respondent Cesar Nuyda, a member of the association, entered into an agreement likewise denominated as *Kasunduan*,^[4] in which petitioner, among others, recognized respondent's membership in MUMI, awarded to him not less than 2,880 sq m lot in the resettlement area, and guaranteed that he be paid disturbance compensation. In turn, respondent was to vacate the portion of the estate he occupied and transfer to the resettlement area.

Consequently, in 1998, after it had demolished the improvements in the estate, including those of respondent, petitioner reneged on its obligation as stated in the June 7, 1991 *Kasunduan*, prompting respondent to institute a complaint for specific performance and damages with the Regional Trial Court (RTC) of Pasig City. The case was docketed as Civil Case No. 66967.^[5]

In its Answer,^[6] petitioner traversed the allegations in the complaint and countered in the main that respondent was not a member of MUMI, and even if he was, he did not measure up to the qualifications of a member as contemplated in the February 14, 1991 *Kasunduan*.

After trial on the merits, the RTC rendered its May 20, 2001 Decision,^[7] declaring

the February 14, 1991 and the June 7, 1991 *Kasunduan* as valid agreements which had the force of law between the contracting parties. Petitioner was, therefore, directed to comply with its obligations as stated therein. The trial court disposed of the case as follows:

WHEREFORE, premises considered, judgment is hereby rendered in favor of the plaintiff and against the defendant, ordering the latter:

- a. To transfer to plaintiff the ownership, title and possession of 2,880 sq. m. lot in the resettlement area;
- b. To pay to the plaintiff disturbance compensation in the amount of PhP22,875.00 in accordance with the agreement;
- c. To pay plaintiff the amount of PhP200,000.00 for the destroyed plants and trees[;]
- d. To pay to the plaintiff attorney's fees in the amount of PhP50,000.00; [and]
- e. [C]osts of suit.

SO ORDERED.^[8]

Dissatisfied, petitioner appealed to the CA. In the assailed August 31, 2005 Decision^[9] in CA G.R. CV No. 72194, the appellate court affirmed *in toto* the ruling of the RTC. The CA found as unavailing, for being contrary to the evidence presented, petitioner's argument that respondent was not a member of MUMI. It further refused to sustain petitioner's claim that the June 7, 1991 *Kasunduan* was invalid because it contained the rubber-stamp signature of the company president. The appellate court rather lent credence to the undisputed facts that the deed was prepared by the company and notarized by the in-house counsel and that the original copy thereof was personally signed by the president while, in the other copies, his signature was only rubber-stamped. The appellate court further ruled that the clear terms of the contract were not contrary to law, morals and public policy. Accordingly, in the absence of any showing that the stipulations thereof were objectionable or that the parties' consent thereto was vitiated, the contract must be enforced.

In the further challenged March 6, 2006 Resolution,^[10] the CA denied petitioner's motion for reconsideration.

Not giving up despite the successive rejections of its cause, petitioner filed the instant petition for review on *certiorari*, arguing in the main that to be entitled to the benefits stated in the agreement, the claimant must not only be a member of MUMI but must also be an occupant in the concept of an owner of the subject property. Petitioner then contends that respondent was a mere caretaker; hence, he could not avail himself of the benefits in the *Kasunduan*.^[11]

The Court denies the petition.

The June 7, 1991 *Kasunduan* executed by the parties pertinently contains the following unmistakable terms:

Na ang mga nakatira at umaangkin ng ilang bahagi ng mga nasabing lupain ay pawang mga kasapi ng samahang MAGTANIM UPANG MABUHAY, INC. (SAMAHAN kung tawagin dito sa kasulatang ito), at ang kanikanilang mga pamilya.

Na si CESAR NUYDA (kasapi kong tawagin dito sa kasulatang ito) ay isang kinikilala at karapatdapat na kasapi ng Samahan at ang bahagi ng mga lupain na kanyang inaangkin ay may sukat na 57,603 metro cuadrado, humigit kumulang;

Na alinsunod sa isang "KASUNDUAN" na ipinagtibay ng Samahan at ng API noong ika 14 ng Febrero 1991, at nakatala sa talaan ni Notario Publico Ateneones S. Bacale bilang Doc. No. 416, Page No. 85, Book No. III, Series of 1991, na kinikilala bilang isang bahagi at karugtong nitong kasulatang ito, ang kasapi at ang kanyang angkan ay pumayag lisanin ang bahagi ng lupain na kanyang inaangkin at lumipat sa "resettlement area" na binabanggit sa nasabing kasunduan.

SAMAKATUWID, ipinagtibay ng API at ng kasapi ang mga sumusunod:

1. Ang kasapi at ang kanyang angkan ay pinagkakalooban ng API dito sa kasulatang ito ng lote o mga loteng bahayan sa nasabeng "resettlement area" na hindi kukulangin sa Two Thousand Eight Hundred Eighty (2,880) metro cuadrado;
2. Na ang lote o mga lote sa "resettlement area" para sa kasapi ay ituturo ng Samahan sangayon at alinsunod sa nasab[i]ng kasunduan;
3. Na maliban sa nasab[i]ng mga lote, ang kasapi ay pagkakalooban din ng API ng isang halaga ng pera na tinatawag dito at sa kasunduang nabanggit na "disturbance compensation" na titiyakin o totuosin alinsunod sa mga alituntunin ng nasabeng kasunduan;
4. Na malinaw sa API at kasapi na ang kasapi ay tuloyan mananatili diyan sa bahagi ng lupain na kanyang inaangkin hanggang hindi pa hinihiling ng API ang paglisan; hanggang hindi inaabot ng pagdebelop ang bahagi ng lupa na kanyang inaangkin; hanggang hindi pa handa ang lote o mga loteng bahayan sa "resettlement area" na nakalaan sa kanya; at hanggang hindi pa siya nababayaran ng kanyang "disturbance compensation";
5. Na sabay sa pagbayad ng nasabeng "disturbance compensation" ang API ay gagawa at pipirma ng kaukulang kasulatan na maglilipat sa kasapi, ng pagmamayari ng lote o mga loteng bahayan na nabanggit pero ang gastos ng pagpatala ng kasulatang x x x kasama ang bayad ng kaukulang silyo documentaryo ay sagot na ng kasapi.^[12]

The said agreement prepared by petitioner and notarized by its in-house counsel clearly recognizes respondent's entitlement to the benefits stated therein. Petitioner moreover unequivocally obligated itself to extend the said benefits to respondent. Rudimentary is the principle that a contract is the law between the contracting