REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
Quezon City

Certificate of Tax Exemption No.
EO1-LEH RR 093-2022
MAR 15 2022

CERTIFICATE OF TAX EXEMPTION

TO WHOM IT MAY CONCERN:

This certifies that **LYRR REALTY DEVELOPMENT CORPORATION** with Taxpayer Identification Number (TIN) , is exempt from income tax and creditable withholding tax on its income received directly in connection with its economic and low-cost housing project, **Deca Homes Grandvale III (Main)**, consisting of **987** house and lot units used solely for family home or dwelling purposes located at Brgy. San Felipe, Naga City, a project duly registered with the Board of Investments (BOI) under Certificate of Registration No. dated September 21, 2021, for a period of **3** years beginning from **September 2021** or actual start of commercial operation/selling, whichever is earlier, but in no case earlier than the date of registration of the project with the BOI, pursuant to Executive Order (EO) No. 226, otherwise known as the "Omnibus Investments Code of 1987" and Section 2.57.5(B)(2) of Revenue Regulations (RR) No. 2-98, as amended.

Moreover, the sale by the Company of residential lots valued at P1,919,500.00 and below, or house and lot and other residential dwellings valued at P3,199,200.00 and below, is VAT-exempt under Section 109(1)(P) of the National Internal Revenue Code (Tax Code) of 1997, as amended. Provided, however, that beginning January 1, 2021, the VAT exemption shall only apply to sale of house and lot and other residential dwellings[1] with selling price of not more than P3,199,200.00[2].

The sale, however, of housing units in excess of the **987** house and lot units registered with the BOI, (per DHSUD[3] Provisional License to Sell No. the excess is 4 house and lot units), including those units used for commercial purposes such as leasing, retail stores, offices, etc., shall be subject to the applicable taxes under the Tax Code of 1997, as amended.

The grant of tax exemption herein is subject to the compliance with the provisions of applicable BIR rules and regulations and the Terms and Conditions stated at the back hereof. The Company is liable, however, for all other applicable taxes not discussed above.

This Certificate of Tax Exemption is being issued on the basis of the facts and documents as represented and submitted. However, if upon investigation, the BIR ascertains that the facts are different, then this Certificate shall be considered null and void.

Issued this ___ day of _____, _____.

CAESAR R. DULAY
Commissioner of Internal Revenue
050430

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[1] Sale of lot only, regardless of the price, shall be subject to VAT starting January 1, 2021 pursuant to RA No. 10963.
[2] As adjusted using the 2010 Consumer price Index values pursuant to RR No. 8-2021 dated June 11, 2021
[3] Department of Human Settlements and Urban Development