December 19, 2018

CERTIFICATE OF TAX EXEMPTION NO. 1435-18

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN :

This certifies that **LIBERTY LAND CORPORATION** with Tax Identification Number (TIN) 000-000-000-000, is exempt from income tax and creditable withholding tax (CWT) pursuant to Section 20 (d) (1) of Republic Act (RA) No. 7279, as amended by RA No. 10884 (Balanced Housing Development Program Amendments) dated July 17, 2016, on its income received directly in connection with its sale of socialized housing units to qualified beneficiaries in **Westgate Highland Phase 3**, consisting of **116** units, located at Upper Palalan, Lumbia, Cagayan de Oro City, and **Summerville**, consisting of **151** [1] units, located at Lumbia, Cagayan de Oro City, projects duly registered with the Housing and Land Use Regulatory Board (HLURB) under Certificate of Registration No. 24099 dated March 5, 2014 and Certificate of Registration No. 25390 dated December 12, 2016, respectively, provided that the selling price of said housing units for both projects does not exceed P450,000.00 [2] per house and lot packages.

Moreover, the sale by the Company of residential lot 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 exempt from value-added tax (VAT) pursuant to Section 109 (1) (P) of the National Internal Revenue Code of 1997, as amended. Provided, however, that beginning January 01, 2021, the exemption from VAT shall only apply to sale of house and lot and other residential dwellings [3] with selling price of not more than P2,000,000.00.

It is observed, however, that documentary stamp tax (DST) is not one of the taxes covered by the tax exemption clause in Section 20 of RA No. 7279, as amended. Thus, the documents conveying the properties shall be subject to DST imposed under Section 196 of the National Internal Revenue Code of 1997, as amended, based on the consideration contracted to be paid for such realties or on their fair market value determined in accordance with Section 6 (E) of the same Code, whichever is higher. Likewise, the sale of lots/units classified as Economic Housing, not being covered by RA No. 7279, as amended, shall be subject to the payment of appropriate taxes.

The grant of tax exemption herein is subject to the compliance with the provisions of

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applicable BIR rules and regulations and the Terms and Conditions stated at the back hereof. The Company is liable, however, for 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 19th day of December, 2018.

(SGD.) CAESAR R. DULAY
Commissioner of Internal Revenue

Footnotes

1. Socialized housing compliance for Summerville consists of 60 units, while the remaining 91 units are compliance for future subdivision projects pursuant to RA No. 10884.
2. Pursuant to HLURB License to Sell Nos. 28415 and 031725.
3. Sale of lot only, regardless of the price, shall be subject to VAT starting January 01, 2021 pursuant to RA No. 10963.

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