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

Certificate of Tax Exemption No:
199-2017

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN:

This certifies that **AZDEVELOPERS CORPORATION,** with Tax Identification Number is exempt from income tax, creditable withholding tax (CWT) and value-added tax (VAT) pursuant to Section 20 of Republic Act (RA) No. 7279 on its income received directly in connection with its sale of socialized housing units to qualified beneficiaries in **Esmeralda North West Phases 1 and II**, consisting of **575** units, located at Purok Malinawon, Brgy. La Filipina, Tagum City, a project duly registered with the Housing and Land Use Regulatory Board (HLURB) under Certificate of Registration No. and License to Sell No.

Nonetheless, it is observed that documentary stamp tax (DST) is not one of the taxes covered by the tax exemption clause in Section 20 of RA No. 7279. Such being the case, the owner/project developer/seller shall be liable to pay the documentary stamp tax on the documents conveying the properties imposed under Section 196 of the Tax 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.

With regard to the **32** economic housing units within the same project, the same are subject to income tax, CWT and DST, but are exempt from VAT provided that the selling price thereof does not exceed P1,919,500.00 for residential lot, and P3,199,200.00 for house and lot, pursuant to Section 109(1)(P) of the 1997 Tax Code, 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, to all other applicable taxes not enumerated 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 APR 19 2017.

CAESAR R. DULAY
Commissioner of Internal Revenue

K-1

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CTE No. 199-2017
Date issued 4-19-2017

TERMS AND CONDITIONS OF THE CERTIFICATE OF TAX EXEMPTION

1. The exemption from income, creditable withholding taxes and VAT covers only income directly attributable to the revenues generated from the **575**[1] socialized housing units in **Esmeralda North West Phases 1 and II, located at Purok Malinawon, Brgy. La Filipina, Tagum City**. Moreover, the **32**[2] economic housing units in the same project are exempt from **VAT** only.

2. The developer shall submit the sworn statement of the buyer that he is eligible as a socialized housing beneficiary under Section 5 (A) of Revenue Regulations (RR) No. 11-97 to the BIR during the processing of the Certificate Authorizing Registration (CAR) for the transfer of the title of the socialized housing unit.

3. It is understood that the Certificate Authorizing Registration (CAR) shall only be issued after it is established upon proper verification by the Revenue District Officer (RDO) concerned that, considering the rules on valuation of real property, the actual selling price per sale transaction of the socialized house and lot packages in this case does not really exceed ₱ and ₱ for lot only.

4. List of Saleable Socialized Housing Units (with a maximum price of ₱ house & lot package)

Phase I			Phase II		
Blk. No.	Lot No.	No. of Lots	Blk. No.	Lot No.	No. of Lots
1	2 to 15	14	1	1 to 23	23
2	1 to 34	34	2	2 to 29	28
3	1 to 63	63	3	1 to 54	54
5	1 to 32	32	4	1 to 50	50
6	1 to 64	64	5	1 to 26	26
8	1 to 12	12	6	1 to 62	62
			8	1 to 62	62
			9	1 to 32	32
			10	1 to 19	19
Subtotal		**219**	Subtotal		**356**

5. List of Saleable Economic Housing Units (with a maximum price of ₱ /house and lot)

Phase I			Phase II		
Blk. No.	Lot No.	No. of Lots	Blk. No.	Lot No.	No. of Lots
4	1 to 15	15	7	2 to 4	3
7	1 to 14	14			
Subtotal		**29**	Subtotal		**3**

S20U

[1] The maximum selling price is pegged at ₱ based on HLURB License to Sell No.
[2] The maximum selling price is pegged at ₱ based on HLURB License to Sell No. .