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

Certificate of Tax Exemption No:
209-2018

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN:

This certifies that **SM DEVELOPMENT CORPORATION**, with Tax Identification Number (TIN) , is exempt from income tax and creditable withholding tax on its income received directly in connection with its low-cost mass housing projects, **Shore Residences Tower C and Tower D – Seaside Boulevard corner Sunset Drive, Mall of Asia Complex, Pasay City,** consisting of **3,483** units, and **Shore 2 Residences – Lot 3-C, Seaside Boulevard, Mall of Asia Complex, Pasay City,** consisting of **3,348** units, both located at Seaside Boulevard, Mall of Asia Complex, Pasay City, projects duly registered with the Board of Investments (BOI) under Registration No. dated March 05, 2014 and Registration No. dated February 23, 2016, respectively.

The exemption is for a period of three **(3)** years beginning from **January 2015** for **Shore Residences Tower C and Tower D** and **December 2016** for **Shore 2 Residences,** or the actual start of commercial operations/selling, whichever is earlier, but in no case earlier than the date of registrations of the projects with the BOI, pursuant to Executive Order 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 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 VAT-exempt under Section 109(1)(P) of the National Internal Revenue Code of 1997, as amended.

However, the sale of residential units in excess of residential units (per HLURB License to Sell No. , the excess is units) in **Shore Residences Tower C and Tower D,** and residential units (per HLURB License to Sell No. the excess is units) in **Shore 2 Residences**, as well as the 30 commercial units and parking slots in **Shore Residences Tower C and Tower D** and parking slots in **Shore 2 Residences** shall be subject to the payment of appropriate taxes under the National Internal Revenue 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 FEB 20 2018.

CAESAR R. DULAY
Commissioner of Internal Revenue

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