May 31, 2019

CERTIFICATE OF TAX EXEMPTION NO. 316-19

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN :

This certifies that **RAEMULAN LANDS, INC.**, with Tax Identification Number 000-000-000-000, is exempt from income tax, creditable withholding tax (CWT) and value-added tax (VAT) pursuant to Section 20 (d) (1) and (3) 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 sale of socialized housing units to qualified beneficiaries in **Pasinaya Homes West**, consisting of **4,440** lots/units located at Brgy. Timalan, Naic, Cavite, a project duly registered with the Housing and Land Use Regulatory Board (HLURB) under Certificate of Registration No. 029376 and License to Sell No. 034000, provided that the selling price of said housing units does not exceed P450,000.00 [1] per house and lot packages.

Moreover, the Deeds of Absolute Sale executed by the Landowners in favor of **RAEMULAN LANDS, INC.** over the parcel of lands described below, to wit:

Date	Name of Landowners	Transfer Certificate of Title	Lot No.	Area	Location
Dec. 6, 2018	AAA	057-2014049079	2919	37,085 sq.m.	Brgy. Timalan, Naic, Cavite
Dec. 7, 2018	AAA	057-2017062326	2920	30,350 sq.m.	Brgy. Timalan, Naic, Cavite
Dec. 7, 2018	AAA	057-2017062326	2921	27,405 sq.m.	Brgy. Timalan, Naic, Cavite
Dec. 7, 2018	BBB	057-2017059604	2922	37,142 sq.m.	Brgy. Timalan, Naic, Cavite
Dec. 7, 2018	CCC	057-2018021129	2924	21,153 sq.m.	Brgy. Timalan, Naic, Cavite
Dec. 7, 2018	DDD	T-937934	2925	27,143 sq.m.	Brgy. Timalan, Naic, Cavite

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Dec. 7, 2018	EEE	T-937932	2926	29,510 sq.m.	Brgy. Timalan, Naic, Cavite
Dec. 7, 2018	FFF	057-2018057023	2927	21,751 sq.m.	Brgy. Timalan, Naic, Cavite
Dec. 7, 2018	FFF	057-2018057024	2928	25,340 sq.m.	Brgy. Timalan, Naic, Cavite
Total				**256,879 sq.m.**	

in so far as the 213,136 sq.m. for Pasinaya Homes West are concerned, which will be used for the entire Pasinaya Homes socialized housing project, are not subject to capital gains tax and VAT pursuant to Section 20 (d) (2) of RA No. 7279 and Section 109 (1) (P) of the National Internal Revenue Code of 1997, 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 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 [2] with selling price of not more than P2,000,000.00.

It is observed, however, that documentary stamp tax 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 said Code, whichever is higher. Likewise, lots/units classified as Economic Housing, not being covered by RA No. 7279, shall be subject to the payment of appropriate taxes.

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 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 31st day of May, 2019.

(SGD.) CAESAR R. DULAY

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ATTACHMENT

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 project, **Pasinaya Homes West** consisting of **4,440** units, located at **Brgy. Timalan, Naic, Cavite**. Such exemption shall cover revenues from **4,440** units with selling price not exceeding P450,000.00 per house and lot packages.

2. The developer shall submit the sworn statement of the buyer that he is eligible as a socialized housing beneficiary provided under Section 5 (A) of R.R. No. 11-97 to the BIR during the processing of the Certificate Authorizing Registration (CAR) for the transfer 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 house and lot packages in this case does not really exceed P450,000.00.

4. List of Non-Saleable Areas per **HLURB License to Sell No. 034000**, granted by HLURB, Region STR, Dencris Business Center, Brgy. Halang, Calamba City, Laguna to wit:

Blk. No.	**Lot No.**
Block 13	*Lot 1, 3 & 5*
Block 20, 23	*Lot 1*
Block 26, 29	*Lot 1*
Block 32, 35	*Lot 1*
Block 52, 55	*Lot 1*
Block 58, 61	*Lot 1*
Block 64, 67	*Lot 1*
Block 70, 73	*Lot 1*
Block 76, 79	*Lot 1*
Block 82, 85	*Lot 1*
Block 88, 91	*Lot 1*
Block 94, 97	*Lot 1*
Block 102, 105	*Lot 1*
Block 108, 111	*Lot 1*

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5. No. of Units in compliance to Section 18 of RA 7279 as amended by RA 10884 per **HLURB License No. 034000** granted by HLURB, Region STR, Dencris Business Center, Brgy. Halang, Calamba City, Laguna to wit:

Credited to:	Address	No. of Lots
Pagsibol Village 2	Brgy. Timalan, Naic, Cavite	112
Asensa Subdivision	Brgy. Timalan, Naic, Cavite	115

Footnotes

1. The maximum selling price is pegged at P450,000.00 based on HLURB License to Sell No. 034000.
2. 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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