September 6, 2017

CERTIFICATE OF TAX EXEMPTION NO. 427-17

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN :

This certifies that **EASTERN VISAYAS LAND REALTY, INC.** (TIN: 000-000-000-000) 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 **Montview Residences**, consisting of **280** units, located at Brgy. Tigbao, Tacloban City, a project duly registered with the Housing and Land Use Regulatory Board (HLURB) under Certificate of Registration No. 21160 and License to Sell No. 23306, provided that the selling price of said housing units does not exceed P400,000.00 [1] for house and lot packages, and P160,000.00 for lots only.

With regard to the **489** economic housing units within the same project under License to Sell No. 23305, 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 National Internal Revenue Code of 1997, as amended.

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. Such being the case, both the owner and the project developer shall be liable to pay the DST on the documents conveying the properties 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.

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 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

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that the facts are different, then this Certificate shall be considered null and void.

Issued this 6th day of September, 2017.

CAESAR R. DULAY
Commissioner of Internal Revenue

(SGD.) CELIA C. KING
Deputy Commissioner
Resource Management Group
Officer-in-Charge

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 **280** [2] socialized housing units in **Montview Residences**, located at Brgy. Tigbao, Tacloban City. Moreover, the **489** [3] economic housing units in the same project are exempt from **VAT** only, 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 National Internal Revenue Code of 1997, as amended.

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 P400,000.00 and P160,000.00 for lot only.

Footnotes

1. Pursuant to HLURB License to Sell No. 23306.
2. The maximum selling price is pegged at 400,000.00 based on HLURB License to Sell No. 23306.
3. The maximum selling price is pegged at 1,250,000 for house and lot package and 500,000 for lot only based on HLURB License to Sell No. 23305.

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