March 14, 2018

CERTIFICATE OF TAX EXEMPTION NO. 486-18

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN :

This certifies that **PALM BEACH REALTY AND DEVELOPMENT CORPORATION**, 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 of Republic Act (RA) No. 7279 and Section 109 (1) (P) of the Tax Code of 1997, as amended, on its income received directly in connection with its sale of socialized housing units in **Southwynd Residences-San Pablo City**, consisting of **234** lots/units, located at Brgy. Sta. Monica, San Pablo City, a project duly registered with the Housing and Land Use Regulatory Board (HLURB) under Certificate of Registration No. 27824 and License to Sell No. 032043, provided that the selling price per house and lot does not exceed P450,000.00. [1]

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 imposed under Section 196 of the Tax Code of 1997, as amended, on the documents conveying the properties, 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. Sale of economic housing units, not being covered by RA 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 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 14th day of March, 2018.

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

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 **234** socialized housing units in **Southwynd Residences-San Pablo City** located at Brgy. Sta. Monica, San Pablo City.

2. The developer shall submit the sworn statement of the buyer that the latter 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 P450,000.00, and P180,000.00 for lot only.

4. The following lots are credited to economic housing project in compliance to Section 18 of RA 7279:

Block 22	Lots 2 to 7, 10 to 15, 18 to 23, 26 to 31, 34 and 35
Block 23	Lots 2 to 8, 11 to 16, 19 to 24, 7 to 33
Block 24	Lots 2 to 5, 8 to 11
Block 25	Lots 2 to 7, 10 to 18
Block 26	Lots 2 to 7, 10 to 15
Block 27	Lots 2 to 7, 10 to 15
Block 28	Lots 2 to 15
Block 29	Lots 2 to 14
Block 30	Lots 3 to 7, 10 to 16
Block 35	Lots 2 to 6, 10 to 12
Block 36	Lots 2 to 9, 12 to 15
Block 37	Lots 2 to 15, 18 to 29
TOTAL = 179	

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Footnotes

1. Per License to Sell No. 032043, the maximum selling price per house and lot is pegged at P450,000.00.

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