May 17, 2018

CERTIFICATE OF TAX EXEMPTION NO. 823-18

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN :

This certifies that **REALTY INVESTMENTS INCORPORATED** with Taxpayers Identification Number (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 **Addu Homes Xavierville**, consisting of **135** units, located at Sitio San Pedro, Brgy. Catalunan Grande, Talomo District, Davao City, a project duly registered with the Housing and Land Use Regulatory Board (HLURB) under Certificate of Registration No. 27571 and License to Sell No. 032728, provided that the selling price of said units does not exceed P450,000.00 per house and lot.

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. 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 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 17th day of May, 2018.

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

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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 **135** socialized housing units in **Addu Homes Xavierville** located at Sitio San Pedro, Brgy. Catalunan Grande, Talomo District, Davao City.

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 P450,000.00.

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