May 31, 2018

CERTIFICATE OF TAX EXEMPTION NO. 970-18

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN:

This certifies that **RAEMULAN LANDS, INC.** with Taxpayers Identification Number (TIN) 000-000-000-000, is exempt from income tax and creditable withholding tax (CWT) pursuant to Section 20 (d) (1) of Republic Act (RA) No. 7279 on its income received directly in connection with its sale of socialized housing units to qualified beneficiaries in **Pasinaya Homes North Phase 1**, consisting of **1,654** lots/units, located at Brgy. Timalan and Sabang, Naic, Cavite, a project duly registered with the Housing and Land Use Regulatory Board (HLURB) under Certificate of Registration No. 028687 and License to Sell No. 033081, provided that the selling price of said housing units does not exceed P450,000.00 [1] for house and lot packages.

Moreover, the sale by **RAEMULAN LANDS, INC.** 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.

Furthermore, the Deeds of Absolute Sale [3] executed by the Landowners in favor of **RAEMULAN LANDS, INC.** over the parcels of land described below, to wit:

Date	Name of Landowner	Transfer Certificate of Title (TCT)	Area (sq.m.)	Transferred (sq.m.)	Location
February 02, 2018	AAA, married to BBB	TCT No. 057-2017047325 (Lot No. 2978)	23,567	23,567	Brgy. Timalan, Naic, Cavite
		TCT No. 057-2017059604 (Lot No. 2977)	22,776	22,776	
February 02, 2018	CCC, married to DDD	TCT No. T-809181	30,486	30,486	
TOTAL			**76,829**	**76,829**	

which shall be used for the above-mentioned socialized housing project are not subject to

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capital gains tax (CGT) pursuant to Section 20 (d) (2) of RA No. 7279.

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. Thus, the documents conveying the properties shall be subject to DST 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 in Annex "A" 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 31st day of May, 2018.

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

ANNEX A

TERMS AND CONDITIONS
OF THE CERTIFICATE OF TAX EXEMPTION

a. The exemption from income, creditable withholding taxes and VAT covers only income directly attributable to the revenues generated from the **1,654** lots/units in **Pasinaya Homes North Phase 1** located at Brgy. Timalan and Sabang Naic, Cavite.

b. 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.

c. 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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Footnotes

1. Pursuant to HLURB License to Sell No. 033061.
2. Sale of lot only, regardless of the price, shall be subject to VAT starting January 01, 2021 pursuant to RA No. 10963.
3. NOTE: The conveyance of the parcel of land covered by TCT No. T-809202 which shall not be used for the above-mentioned socialized housing project, shall be subject to the payment of appropriate taxes.

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