REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
Quezon City

Certificate of Tax Exemption No:
BOI-LEH-481-2021

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN:

This certifies that **SERVEQUEST PROPERTIES CORPORATION**, with Taxpayer Identification Number), is exempt from income tax and creditable withholding tax on its income received directly in connection with its economic and low-cost housing project, **Cabanatuan East**, consisting of **546** house and lot units used solely for family home or dwelling purposes, located at Brgy. Kalikid Sur, Cabanatuan City, Nueva Ecija, a project duly registered with the Board of Investments (BOI) under Certificate of Registration No. dated December 3, 2019, for a period of **4** years beginning from **January 01, 2020** to **December 31, 2023**, pursuant to Executive Order (EO) No. 226, otherwise known as the "Omnibus Investments Code of 1987" and Section 2.57.5 (B)(2) of Revenue Regulations (RR) No. 2-98, 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 VAT-exempt under Section 109(1)(P) of the National Internal Revenue Code of 1997 (Tax Code), as amended. Provided, however, that beginning January 1, 2021, the VAT exemption shall only apply to sale of house and lot and other residential dwellings[1] with selling price of not more than P3,199,200.00[2].

However, the sale of house and lot units in excess of the 546 house and lot units registered with the BOI (per License to Sell No. the excess is 25 house and lot units), including those units used for commercial purposes such as leasing, retail stores, offices, etc., is not covered by this Certificate of Tax Exemption and shall be subject to the payment of applicable taxes under the Tax Code, as amended.

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 ______ day of DEC 2 2 2021 .

CAESAR R. DULAY
Commissioner of Internal Revenue
047968

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[1] Sale of lot only, regardless of the price, shall be subject to VAT starting January 01, 2021 pursuant to RA No. 10963.
[2] As adjusted using the 2010 Consumer Price Index values pursuant to RR No. 8-2021 dated June 11, 2021.

CTE No. BOI-L[illegible]81-2021
Date issued DEC 2 2 2021

TERMS AND CONDITIONS
OF THE CERTIFICATE OF TAX EXEMPTION

1. The exemption from income and creditable withholding taxes covers only income directly attributable to the revenues generated from the project, **Cabanatuan East** consisting of **546** house and lot units used solely for family home or dwelling purposes, located at Brgy. Kalikid Sur, Cabanatuan City, Nueva Ecija. Such exemption shall not cover revenues from units with selling price exceeding ₱2,000,000.00. Moreover, the 571[3] house and lot units per Housing and Land Use Regulatory Board (HLURB) License to Sell No. shall not be sold for more than ₱1,700,000.00 per house & lot package.

2. The enterprise shall observe the following project timetable.

Activity	Period
Land acquisition	February 2018
Secure necessary license/permit/registration from the government/training costs	June 2018 – December 2019
Site preparation and development	January 2020
Building/House construction	June 2020
Start of Commercial Operations	January 2020

3. In the computation of the project's ITH, the following shall apply:

   a. Only income generated from the sale of housing units (**Cabanatuan East** – Brgy. Kalikid Sur, Cabanatuan City, Nueva Ecija) with selling price not exceeding PhP2.0M and used solely for family home or dwelling purposes and not for commercial purposes such as leasing, retail stores, offices, etc. shall be qualified.

   b. Interest income from in-house financing shall not be considered as revenues generated from the registered activity.

4. The Company's entitlement to ITH for its BOI-registered housing project is subject to the compliance with the provisions of the Specific Terms and Conditions of its BOI Registration.

5. Pursuant to Section 4 of Republic Act (RA) No. 10708[4], the Company is required to file its tax returns and pay its tax liabilities, on or before the deadline as provided under the Tax Code, as amended, using the electronic system for filing and payment of taxes of the BIR. It shall file with BOI a complete annual tax incentives report of its income-based tax incentives, VAT and duty exemptions, deductions, credits or exclusions from the tax base, as may be provided under EO 226, within the periods prescribed under RA No. 10708's Implementing Rules and Regulations and Joint Memorandum Circular No. 1-2016 dated September 1, 2016.

6. The Company shall be constituted as a withholding agent for the government if it acts as employer and any of its employees received compensation income subject to compensation withholding tax, or if it makes payments to individuals or corporations subject to the withholding taxes as source as required under Chapter XIII and Section 57 of the Tax Code, as amended and implemented by RR No. 2-98, as amended.

7. The Company is required to file on or before the 15th day of the fourth month following the close of its accounting period of a Profit and Loss Statement and Balance Sheet with the Annual Information Return under oath, stating its gross income and expenses incurred during the taxable year.

8. Finally, the Company's books of accounts and other pertinent records shall be subject to periodic examination by revenue enforcement officers of this Bureau for the purpose of ascertaining whether it is complying with the conditions under which it has been granted tax exemption or tax incentives and its tax liability, if any, pursuant to Section 235 of the Tax Code, as amended.

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[3] Servequest Properties Corporation's Operations Manager, Moses C. Chiong, submitted a Sworn Statement attesting that only 546 house and lot units out of the 571 indicated in its HLURB License to Sell No. s being applied for Income Tax Entitlement with the BOI and the difference of 25 units were assigned for commercial units.

[4] An Act Enhancing Transparency in the Management and Accounting of Tax Incentives Administered by Investment Promotion Agencies.