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

Certificate of Tax Exemption No: 348-2018

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN:

This certifies that **77 LIVING SPACES, INC.** with Taxpayers Identification Number (TIN) is exempt from income tax, creditable withholding tax (CWT) and value-added tax (VAT)[1] 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:

1. **Aldea Homes Subdivision (Socialized Housing)**, consisting of **291** socialized units, located at Brgy. Cangmating, Sibulan, Negros Oriental, a project duly registered with the Housing and Land Use Regulatory Board (HLURB) under Certificate of Registration No. and License to Sell No. , both dated September 07, 2012, provided that the selling price does not exceed [2] per house and lot and per lot only; and

2. **Aldea Homes Subdivision Phase II**, consisting of **377** socialized units, located at Brgy. Cangmating, Sibulan, Negros Oriental, a project duly registered with the HLURB under Certificate of Registration No. and License to Sell No. both dated April 12, 2016, provided that the selling price of said units does not exceed P 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. 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.

[1] Section 20(d)(3) of RA 7279 was repealed by RA No. 10963. Thus, the herein VAT exemption pursuant to Section 20(d)(3) of RA No. 7279 shall apply only up to December 31, 2017. Starting January 01, 2018, **77 Living Spaces, Inc.** shall be exempt from VAT pursuant to Section 109(1)(P) of the National Internal Revenue Code of 1997, as amended, provided, that its sale of residential lot is and below, or house and lot and other residential dwellings is and below; provided further, that beginning January 01, 2021, the VAT exemption shall only apply to sale of house and lot and other residential dwellings with selling price of not more than . Sale of lot only, regardless of the price, shall be subject to VAT starting January 01, 2021 pursuant to RA No. 10963.

[2] Per Certification of the HLURB, Central Visayas Region, Cebu City, dated March 03, 2017, **77 Living Spaces, Inc.** is qualified to sell their remaining house and lot package from a maximum selling price of to as per HUDCC Resolution No. 1, series of 2013, which took effect on December 18, 2013.

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[3] stated 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 _____ day of MAR 0 8 2018.

CAESAR R. DULAY
Commissioner of Internal Revenue
01415-

K-I-LMAT

---

[3] **TERMS AND CONDITIONS:**

1. The exemption from income, creditable withholding taxes and VAT covers only income directly attributable to the revenues generated from the **291** socialized housing units in **Aldea Homes Subdivision (Socialized Housing)** and the **377** socialized housing units in **Aldea Homes Subdivision Phase II**, both located at Brgy. Cangmating, Sibulan, Negros Oriental.

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:

    a. the actual selling price per sale transaction of the socialized house and lot packages in **Aldea Homes Subdivision (Socialized Housing)** does not really exceed and P160,000.00 for lot only; provided, that starting December 18, 2013, the maximum selling price for house and lot packages is and P for lot only; and

    b. the actual selling price per sale transaction of the socialized house and lot packages in **Aldea Homes Subdivision Phase II** does not really exceed