



Canadian Tax Audit Protection Plan

Participating Tax Professional / Firm Agreement

THIS AGREEMENT between **SIXTH SPHERE SERVICES PROFESSIONAL CORPORATION**, a professional corporation incorporated under the Ontario *Business Corporations Act* and authorized to practice law under the *Law Society Act* (Ontario), and the Applicant (as defined herein) is made as of the date that Sixth Sphere (as defined herein) notifies the Applicant in writing of Sixth Sphere's acceptance of the Applicant's application to become a Participating Tax Professional / Firm.

RECITALS

- A. Sixth Sphere provides legal services on a pre-paid basis under a plan known as The Canadian Tax Audit Protection Plan™ (the "**Plan**").
- B. The Participating Firm wishes to offer and make available the benefits of membership in the Plan to its clients and the general public.

NOW THEREFORE in consideration of the mutual promises and covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows.

1. Definitions

As used in this Agreement, or any amendment, supplement or replacement hereof, the following words and phrases shall have the following meanings, respectively:

- (a) "**Applicant**" means the individual, partnership, or corporation named in the Canadian Tax Audit Protection Plan Participating Tax Professional / Firm Application Form submitted by or on behalf of the individual, partnership, or corporation to Sixth Sphere;
- (b) "**Audit**" means an inspection, audit, review, or examination pursuant to subsection 231.1(1) of the Income Tax Act;
- (c) "**Client**" means an individual who requests that the Participating Firm to prepare and/or file his or her Tax Return or the Tax Return of another and any individual for whom the Participating Firm offers to prepare and/or file his or her Tax Return or the Tax Return of another;
- (d) "**Confidential Information**" means information of a person that is non-public, confidential, or proprietary in nature;
- (e) "**Copyright**" means any and all copyrights, moral rights, copyright registrations and applications therefore, anywhere in the world, whether or not registered or registrable;
- (f) "**CTAPP Trade-Marks**" means all Copyright, Patents and Trade Marks of Sixth Sphere, including all Copyright, Patents and Trade Marks set out and described in Schedule "B" to this Agreement;
- (g) "**Current Tax Season**" means the Tax Season of the then current calendar year;

- (h) “**Current Taxation Year**” means the Taxation Year ending immediately prior to the start of a particular Tax Season;
- (i) “**Income Tax Act**” means the *Income Tax Act* (Canada), as the same may be amended, supplemented altered or replaced from time to time;
- (j) “**Member**” means a Taxpayer who is has applied for membership in the Plan, paid the appropriate Membership Fee, and been granted membership in the Plan;
- (k) “**Membership Agreement**” means the Canadian Tax Audit Protection Plan Terms & Conditions for a particular Taxation Year as published under Forms & Publications on the Plan’s website at www.ctapp.ca;
- (l) “**Membership Application Form**” means the “Consent to Obtaining Membership Quote” form for the particular Taxation Year as published from time-to-time under the heading Forms & Publications on the Plan’s website at www.ctapp.ca;
- (m) “**Membership Fee**” means the fee paid by a Member, in respect of a Taxation Year, for to become a Member in the Plan;
- (n) “**Notice of Assessment**” means the first notice of assessment sent by the Minister of National Revenue to a particular Member pursuant to subsection 152(4) of the *Income Tax Act* following the Minister’s initial examination of the particular Member’s income tax return;
- (o) “**Patents**” means any and all patent rights, issued patents letters patent, claims defining the subject matter of the invention, patent registrations and applications therefore, anywhere in the world, whether patentable and any reissues, divisions, continuations, continuations-in-part, renewals, improvements, translations, derivatives, modifications and extensions of any of the foregoing;
- (p) “**Participating Firm**” means the Applicant named in the Applicant’s Participating Tax Professional / Firm Application Form;
- (q) “**Participating Firm’s Audit Rate**” for a Participating Firm means, in respect of a particular Tax Season, the percentage of such Participating Firm’s Members that are audited or reassessed by the *Canada Revenue Agency* in respect of that particular Tax Season’s Current Taxation;
- (r) “**Participating Firm’s Member**” for a Participating Firm means, in respect of a particular Tax Season, a Member who, during that particular Tax Season, became a Member in respect of that Tax Season’s Current Taxation Year and for whom the Participating Firm completed the Member’s purchase of Membership in the Plan in respect of that particular Tax Season’s Current Taxation Year;
- (s) “**Personal Information**” means information about an identifiable individual which is protected by any Privacy Law;
- (t) “**Privacy Law**” means any Applicable Law relating to the protection of Personal Information including the *Personal Information Protection and Electronic Documents Act* (Canada), the *Personal Information Protection Act* (Alberta), and the *Personal Information Protection Act* (British Columbia);
- (u) “**Prospective Member**” means a Taxpayer who is not a Client but contacts the Participating Firm for information about the Plan or assistance in becoming a Member of the Plan or for assistance with preparing a Tax Return in respect of the Current Taxation Year;
- (v) “**Qualifying Taxpayer**” means a Taxpayer who meets all of the conditions set out in Schedule “A” to this Agreement;

- (w) **“Reassessment”** means a further or subsequent assessment of tax payable by a Member made the Minister of National Revenue pursuant to Part I of the Income Tax Act that is made after the Minister has issued a Notice of Assessment to the Member and Reassess shall have a similar meaning;
- (x) **“representatives”** means the directors, officers, employees, agents, solicitors, accountants, consultants, financial or legal advisers and all other representatives acting for or on behalf of the party being referred to for the purposes of the party, and not the representative’s own purposes;
- (y) **“Required Information”** means the information requested by the System regarding a particular Client or Prospective Member;
- (z) **“System”** means the information, links, documents, and software contained on Plan’s website located at www.ctapp.ca;
- (aa) **“Taxation Year”** means a calendar year;
- (bb) **“Taxpayer”** means an individual who is required under the Income Tax Act to file a Tax Return with the Minister of National Revenue (Canada);
- (cc) **“Tax Return”** means a Canadian federal T1 Income Tax & Benefit Return for the Current Taxation Year;
- (dd) **“Tax Season”** means the period commencing on January 1st and ending on June 30th of a particular calendar year;
- (ee) **“Term”** means the period of time beginning on the date this Agreement is made and continuing until the date on which this Agreement is terminated as provided herein; and
- (ff) **“Trade Marks”** means any and all common law or registered trade-mark rights, trade names, trade-marks, proposed trade-marks, certification marks, service marks, distinguishing marks and guises, logos, slogans, goodwill, domain name and any registrations and applications therefore, anywhere in the world, whether or registered or registrable.

2. Obligations of Participating Firms

2.1 During the Term, the Participating Firm shall inform and educate itself and its employees as to the purpose, benefits, and scope of the Plan, including reviewing the information set out at the Plan’s website www.ctapp.ca, the Guide to the Canadian Tax Audit Protection Plan™ for the particular Taxation Year as published on the Plan’s website, and the Terms & Conditions of Membership for the particular Taxation Year as published on the Plan’s website.

2.2 If at any time during a Tax Season a Client requests that the Participating Firm prepare and/or file a Tax Return or the Participating Firm offers to prepare and/or file a Tax Return on behalf of a Client, the Participating Firm shall:

- (a) inform the Client of the existence, purpose, benefits, and scope of the Plan;
- (b) use its best efforts to answer any questions the Client may have about the Plan and, in the event that the Participating Firm does not know or is unable to answer any particular question regarding the Plan, contact Sixth Sphere to obtain the answer to the particular question;
- (c) provide the Client with a Membership Application Form and request that the Client complete and return the Membership Application Form to the Participating Firm;
- (d) if the Client has not completed and returned the Membership Application Form to the Participating Firm at or prior to the time the Participating Firm delivers the completed Tax Return to the Client or files the Client’s Tax Return with the

Minister, contact the Client to request that the Client complete and return the Membership Application Form to the Participating Firm or verify that the Client does not wish to become a Member of the Plan in respect of the Current Taxation Year and if the Client completes and returns the Membership Application Form to the Participating Firm, the Participating Firm shall verify that the Client is a Qualifying Taxpayer based on the information provided by the Client in his or her Membership Application Form, and if so, shall apply for Membership in the Plan on behalf of Client by:

- (i) logging in to the System;
- (ii) either uploading, or providing the Required Information from, the Client's Tax Return to the System;
- (iii) confirming on behalf of the Client that the Client is a Qualifying Taxpayer;
- (iv) contacting the Client to verify whether the Client's Plan Membership Fee for the Current Taxation Year (as provided by the System) is acceptable to the Client; and
- (v) if it is acceptable, completing the purchase of the Membership for the Current Taxation Year on behalf of the Client, printing a copy of the Client's Membership Agreement, and providing a copy of the Client's Membership Agreement to the Client by attaching a copy of the Client's Membership Agreement to the Taxpayer's Tax Return for the Current Taxation Year.

2.3 If at any time during Tax Season a Prospective Member contacts the Participating Firm to: (a) request information about the Plan; (b) seek the Participating Firm's assistance in becoming a Member (either personally or on behalf of another Taxpayer), regardless of whether the Participating Firm prepared and/or filed the Prospective Member's or other Taxpayer's Tax Return; or (c) to seek the Participating Firm's assistance in preparing and/or filing such Prospective Member's Tax Return for the Current Taxation Year, the Participating Firm shall:

- (a) to the best of its ability, answer any questions the Prospective Member may have about the Plan and where the Participating Firm does not know or is unable to answer any particular question regarding the Plan, contact Sixth Sphere to obtain the answer to the particular question;
- (b) provide the Prospective Member with a Membership Application Form and request that the Prospective Member complete and return the Membership Application Form to the Participating Firm;
- (c) if the Prospective Member completes and returns the Membership Application Form to the Participating Firm, the Participating Firm shall verify that Prospective Member is a Qualifying Taxpayer based on the information provided by the Prospective Member in his or her Membership Application Form, and if so, shall apply for Membership in the Plan on behalf of the Prospective Member by:
 - (i) logging in to the System;
 - (ii) either uploading, or providing the Required Information from, the Prospective Member's Tax Return to the System;
 - (iii) confirming to Sixth Sphere on behalf of the Prospective Member that the Prospective Member is a Qualifying Taxpayer;
 - (iv) confirming with the Prospective Member whether the Membership Fee for the Current Taxation Year (as provided by the System) is acceptable to the Prospective Member; and

- (v) if it is acceptable, completing the purchase of the Membership for the Prospective Member for the Current Taxation Year, printing a copy of the Prospective Member's Membership Agreement, and providing a copy of the Prospective Member's Membership Agreement to the Prospective Member.

2.4 If a Member is subject to an Audit or is Reassessed by the Canada Revenue Agency in respect of a Taxation Year in respect of which the Member is a Member of the Plan, then if requested by the Member to do so, the Participating Firm shall send or transmit to Sixth Sphere or its designate at no charge to Sixth Sphere or the Member:

- (a) a copy of the Member's Tax Return for the particular Taxation Year;
- (b) a copy of the Member's Notice of Assessment for the particular Taxation Year;
- (c) a copy of the correspondence from the Canada Revenue Agency to the Member informing the Member that the Member's particular Taxation Year is or will be subject Audit;
- (d) a copy of any and all Notices of Reassessment sent to the Member in respect of the particular Taxation Year; and
- (e) a T1013 (Authorizing or Cancelling a Representative) Form completed and signed by the Member authorizing the Canada Revenue Agency to deal with Sixth Sphere as a representative of the Member in respect of the particular Taxation Year;

however, the Participating Firm shall only be required to send or transmit any of the foregoing documentation to Sixth Sphere to the extent that the Member or the Canada Revenue Agency provides such documentation to the Participating Firm.

2.5 The Participating Firm hereby acknowledges and agrees that it shall:

- (a) not disclose any existing username or password provided to it by Sixth Sphere or any username or password created by the Participating Firm for any employee or representative of the Participating Firm and to ensure that no such usernames or passwords are disclosed by any employee or representative of the Participating Firm;
- (b) not create any username or password for any person other than a person who is an employee or other representative of the Participating Firm; and
- (c) within 24 hours that a person ceasing to be an employee or other representative of the Participating Firm, suspend or delete any username or password created by it for the particular former employee or representative.

3. Sixth Sphere's Obligations

During the Term of this Agreement, Sixth Sphere shall:

- (a) permit the Participating Firm to advertise, promote, and describing itself as a Participating Tax Professional or Participating Firm in respect of the Plan; and
- (b) during each Tax Season, provide the Participating Firm with access to the System by providing the Participating Firm with a username and a password and the ability to create usernames and passwords for its employees and other representatives.

4. Payments

4.1 To compensate the Participating Firm for its time and out-of-pocket costs in assisting Clients and Prospective Members in becoming Members and for assisting Members in subsequently receiving legal services from Sixth Sphere as contemplated in section 2.4:

- (a) Within two months following the conclusion of a particular Tax Season, Sixth Sphere shall pay to the Participating Firm an amount equal to ten per cent (10%) of the aggregate Membership Fees (excluding applicable sales taxes paid thereon) received by Sixth Sphere during the particular Tax Season from or on behalf of the Participating Firm's Members in respect of the Current Taxation Year; and
- (b) If, as of October 31 of the year that is three years following the end of a particular Tax Season, the Participating Firm's Audit Rate for that particular Tax Season is less than or equal to the Canada Revenue Agency's target audit rate for small and medium-sized businesses for the particular Taxation Year, then on or before December 31 of that year, Sixth Sphere shall pay to the Participating Firm an amount equal to five per cent (5%) of the aggregate Membership Fees (excluding applicable sales taxes paid thereon) received by Sixth Sphere during the particular Tax Season from or on behalf of the Participating Firm's Members in respect of that Tax Season's Current Taxation Year.

4.2 All amounts payable by Sixth Sphere to the Participating Firm pursuant to this Agreement include any applicable taxes other than any applicable GST/HST.

5. Expenses

5.1 All expenses incurred by the Participating Firm in connection with the Participating Firm's performance of this Agreement shall be borne by the Participating Firm unless otherwise agreed to in writing by Sixth Sphere in advance.

5.2 All expenses incurred by Sixth Sphere in connection with Sixth Sphere's performance of this Agreement shall be borne by Sixth Sphere unless otherwise agreed in writing by the Participating Firm in advance.

6. Use of Trade-Marks & Other Intellectual Property

6.1 Sixth Sphere hereby grants to the Participating Firm, for the purpose of promoting Membership in the Plan and for the purpose of the Participating Firm describing itself as a Participating Firm in respect of the Plan, a royalty-free, non-exclusive licence to use the CTAPP Trade-Marks for the duration of the Term in accordance with and subject to the terms of this Agreement and, except as permitted in writing by Sixth Sphere, for no other purpose whatsoever.

6.2 The Participating Firm hereby agrees to:

- (a) comply with all instructions issued by Sixth Sphere relating to the form and manner in which the CTAPP Trade-Marks shall be used and to discontinue immediately, upon notice from Sixth Sphere, any practice relating to the use of the CTAPP Trade-Marks, which in Sixth Sphere's opinion would or might adversely affect the rights or interests of the Sixth Sphere in the CTAPP Trade-Marks;
- (b) maintain the character and high quality of the CTAPP Trade-Marks, and any wares, services or other goods bearing any CTAPP Trade-Marks, and to comply with government and industry standards in respect thereof;
- (c) refrain from using or permitting anyone else to use the CTAPP Trade-Marks in its corporate name;

- (d) refrain from contesting the title of Sixth Sphere to any of its trade-marks (including the CTAPP Trade-Marks) or effecting any registrations thereof pursuant to the *Trade-marks Act* (Canada) as amended, supplemented or replaced from time to time; and
- (e) permit Sixth Sphere and its representatives to inspect the premises of the Participating Firm to ensure that the character and quality of the wares, services or other goods bearing the CTAPP Trade-Marks are satisfactory to Sixth Sphere, to its sole and exclusive satisfaction.

7. Non-Exclusivity

Sixth Sphere may contract with or permit other persons to participate in offering or providing the Plan and nothing in this Agreement shall be construed as granting the Participating Firm the exclusive right to participate in offering or providing the Plan to any particular group of persons or within any particular territory.

8. Privacy & Confidential Information

8.1 The Participating Firm hereby acknowledges and agrees that in the course of carrying out its obligations pursuant to this Agreement it may receive Confidential Information from a Member for the purpose of assisting the Member in obtaining legal advice from Sixth Sphere or from Sixth Sphere for the purposes of communicating legal advice to the Member. The Participating Firm acknowledges and agrees that such Confidential Information may, either in whole or in part, be subject to solicitor-client privilege and accordingly, the Participating Firm shall:

- (a) maintain the non-public, confidential and proprietary nature of such Confidential Information;
- (b) keep such Confidential Information secure, including without limitation, taking steps to ensure that such Confidential Information is protected against theft, loss and disclosure;
- (c) not disclose any such Confidential Information to anyone, including in response to a legal demand to do so, without first obtaining the consent of the particular Member after the Member has received legal advice regarding the disclosure of such Confidential Information;
- (d) not use such Confidential Information in any way that is, or that may be construed to be, detrimental to the Member or to Sixth Sphere; and
- (e) ensure that its representatives, observe and perform all of the covenants in this Agreement relating to such Confidential Information that the Participating Firm has agreed to observe and perform as if such representatives had signed this Agreement.

8.2 The Participating Firm hereby acknowledges and agrees that it has received Confidential Information from Sixth Sphere and that it shall, during the Term and for a period of two (2) years following the end of the Term, and except as otherwise permitted herein:

- (a) maintain the non-public, confidential and proprietary nature of the Sixth Sphere Confidential Information;
- (b) keep the Sixth Sphere Confidential Information secure, including without limitation, taking steps to ensure that the Sixth Sphere Confidential Information is protected against theft, loss and disclosure;
- (c) not disclose the Sixth Sphere Confidential Information;

- (d) not use the Sixth Sphere Confidential Information in any way that is, or that may be construed to be, detrimental to Sixth Sphere; and
- (e) ensure that its representatives, observe and perform all of the covenants in this Agreement relating to the Sixth Sphere Confidential Information that the Participating Firm has agreed to observe and perform as if such representatives had signed this Agreement.

8.3 The Participating Firm hereby represents and warrants to Sixth Sphere that:

- (a) it has carried on and currently carries on its business in compliance with Privacy Law;
- (b) where consent of an individual to the collection, use or disclosure of Personal Information is required, such consent has been obtained in accordance with Privacy Law;
- (c) all Personal Information held by the Participating Firm was collected and is used and disclosed by the Participating Firm for reasonable and legitimate purposes in accordance with Privacy Law;
- (d) there are no current or unresolved requests for access to Personal Information, nor is the Participating Firm the subject of a complaint, audit, review, investigation or inquiry or similar proceeding, made under any Privacy Law;
- (e) no order has been issued, nor any recommendations made, by any Privacy Commissioner or other data protection authority, in respect of the Participating Firm or its business, of Personal Information held by or on behalf of the Participating Firm or of any privacy practices or procedures of the Participating Firm;
- (f) the Participating Firm has not been charged with or convicted of an offence for non-compliance with or breach of any Privacy Law, has not been fined or otherwise sentenced for non-compliance with or breach of any Privacy Law, nor has the Participating Firm settled any prosecution short of conviction for non-compliance with or breach of any Privacy Law;
- (g) the Participating Firm has not received any notice of judgment or commencement of proceedings of any nature, or experienced any search and seizure related to, any breach or alleged breach of or non-compliance with any Privacy Law; and
- (h) there are no facts or circumstances that could give rise to breach or alleged breach of, or non-compliance with, any Privacy Law.

9. Termination

9.1 Either the Participating Firm or Sixth Sphere may terminate this Agreement, with or without cause, upon ninety (90) days' written notice to the other of them.

9.2 Sixth Sphere may, in its sole discretion, terminate this Agreement, without notice or delay, upon the happening of any of the following events:

- (a) At any time prior to October 31 of the year that is three years following the end of a particular Tax Season, the Participating Firm's Audit Rate exceeds three per cent (3%);
- (b) the Participating Firm's breach of any of the terms or conditions of this Agreement;
- (c) the Participating Firm becoming insolvent or being unable to pay its debts as they generally become due;
- (d) the Participating Firm making an assignment in bankruptcy; or

- (e) a receiver or trustee of the Participating Firm being appointed, provided such appointment is not vacated within thirty days from the date of such appointment.

9.3 The Participating Firm may, in its sole discretion, terminate this Agreement, without notice or delay, upon the happening of any of the following events:

- (a) Sixth Sphere becoming insolvent or being unable to pay its debts as they generally become due;
- (b) Sixth Sphere making an assignment in bankruptcy; or
- (c) a receiver or trustee of Sixth Sphere being appointed, provided such appointment is not vacated within thirty days from the date of such appointment.

9.4 Upon termination of this Agreement for any reason whatsoever, the Participating Firm shall:

- (a) reconvey and release to Sixth Sphere all rights and privileges granted by this Agreement;
- (b) return to Sixth Sphere all advertising, informational or technical material given to the Participating Firm by Sixth Sphere; and
- (c) cease using the CTAPP Trade-Marks and thereafter refrain from holding itself out as a Participating Firm in respect of the Plan.

9.5 During the Term of this Agreement and for a period of two (2) years from the date of expiration or any termination of this Agreement, the Participating Firm shall not offer, provide, or offer to provide, any legal services plan that available the services of a tax lawyer on a prepaid basis other than the Plan or to set up anywhere a business, corporation, partnership, or other entity to offer, provide, or offer to provide, any pre-paid legal services plan that makes available the services of a tax lawyer other than the Plan without the prior written consent of Sixth Sphere.

9.6 Sections 8 and 9 shall survive the termination of this Agreement.

9.7 Sixth Sphere shall not, by reason of the termination of this Agreement, be liable to the Participating Firm for compensation, reimbursement, or damages on account of the loss of prospective profits or on account of expenditures, investments, leases or commitments in connection with the business or goodwill of the Participating Firm or otherwise.

10. Assignment

10.1 The Participating Firm may not assign its rights hereunder except with the prior written consent of Sixth Sphere.

10.2 Sixth Sphere may assign its rights hereunder without the prior written consent of the Participating Firm.

11. Force Majeure

In the event of an inability or failure by Sixth Sphere to provide the services contemplated by the Plan by reason of any fire, explosion, war, riot, strike, walk-out, labour controversy, flood, shortage of water, power, labour, transportation facilities or necessary materials or supplies, default or failure of carriers, act of God or public enemy, any law, act or order of any court, board, government or other authority of competent jurisdiction, or any other direct cause (whether or not of the same character as the foregoing) beyond the reasonable control of Sixth Sphere, then Sixth Sphere shall not be liable to the Participating Firm during the period and to the extent of such inability or failure.

12. Governing law

This agreement shall be made and construed in accordance with the laws of the Province of Ontario.

13. Time of the essence

Time shall be of the essence of this Agreement and of each and every part hereof.

14. Notice

Any notices, consents, approvals, statements, authorizations, documents, or other communications (collectively “**notices**”) required or permitted to be given hereunder shall be in writing, and shall be delivered personally or mailed by registered mail, postage prepaid, to the parties at their respective addresses set forth hereunder, namely:

- (a) in the case of Sixth Sphere, addressed to it at:

Sixth Sphere Services Professional Corporation
208 – 676 Richmond Street West
Toronto, Ontario M6J 1C3

Tel No.: (416) 866-8277 or 1 (877) 772-8277
Fax No.: (416) 866-8278

- (b) and in the case of a notice to the Participating Firm, addressed to it at the address set out in the Participating Firm’s Participating Tax Professional / Firm Application Form and to the attention of the Participating Firm’s Primary Contact Person as set out in that Form

or at any such other address or addresses as may be given by any of them to the other in writing from time to time. Such notices, if mailed, shall be deemed to have been given on the second business day (except Saturdays and Sundays) following such mailing, or, if delivered personally, shall be deemed to have been given on the day of delivery, if a business day, or if not a business day, on the business day next following the day of delivery; provided that if such notice shall have been mailed and if regular mail service shall be interrupted by strike or other irregularity before the deemed receipt of such notice as aforesaid, then such notice shall not be effective unless delivered.

15. Non-waiver

No waiver by any party of any breach by any other party of any of its covenants, obligations and agreements hereunder shall be a waiver of any subsequent breach of any other covenant, obligation or agreement, nor shall any forbearance to seek a remedy for any breach be a waiver of any rights and remedies with respect to such or any subsequent breach.

16. Number and gender

All terms and words used in this Agreement, regardless of the number and gender in which they are used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine or feminine or neuter as the context or sense of this agreement or any paragraph or clause herein may require, the same as if such words had been fully and properly written in the appropriate number and gender.

17. Unenforceability of provisions

It is agreed that should any clause, condition or term, or any part thereof, contained in this Agreement be unenforceable or prohibited by law or by any present or future provincial or federal legislation, then such clause, condition, term or part thereof, shall be

amended, and is hereby amended, so as to be in compliance with the said legislation or law but, if such clause, condition or term, or part thereof cannot be amended so as to be in compliance with any such legislation or law then such clause, condition, term or part thereof is severable from this agreement, and all the rest of the clauses, terms and conditions or parts thereof contained in this agreement shall remain unimpaired.

18. No Partnership or Agency

No partnership is created by this agreement. Nothing contained in this Agreement shall or shall be deemed to constitute Sixth Sphere and the Participating Firm as partners nor as agent of the other nor any other relationship whereby either could be held liable for any act or omission of the other. Neither Sixth Sphere nor the Participating Firm shall have any authority to act for the other or to incur any obligation on behalf of the other save as specifically provided by this Agreement. Each Party covenants to indemnify the other from all claims, losses, costs, charges, fees, expenses, damages, obligations and responsibilities incurred by the other Party by reason of any action or omission of the other outside the scope of the authority specifically provided by this Agreement. Neither Party shall have any authority to assume or create any obligation whatsoever, expressed or implied, in the name of the other, nor to bind the other Party in any manner whatsoever.

19. Enurement

This agreement shall be binding upon and enure to the benefit of the parties hereto and their respective executors, administrators, successors and assigns.

Schedule “A” – Prequalifying Conditions to Membership

A Client or Prospective Member must meet all of the following conditions in order to qualify for Membership in the Canadian Tax Audit Protection Plan™. If a Client or Prospective Member become a Member of the Plan and it is subsequently determined that the Client or Prospective Member did not meet any one of these conditions, Sixth Sphere shall have no obligation to provide the Client or Prospective Member with any services under the Plan or to refund any portion of the Client or Prospective Member’s Membership Fee. If Sixth Sphere does provide any legal services to a Client or Prospective Member under the Plan and it is subsequently determined that the Client or Prospective Member did not meet any one of these conditions, the Client or Prospective Member is obligated to pay Sixth Sphere for its services based upon Sixth Sphere’s Normal Hourly Rates for the legal services provided that were in effect at the time the services were provided.

Pre-Qualifying Conditions To Membership

1. 2007 Tax Returns Filed On Time

- (a) *Federal Income Tax*: The Client or Prospective Member’s T1 Income Tax & Benefit Return has been or will be filed with the Canada Revenue Agency on or before its due date.
- (b) *GST/HST*: If the Client or Prospective Member is self-employed and personally registered for GST/HST purposes and has chosen to extend the benefits of membership in the Plan to include their GST/HST return(s) for their GST/HST reporting periods ending during the particular Taxation Year, the Client or Prospective Member must have filed all of your 2007 GST/HST return(s) with the CRA on or before their due date.

2. No Outstanding Tax Returns or Disputes

On the day the Client’s or Prospective Member’s Membership in the 2007 Canadian Tax Audit Protection Plan™ is purchased:

- (a) **Not Currently Under Audit** – The Client or Prospective Member cannot be under audit by any Canadian Tax Authority (i.e. income tax, GST/HST, payroll source deductions, CPP/EI, provincial income tax, provincial sales tax, etc.) and if the Client or Prospective Member has previously been audited by any Canadian Tax Authority, such audit must have been finalized and concluded;
 - (b) **No Notice of Pending Audit** – The Client or Prospective Member cannot have received or been notified by any Canadian Tax Authority that it intends to audit the Client or Prospective Member or any tax or information return previously filed by the Client or Prospective Member;
 - (c) **No Outstanding Tax Disputes** – The Client or Prospective Member cannot have any outstanding or unresolved disputes with any Canadian Tax Authority, such as an outstanding Notice of Objection or tax appeal;
 - (d) **No Outstanding Tax Returns** – The Client or Prospective Member cannot have any tax or information returns (i.e. income tax, GST/HST, payroll source deductions, CPP/EI, provincial income tax, provincial sales tax, etc.) that are outstanding and that are overdue;
 - (e) **No Outstanding Adjustment Requests or Voluntary Disclosures** – The Client or Prospective Member cannot have made any request to any Canadian Tax Authority to adjust any previously-filed tax or information return (including any voluntary disclosure to any tax authority of any error previously made in filing any tax or information return) that remains outstanding or that is still awaiting consideration or approval by the particular tax authority to whom the request was made (other than an outstanding request to carry back losses the Client or Prospective Member reported in their particular Taxation Year's T1 Income Tax & Benefit Return to earlier years).
 - (f) **Not a "Large Business"** – The Client or Prospective Member cannot be a sole proprietor who carries on a "Large Business" which is defined by the Canada Revenue Agency as being a business with annual revenues greater than \$250,000,000.
3. **Compliance By Partnership of which the Client or Prospective Member Is A Member**
If in the particular Taxation year the Client or Prospective Member was a member of a partnership (other than as a limited partner in a limited partnership), then on the date the Client's or Prospective Member's Membership in the Plan is purchased – any such partnership of which the Client or Prospective Member was a member in the particular Taxation Year:
- (a) **Not Currently Under Audit** – Cannot be under audit by any Canadian Tax Authority (i.e. income tax, GST/HST, payroll source deductions, CPP/EI, provincial income tax, provincial sales tax, etc.) and any prior audit of any such partnership by any Canadian Tax Authority must have been finalized and concluded;
 - (b) **No Notice of Pending Audit** – Cannot have received or been notified by any Canadian Tax Authority that the tax authority intends to audit the partnership or any tax or information return previously filed by the partnership;
 - (c) **No Outstanding Tax Returns** – Cannot have any tax or information returns (i.e. income tax, GST/HST, payroll source deductions, CPP/EI, provincial income tax, provincial sales tax, etc.) that are outstanding and that are overdue;
 - (d) **Is Not A "Large Business"** – Is not or does not carry on a "Large Business" which is defined by the Canada Revenue Agency as being a business with annual revenues greater than \$250,000,000.
4. **Compliance By Corporation Affiliated or Controlled By You**
If in the particular Taxation Year the Client or Prospective Member was an officer or director of a corporation and the Client or Prospective Member directly or indirectly own or owned more than ten per cent (10%) of the voting stock of that corporation, then on date that the

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Participating Tax Professional / Firm Agreement**

Client or Prospective Member purchases their Membership in the Plan for the particular Taxation Year – any such corporation:

- (a) **Not Currently Under Audit** – Cannot be under audit by any Canadian Tax Authority (i.e. income tax, GST/HST, payroll source deductions, CPP/EI, provincial income tax, provincial sales tax, etc.) and any prior audit of any such corporation by any Canadian Tax Authority must have been finalized and concluded;
- (b) **No Notice of Pending Audit** – Cannot have received or been notified by any Canadian Tax Authority that the tax authority intends to audit the corporation or any tax or information return previously filed by the corporation;
- (c) **No Outstanding Tax Returns** – Cannot have any tax or information returns (i.e. income tax, GST/HST, payroll source deductions, CPP/EI, provincial income tax, provincial sales tax, etc.) that are outstanding and that are overdue;
- (d) **Is Not A “Large Business”** – Is not or does not carry on a “Large Business” which is defined by the Canada Revenue Agency as being a business with annual revenues greater than \$250,000,000.

Schedule “B” – CTAPP Trade-Marks

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----- END OF AGREEMENT -----