

The Canadian Tax Audit Protection Plan™ Terms & Conditions for The 2008 Taxation Year

Membership in The Canadian Tax Audit Protection Plan (the "Plan") for the 2008 Taxation Year is offered at the sole discretion of Sixth Sphere Services Professional Corporation ("Sixth Sphere"), a professional corporation incorporated under the *Ontario Business Corporations Act*.

The Canadian Tax Audit Protection Plan™ is a legal services plan. By becoming a Member of the Plan in respect of your 2008 Taxation Year, you have retained Sixth Sphere on a limited basis as your legal counsel and to act on your behalf in the event that your 2008 Personal T1 Income Tax & Benefit Return is audited and/or reassessed by the CRA. These Terms & Conditions constitute a legal document that sets forth your rights and obligations as a Member of the Plan, as well as the scope and limits of your agreement with Sixth Sphere. Please ensure that you review it carefully to ensure that you are clear as to the scope and limits of the Plan and consider reviewing it with your accountant or tax preparer and with other legal counsel before you decide to become a Member.

You cannot become a Member of the Plan until you, or a person acting on your behalf, has accepted these Terms & Conditions. You must abide by these Terms & Conditions in order to have, and continue to have throughout the Membership Term, the rights and benefits of Membership in the Plan as set out in these Terms & Conditions.

To simplify these Terms & Conditions, (i) the words "you", "your" or "Member" means the individual named in your Application for Membership and (ii) the words "Sixth Sphere", "we", "us", "our", "The Canadian Tax Audit Protection Plan", "CTAPP", and the "Plan" mean and includes Sixth Sphere, its affiliates, successors, and assigns.

Definitions

"2008 Membership Expiry Date" means the day that is the earlier of (a) the day that is three years following the Date of Mailing of your Notice of Assessment for your 2008 Taxation Year, and (b) December 31, 2012.

"Hours of Legal Services" means Your 2008 Audit Hours, Your 2008 Objection Hours, and Your 2008 Appeal Hours as defined in paragraph 5.

"Plan Participating Law Firm" means a lawyer or law firm who has entered into an agreement with Sixth Sphere Services Professional Corporation to provide legal services to Members of The Canadian Tax Audit Protection Plan™.

"Pre-Qualifying Conditions" mean the conditions set out at Appendix A to these Terms & Conditions.

Membership

1. Any individual who files a Canadian federal T1 Income Tax & Benefit Return may apply to become a Member of the Plan.
2. To qualify for Membership in the Plan for the 2008 Taxation Year, you must:
 - (a) At the time you apply for Membership, meet all of the Pre-Qualifying Conditions,
 - (b) File your 2008 Income Tax Return with the Canada Revenue Agency on or before its due date, and
 - (c) Agree to and accept these Terms & Conditions.
3. To become a Member of the Plan for the 2008 Taxation Year, on or before July 15, 2009, you must:
 - (a) Apply for Membership in the Plan,
 - (b) Agree to and accept these Terms & Conditions, and
 - (c) Pay your Membership Fee for the 2008 Taxation Year.

Membership Term

4. Your Membership in the Plan for the 2008 Taxation Year commences on the day we receive your acknowledgement, agreement, and acceptance to these Terms & Conditions and full payment of your 2008 Membership Fee, and your Membership in the Plan for the 2008 Taxation Year automatically expires on your 2008 Membership Expiry Date.

Membership Benefits

Up To 15 Hours of Legal Services

5. As a Member of the Plan for the 2008 Taxation Year, if after the Date of Mailing of your Notice of Assessment for your 2008 Taxation Year, but before your 2008 Membership Expiry Date:
 - (a) The CRA notifies you in writing that they intend to audit your income taxes for the particular Taxation Year, Sixth Sphere will provide you with up to two (2) hours of service by telephone, fax, email, post, or other form of electronic communication to advise and assist you with respect to the CRA's audit your 2008 Taxation Year ("Your 2008 Audit Hours");
 - (b) The CRA sends to you a Notice of Reassessment reassessing the income tax payable by you in respect of your 2008 Taxation Year, Sixth Sphere will provide you with up to four (4) hours of service by telephone, fax, email, post, or other form of electronic communication to review the CRA's reassessment, and, if there are reasonable grounds for doing so, to assist you in preparing and filing a Notice of Objection to the Reassessment with the CRA's Appeals Division and to act on your behalf with the CRA's Appeals Division in respect of the Notice of Objection ("Your 2008 Objection Hours");

If the CRA's Appeals Division does not vacate or adjust the CRA's reassessment of your 2008 Taxation Year as requested in your Notice of Objection, Sixth Sphere will provide you with up to nine (9) hours of service by telephone, fax, email, post, or

other form of electronic communication to review the decision of the CRA's Appeals Division, and if reasonable grounds remain to do so, to appeal the CRA's Appeal Division's decision to the Tax Court of Canada ("Your 2008 Appeal Hours").

Transferability of Your 2008 Audit Hours to Subsequent Taxation Years

6. Transfer to 2009 Taxation Year – Subject to paragraph 34 below, if:
- (a) You continue to qualify for Membership and become a Member of the Plan in respect of your 2009 Taxation Year,
 - (b) On or before your 2008 Membership Expiry Date, the CRA notifies you in writing that they intend to audit your 2009 Taxation Year, and
 - (c) At the time you receive the CRA's notice, you have not received or used in full Your 2008 Audit Hours,
- then you may elect to use the balance of Your 2008 Audit Hours to obtain advice and assistance from Sixth Sphere with respect to the CRA's audit of your 2009 Taxation Year.
7. Transfer to 2010 Taxation Year – Subject to paragraph 34 below, if:
- (a) You continue to qualify for Membership and become a Member of the Plan in respect of both your 2009 Taxation Year and your 2010 Taxation Year,
 - (b) On or before your 2008 Membership Expiry Date, the CRA notifies you in writing that they intend to audit your 2010 Taxation Year, and
 - (c) At the time you receive the CRA's notice, you have not received or used in full Your 2008 Audit Hours,
- then you may elect to use the balance of Your 2008 Audit Hours to obtain advice and assistance from Sixth Sphere with respect to the CRA's audit of your 2010 Taxation Year.

Transferability of Your 2008 Objection & Appeal Hours to Subsequent Taxation Years

8. Transfer to 2009 Taxation Year – Subject to paragraph 34 below, if:
- (a) You continue to qualify for Membership and become a Member of the Plan in respect of your 2009 Taxation Year,
 - (b) On or before your 2008 Membership Expiry Date, the CRA sends you a Notice of Reassessment reassessing the income tax payable by you in respect of your 2009 Taxation Year, and
 - (c) At the time you receive the 2009 Notice of Reassessment, you have not received or used in full Your 2008 Objection Hours or Your 2008 Appeal Hours,
- then you may elect to use the balance of
- (d) Your 2008 Objection Hours to obtain advice and assistance from Sixth Sphere to review the CRA's reassessment of your 2009 Taxation Year, and, if there are reasonable grounds for doing so, to assist you in preparing and filing a Notice of Objection to the Reassessment of your 2009 Taxation Year with the CRA's Appeals Division and to act on your behalf with the CRA's Appeals Division in respect of that Notice of Objection, and
 - (e) Your 2008 Appeal Hours to obtain advice and assistance from Sixth Sphere to review the decision of the CRA's Appeals Division in response to your Notice of Objection to the Reassessment of your 2009 Taxation Year, and if reasonable grounds remain to do so, to appeal that decision to the Tax Court of Canada.
9. Transfer to 2010 Taxation Year – Subject to paragraph 34 below, if:
- (a) You continue to qualify for Membership and become a Member of the Plan in respect of both your 2009 Taxation Year and your 2010 Taxation Year,
 - (b) On or before your 2008 Membership Expiry Date, the CRA sends you a Notice of Reassessment reassessing the income tax payable by you in respect of your 2010 Taxation Year, and
 - (c) At the time you receive the 2010 Notice of Reassessment, you have not received or used in full Your 2008 Objection Hours or Your 2008 Appeal Hours,
- then you may elect to use the balance of
- (d) Your 2008 Objection Hours to obtain advice and assistance from Sixth Sphere to review the CRA's reassessment of your 2010 Taxation Year, and, if there are reasonable grounds for doing so, to assist you in preparing and filing a Notice of Objection to the Reassessment of your 2010 Taxation Year with the CRA's Appeals Division and to act on your behalf with the CRA's Appeals Division in respect of that Notice of Objection, and
 - (e) Your 2008 Appeal Hours to obtain advice and assistance from Sixth Sphere to review the decision of the CRA's Appeals Division in response to your Notice of Objection to the Reassessment of your 2010 Taxation Year, and if reasonable grounds remain to do so, to appeal that decision to the Tax Court of Canada.

Twenty Per Cent (20%) Reduction Off Of Any Additional Audit-Related Legal Services

10. If you require additional legal assistance, advice, or representation in respect of an audit or reassessment by the CRA in respect of your 2008 Taxation Year beyond the Hours of Legal Services provided by Sixth Sphere to you as a Member of the Plan in respect of your 2008 Taxation Year, and if you engage Sixth Sphere or a Plan Participating Law Firm to provide these additional legal services to you, as a Member of the Plan for the 2008 Taxation Year, you will be entitled to receive a 20 per cent reduction off of the Normal Hourly Rates charged by Sixth Sphere or Plan Participating Tax Law Firm for this additional legal assistance.
11. If:
- (a) You are a Member of the Plan for the 2008 Taxation Year
 - (b) You carry on business through a corporation

- (c) You are an officer or director of that corporation
- (d) You own more than 50 per cent of the voting share of that corporation
- (e) The CRA audits and/or reassesses your corporation's fiscal year ending in 2008, and
- (f) You engage Sixth Sphere or a Plan Participating Law Firm to provide legal advice and assistance to your corporation in respect of the CRA's audit and any resulting reassessment of that corporation,

then your corporation will be entitled to receive a 20 per cent reduction off the Normal Hourly Rates in respect of legal services provided by Sixth Sphere or the Plan Participating Law Firm in respect of the CRA's audit and/or reassessment of the Corporation's fiscal year ending in 2008.

Exclusions, Limitations, & Restrictions

Exclusions & Limitations on Scope of Hours of Legal Services

12. The Hours of Legal Services provided by Sixth Sphere to you as a Member of the Plan for the 2008 Taxation Year shall only be made available to you in respect of audits and reassessments by the CRA of taxes owing by you under Part I of the *Income Tax Act* (Canada). The Hours of Legal Services do not extend to and shall not be made available to you in respect of any other audits or reassessments under any other Part of the *Income Tax Act* (Canada) or any other tax statute or law.
13. Notwithstanding paragraph 12, if you are personally registered for GST/HST purposes, filed all your GST/HST Returns for reporting periods ending in 2008 ("2008 GST/HST Reporting Periods") with the CRA on or before their due date, and at the time of becoming a Member of the Plan for the 2008 Taxation Year elected to extend your Hours of Legal Services to included any audit or reassessment of your 2008 GST/HST Reporting Periods, if on or before your 2008 Membership Expiry Date the CRA audits or assesses any of your 2008 GST/HST Reporting Periods, you may elect to use any remaining Hours of Legal Services in respect of your 2008 Membership to obtain advice and assistance from Sixth Sphere with respect to any such audit or reassessment by the CRA of your 2008 GST/HST Reporting Periods.
14. Without extending the specificity of paragraph 12 and notwithstanding any other provision of these Terms & Conditions, the Hours of Legal Services do not extend to and shall not be made available in respect of:
 - (a) Any audit, investigation, or review undertaken by the CRA or any other tax authority prior to the issuance by the CRA to you of your 2008 Notice of Assessment in respect of your 2008 Taxation Year;
 - (b) Investigations undertaken by the Special Investigations Unit of the Canada Revenue Agency or any other tax authority;
 - (c) Charges brought against any Member for allegedly committing any criminal or quasi-criminal offence under any law or statute including the *Income Tax Act* (Canada) and the *Criminal Code of Canada*;
 - (d) Any audit, assessment, or reassessment of taxes owing that arise because of or in respect of a Member's purchase of or participation in a Tax Shelter;
 - (e) Any audit, assessment, or reassessment made by the CRA or any tax authority pursuant to a General Anti-Avoidance Rule contained in any applicable taxing statute, including section 245 of the *Income Tax Act* (Canada);
 - (f) Any audit, assessment, or reassessment by the CRA or any tax authority that is based upon the Member's net worth;
 - (g) Any audit, assessment, or reassessment by the CRA or any tax authority that is based upon or in respect of the tax liability of another person, such as an assessment or reassessment of a Member who is a director of a corporation for taxes owing by the corporation or an assessment or reassessment made pursuant to section 160 of the *Income Tax Act* (Canada);
15. The Hours of Legal Services also do not extend to and shall not be made available in respect of:
 - (a) any audit of any limited partnership of which you are a member or in respect of any reassessment of the taxes owing by you to the extent that the reassessment arises in respect of income or losses of such a limited partnership;
 - (b) any audit of any partnership of which you are a member or in respect of any reassessment of the taxes owing by you to the extent that the reassessment arises in respect of income or losses of such a partnership unless all other members of the partnership are also Members of the Plan for the particular Taxation Year under audit or reassessment by the CRA;
 - (c) any audit, assessment, reassessment, or denial of any loss carryforwards claimed by you in your Income Tax Return filed with the CRA in respect of the particular Taxation Year in respect of which you are a Member of the Plan unless you were a Member of the Plan in respect of the Taxation Year in which the losses were initially claimed;
 - (d) any audit, assessment, reassessment, or denial of any exploration and development expenses claimed by you on line 224 of your Income Tax Return; and
 - (e) any audit, assessment, reassessment, or denial of investment tax credits claimed by you under the federal government's Scientific Research & Experimental Development tax incentive program.

Limitation on Scope of 20 Per Cent Reduction In Fees for Additional Legal Services

16. As a Member of the Plan for the 2008 Taxation Year, if you require additional legal services beyond the Hours of Legal Services provided under the Plan or that deal with issues, audits, or reassessments that are excluded from the scope of the Hours of Legal Services provided under the Plan, and you engage Sixth Sphere or a Plan Participating Law Firm to provide such additional legal services to you, as a Member of the Plan for the 2008 Taxation Year, you shall be entitled to a reduction of 20 per cent off of the Normal Hourly Rates charged by Sixth Sphere or the Plan Participating Law Firm. However, this 20 per cent reduction shall only apply if the issue, audit, or reassessment relates to or is directly in respect of your 2008 Taxation Year.

Excluded Costs, Expenses, & Disbursements

17. As a Member of the Plan, you are solely responsible for paying all expenses and disbursements charged or incurred by Sixth Sphere or any Plan Participating Law Firm in the course of assisting, advising, or representing you, including, for greater certainty, any expenses and disbursements charged or incurred in the course of providing the Hours of Legal Services to you. By way of example, such additional expenses and disbursements may include fees charged by your accountant, bookkeeper or other professional, court filing fees, experts' fees, witness fees and conduct money, photocopying and printing charges, and any other out-of-pocket expenses.
18. Before we incur any costs, expenses, or disbursements on your behalf, we may require a retainer to secure such costs, expenses, or disbursements. The amount of the retainer will be determined by us in advance of incurring such costs, expenses, or disbursements and will be based upon our reasonable estimation of such costs, expenses, or disbursements. The retainer will be placed in our trust account and will serve as a source of payment for all or part of our account or accounts when rendered. You will be asked to replenish the retainer from time to time. Any unused portion of the retainer will be returned to you upon the completion or termination of our services.
19. To the extent that you require legal services to be provided in-person by a Plan-Preferred Law Firm at a location outside of the following major Canadian cities, you are responsible for paying the travel and accommodation costs for lawyer or their staff to travel to and attend at that location.

PROVINCE / REGION	CITY
British Columbia	Vancouver, Victoria
Alberta	Calgary, Edmonton
Saskatchewan	Regina, Saskatoon
Manitoba	Winnipeg
Ontario	Toronto, Ottawa
Quebec	Montreal
Atlantic Provinces	Halifax, St. John's

Court Ordered Costs

20. As a Member, you are solely responsible for paying any amount that the Tax Court of Canada may order you pay to the Crown, including, for greater certainty, any costs awarded to the Crown.
21. If the Tax Court of Canada orders the Crown to pay costs to you, the amount of costs awarded in your favour shall be divided between you and Sixth Sphere as follows:
 - (a) First, to all disbursements and out-of-pocket costs paid for by you to the extent that the Court ordered the Crown to pay these disbursements and out-of-pocket costs to you, and then
 - (b) The balance, if any, of any award of costs shall be divided pro rata between you and Sixth Sphere based upon the hours of additional legal service paid for by you and the Hours of Legal Services provided by Sixth Sphere under the Plan in respect of objecting to and appealing the CRA's reassessment.

Additional Fine Print

The Plan is Not Insurance

22. The Canadian Tax Audit Protection Plan™ is not an insurance contract. It is a legal services plan between you as a Member and Sixth Sphere Services Professional Corporation. If you are reassessed by the CRA, THE PLAN DOES NOT PAY ANY ADDITIONAL TAXES, INTEREST, OR PENALTIES OWING BY YOU. YOU REMAIN SOLELY LIABLE FOR THESE AMOUNTS. By becoming a Member of the Plan, you have retained Sixth Sphere on a limited basis to advise and assist you in respect of an audit or reassessment of your 2008 Income Tax Return and only to the extent set out under these Terms & Conditions. If you are reassessed, it is generally in your best interest to pay the amounts assessed immediately and then to proceed to object to or appeal the reassessment. If you do not and your objection or appeal is not successful, interest will continue to accrue on the amounts reassessed by the CRA, resulting in you owing even more money to the CRA. Furthermore, such interest is not deductible for income tax purposes. If you do pay the additional amounts assessed immediately and your objection or appeal is successful (in whole or in part), the CRA will pay interest to you on your excess payment.

No Guaranteed Outcome

23. As a Member of the Plan for the 2008 Taxation Year, if your 2008 Taxation Year is audited or reassessed by the CRA, Sixth Sphere will work with you to the extent possible with the scope and limits of the Plan to your desired goal of ensuring that you pay no more taxes than you are legally obligated to pay. However, the outcome of any income tax objection or appeal to the Tax Court of Canada is subject to many possible variables such as the demeanour and recollection of witnesses, the availability of substantiating documents and other evidence, and the evidence marshaled by the Canada Revenue Agency – all of which affects the decision of a CRA Appeals officer or a Tax Court of Canada judge. Accordingly, Sixth Sphere cannot guarantee that your desired result will in fact be achieved. For you and Sixth Sphere to work towards your desired outcome, it will be necessary for you to abide by these Terms & Conditions.

Who Will Provide the Hours of Legal Services

24. The Hours of Legal Services provided to you as a Member of the Plan for the 2008 Taxation Year will be performed by lawyers, paralegals, law clerks, and other staff employed by Sixth Sphere. To the extent that work is performed by paralegals, law clerks, or other staff of Sixth Sphere, such work will be supervised by a Sixth Sphere lawyer. Sixth Sphere reserves its right to select the lawyers and staff who will provide and perform the Hours of Legal Services, including the right to contract such work to other lawyers and law firms. While we will seek to accommodate any request you might have as to the Sixth Sphere lawyers

and staff who may be assigned to assist and advise you or, if Sixth Sphere chooses to contract the work to other lawyers or another law firm, with respect to your preference of other outside counsel, the selection, choice, and assignment of lawyers and staff to your file remains exclusively within the sole discretion of Sixth Sphere.

Hours of Legal Services Have No Monetary Value

25. The Hours of Legal Services made available to you by Sixth Sphere as a Member of the Plan have no monetary value. If you choose to retain another lawyer or law firm on your own to assist you with respect to a tax audit or reassessment of your 2008 Taxation Year – even if the lawyer or law firm is a Plan Participating Law Firm – Sixth Sphere will not pay or reimburse you for your any legal fees that you might pay or owe to such lawyer or law firm nor does Sixth Sphere have any obligation to do so.
26. As set out in paragraph 24, Sixth Sphere retains the exclusive right and discretion to select the lawyers and staff who will provide legal services to you, including the Hours of Legal Services. Who performs the work will depend upon the sophistication of the work required as assessed and determined by Sixth Sphere. With respect to the services provided to you under these Terms & Conditions, the initial time spent by any lawyer or staff member advising and assisting you shall be allocated and drawn down against the Hours of Legal Services made available to you under the Plan, regardless of the lawyer or staff member's seniority or Normal Hourly Rate.

Fees for Additional Legal Services

27. If you require legal services in addition to the Hours of Legal Services provided under the Plan or additional legal services that are beyond the scope of the Hours of Legal Services provided under the Plan, if you choose to retain Sixth Sphere and Sixth Sphere agrees to provide such additional services to you, then Sixth Sphere's fees will be based principally on the time spent by it on your behalf. Records of all time will be kept and accounts will then be prepared and sent to you periodically. Our accounts are payable upon receipt. Sixth Sphere's fees for such additional legal services will be calculated on the basis of our Normal Hourly Rates at the time the services are performed, but subject to the 20 per cent reduction that is available to you as a 2008 Member of the Plan for certain tax-related legal services related to your 2008 Taxation Year as described herein.
28. Before we begin to provide any additional legal services on your behalf, we will require a retainer to secure our fees for such additional legal services. The amount of the retainer will be determined by us at the time you request such additional legal services. The retainer will be placed in our trust account and will serve as a source of payment for all or part of our account or accounts when rendered for such additional legal services. You will be asked to replenish the retainer from time to time. Any unused portion of the retainer will be returned to you upon the completion or termination of our services in respect of any additional legal services.
29. Any amounts payable by you to Sixth Sphere do not include any applicable sales taxes.

Information & Disclosure Regarding Participating Accountants, Financial Planners, & Other Tax Professionals

30. Any accountant, financial planner, or other tax professional (including any Participating Tax Professional and any Plan Participating Law Firm) is an independent contractor and is not an agent, servant, or partner of Sixth Sphere Services Professional Corporation.
31. SIXTH SPHERE MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, RELATING TO ANY OF THE PRODUCTS, SERVICES OR TREATMENT PROVIDED TO YOU BY ANY ACCOUNTANT, FINANCIAL PLANNER, OR OTHER TAX PROFESSIONAL (INCLUDING ANY PARTICIPATING TAX PROFESSIONAL OR ANY PLAN PARTICIPATING LAW FIRM).
32. Lawyers and law firms that have agreed to participate in the Plan by becoming Plan Participating Law Firms are not required to pay any amount to Sixth Sphere to participate. Equally, any accountant, financial planner, or other tax professional that has agreed to participate by becoming a Participating Tax Professional is not required to pay any amount to Sixth Sphere to participate.
33. Sixth Sphere does pay a service fee to Participating Tax Professionals to compensate the Participating Tax Professional for the time they take and resources they use during the tax season to inform you and their other clients of the benefits, exclusions, and scope of the Plan, to complete the membership application process on behalf of you and their other clients, and to provide assistance to Members of the Plan in obtaining legal services from Sixth Sphere under the Terms & Conditions of the Plan should a member request such assistance. The service fee paid by Sixth Sphere to Participating Tax Professionals is an amount equal to 15 per cent of the aggregate memberships fees received by Sixth Sphere from Plan Members whom the Participating Tax Professional assisted in becoming Members of the Plan during the particular tax season, with 2/3rd of the service fee being payable to the Participating Tax Professional following the end of the particular tax season, and the remaining 1/3rd being payable to the Participating Tax Professional three years following the end of the particular tax season provided the percentage of Plan Members whom the Participating Tax Professional assisted in becoming Members of the Plan for the particular Taxation Year who were audited within the three year period did not exceed the CRA's target audit rate for small and medium-sized businesses for the particular Taxation Year.

No Obligation to Offer Plan In Subsequent Years

34. These Terms & Conditions apply only in respect of The Canadian Tax Audit Protection Plan™ as offered by Sixth Sphere in respect of the 2008 Taxation Year. Sixth Sphere is under no obligation to continue to offer the Plan in respect of subsequent Taxation Years and specifically does not represent, warrant, or covenant that it will do so. Furthermore, even if Sixth Sphere does offer the Plan in respect of subsequent Taxation Years, Sixth Sphere expressly reserves its right to alter, change, or vary the terms, conditions, scope, and benefits of the Plan for subsequent Taxation Years.

Privacy

35. In order to ensure the protection of your personal information, and in addition to our professional obligations of confidentiality, Sixth Sphere has adopted a Privacy Policy that applies to personal information we may obtain. This Privacy Policy is posted on our internet site at www.ctapp.ca and describes our policies and procedures for the protection of personal information.

Please review our Privacy Policy as it not only contains information in accordance with applicable legislation, but also describes the purposes for our collection, use, and disclosure of your personal information. By becoming a Member of the Plan, you have consented to the collection, use, and disclosure by Sixth Sphere of any relevant personal information about you for the purposes outlined in our Privacy Policy.

Your Responsibilities & Obligations

36. To successfully deal with any tax audit or to successfully object to or appeal a tax reassessment, it is important to keep in mind that all that your accountant or tax professional, Sixth Sphere, and any Plan Participating Law Firm retained to represent you can do is assist, advise, and represent you. Any taxes, interest, and penalties that are ultimately assessed are your responsibility and it is essential that you remain actively involved and participate in the process. That includes ensuring that any correspondence you receive from the CRA is dealt with in a timely manner and that you continue at all times to cooperate with the professionals who are assisting and advising you. It is also important to realize that there are certain strict deadlines and limitation periods contained in Canada's tax legislation and that if they are missed, you may lose all of your rights of appeal.
37. If you receive a Notice of Reassessment from the CRA in respect of a Taxation Year in respect of which you are a Member of the Plan, you shall provide a copy of the Notice of Reassessment to Sixth Sphere within 45-days of the Date of Mailing of the Notice of Reassessment. If Sixth Sphere does not receive the Notice of Reassessment within 45-days of its Date of Mailing, we shall have no obligation to provide any Hours of Legal Services to you with respect to the reassessment.
38. If you receive a Notice of Decision from the CRA's Appeals Division in respect of a Notice of Objection filed in respect of an Assessment or Reassessment of a Taxation Year in respect of which you are a Member of the Plan, you shall provide a copy of the Notice of Decision to Sixth Sphere within 45-days of the Date of Mailing of the Notice of Decision. If Sixth Sphere does not receive the Notice of Decision within 45-days of its Date of Mailing, Sixth Sphere shall have no obligation to provide any Hours of Legal Services to you with respect to the Decision.
39. You shall, at all times, co-operate with Sixth Sphere, its lawyers and staff, and with any Plan Participating Law Firm. If at any time, in the opinion of Sixth Sphere or the Plan Participating Law Firm, you cease to co-operate with them, Sixth Sphere may send to you written notice of its intention to withdraw its services to you and in so doing, set out specifics of how you have failed to assist and cooperate. If you fail to cure the deficiencies within the 30-day period, Sixth Sphere's obligations under these Terms & Conditions shall terminate.

Obtaining Legal Assistance

AUDIT by the CRA

40. If you are notified by the Canada Revenue Agency that they intend to audit your 2008 Taxation Year, you must send the following documents to us before we will commence providing legal services to you.
 - (a) A copy of your 2008 T1 Income Tax & Benefit Return;
 - (b) A copy of your 2008 Notice of Assessment;
 - (c) A copy of the letter from the CRA informing you that they intend to audit your books and records in respect of your 2008 Taxation Year; and
 - (d) A Request for Legal Assistance Form.

Once we receive this documentation from you, we will confirm that you did, in fact, qualify for Membership in the Plan at the time you applied for your 2008 Membership, and if so, we will then contact you to schedule a time for you to speak with you, or your accountant or tax advisor should you direct us to do so.

Upon Receiving a NOTICE OF REASSESSMENT

41. If you receive a Notice of Reassessment from the Canada Revenue Agency in respect of your 2008 taxation year, **we must receive from you within 45 days of the Date of Mailing of the Notice of Reassessment** the following documents in order for us to provide or continue to provide legal services to you under the Terms & Conditions of the Plan. If we do not receive these documents within 45 days, Sixth Sphere shall have no obligation to provide or continue to provide any legal services to you under the Terms & Conditions of the Plan. You do not need to resend any of these documents if you have already sent them to us as part of an audit.
 - (a) A Request for Legal Assistance Form;
 - (b) A copy of the Notice(s) of Reassessment in respect of which you are seeking assistance from the Plan;
 - (c) A copy of any letter or letters you received from the Canada Revenue Agency in which they set out the basis upon which they proposed to reassess you and a copy of the CRA auditor's working papers to the extent that such papers were provided to you;
 - (d) A copy of your T1 Income Tax & Benefit Return for the taxation year(s) in question; and
 - (e) A copy of your Notice(s) of Assessment for the taxation year(s) in question.

Once we receive this documentation from you and have confirmed that you did, in fact, qualify for Membership in the Plan at the time you applied for your 2008 Membership (if we have not already done so), we will contact you to schedule a time to speak with you to advise and assist you with respect to the reassessment.

Upon Receiving a NOTICE OF DECISION from CRA Appeals

42. If you have filed a Notice of Objection with the CRA in respect of a reassessment by them of your 2008 Taxation Year, and you receive a Notice of Decision or Notice of Reassessment in response to your Notice of Objection, **we must receive from you**

within 45 days of the Date of Mailing of the Notice of Decision the following documents in order for us to provide or continue to provide legal services to you under the Terms & Conditions of the Plan. If we do not receive these documents within 45 days, Sixth Sphere shall have no obligation to provide or continue to provide any legal services to you under the Terms & Conditions of the Plan. You do not need to resend any of these documents if you have already sent them to us.

- (a) A Request for Legal Assistance Form;
- (b) A copy of the Notice(s) of Decision and/or Notice(s) of Reassessment in respect of which you are seeking assistance from the Plan;
- (c) A copy of the Notice(s) of Objection that you filed with the Canada Revenue Agency or that were filed on your behalf;
- (d) A copy of any letter or letters you received from the Canada Revenue Agency in which they set out the basis upon which they proposed to reassess you and a copy of the CRA auditor's working papers to the extent that such paper were provided to you;
- (e) A copy of your T1 Income Tax & Benefit Return for the taxation year(s) in question;
- (f) A copy of your Notice(s) of Assessment for the taxation year(s) in question; and
- (g) A T1013 Form (Authorizing or Cancelling a Representative) authorizing the CRA to deal with Sixth Sphere Services Professional Corporation as your representative in respect of your 2008 taxation year;

Once we receive this documentation from you and have confirmed that you did, in fact, qualify for Membership in the Plan at the time you applied for your 2008 Membership (if we have not already done so), we will contact you to schedule a time to speak with you to advise and assist you with respect to the reassessment.

How & Where To Send These Documents

43. You may send these documents to us:

BY MAIL or COURIER	The Canadian Tax Audit Protection Plan c/o Sixth Sphere Services Professional Corporation Suite 402 – 1999 Nelson Street Vancouver, British Columbia V6G 1N4 ATTENTION: Audit Services
BY FAX	(416) 866-8278

Termination of Membership & Services

Your Rights to Terminate

44. You have the right to terminate your Membership in the Plan for the 2008 Taxation Year by providing us with written notice. If we receive your written notice to terminate your Membership in the Plan in respect of your 2008 Taxation Year:
- (a) within 30 days of the date of your becoming a Member, we will refund to you your 2008 Membership Fee in full;
 - (b) more than 30 days from the date of your becoming a Member but less than one year after the date you became a Member, we will refund to you 50 per cent of your 2008 Membership Fee; and
 - (c) more than one year after the date you became a Member, you shall not be entitled to any refund of any portion of your 2008 Membership Fee.

Notwithstanding the foregoing, if prior to the day upon which we receive written notice from you that you have elected to terminate your Membership in the Plan in respect of the 2008 Taxation Year you have received any services from us (either services provided as part of the Hours of Legal Services provided under the Plan or additional legal services for which, under the terms of the Plan, you are entitled to a reduction in legal fees), you shall not be entitled to any refund of any portion of your 2008 Membership Fee.

Our Rights to Terminate

45. We reserve the right to terminate your Membership in the Plan for the 2008 Taxation Year for any reason at any time prior to your seeking to obtain legal services from us under these Terms & Conditions. If we exercise this right, we shall do so by providing written notice to you at the mailing address you provided to us at the time you purchased your Membership in the Plan for the 2008 Taxation Year and we will refund to you in full your 2008 Membership Fee.
46. Subject to our obligations to you to maintain proper standards of professional conduct, we reserve our right to terminate your Membership in the Plan in respect of the 2008 Taxation Year at any time after you have sought to obtain legal services from us under these Terms & Conditions for good reasons which include, but are not limited to:
- (a) If at any time after receiving your request for legal assistance it is determined that you were not, in fact, eligible for Membership in the Plan at the time you applied for Membership because you did not meet any one of the Pre-Qualifying Conditions at the time or your failed to file your 2008 Income Tax Return with the CRA by its due date;
 - (b) If you fail to cooperate with use in any reasonable request;
 - (c) If our continuing to act would be unethical or impractical;
 - (d) If you have not paid our retainer to cover disbursements or to cover additional legal services requested that are beyond the Hours of Service provided under the Plan;
 - (e) If you fail to pay our accounts when rendered.

If, for good reasons, we terminate your Membership in the Plan for the 2008 Taxation Year or we withdraw, we shall be entitled to retain and not be obligated to refund any portion of your 2008 Membership Fee, and to the extent that we have provided any additional legal services to you or incurred expenses or disbursements on your behalf, you will only have to pay our fees, expenses, and disbursements up until the time we stopped acting for you.

Miscellaneous

47. WE NOT BE LIABLE, OBLIGATED OR RESPONSIBLE TO YOU OR ANY OTHER PERSON FOR ANY DIRECT, INDIRECT, INCIDENTAL, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES, LOSSES, COSTS OR EXPENSES OF ANY KIND, HOWEVER CAUSED AND WHETHER BASED IN CONTRACT, TORT (INCLUDING WITHOUT LIMITATION NEGLIGENCE), STRICT LIABILITY OR ANY OTHER THEORY OF LIABILITY, INCLUDING BUT NOT LIMITED TO LOST PROFITS, COSTS OF PROCUREMENT OF SUBSTITUTE SERVICES, COST OF CAPITAL, AND OTHER LOSS, REGARDLESS OF WHETHER WE KNOW OR HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, LOSSES, COSTS, OR EXPENSES. IF ANY OF THE SERVICES DO NOT CONFORM TO THE STANDARDS OF PERFORMANCE, IF ANY, SET FORTH IN THESE TERMS & CONDITIONS, OUR SOLE AND EXCLUSIVE LIABILITY SHALL BE LIMITED TO A REFUND OF THAT PORTION OF YOUR 2008 MEMBERSHIP FEE ALLOCABLE TO SUCH NONCONFORMING SERVICES. IN NO EVENT WILL OUR LIABILITY TO YOU OR ANY OTHER PERSON, REGARDLESS OF FORM OR THE NUMBER OF ACTIONS, EXCEED THE AMOUNTS RECEIVED BY US FROM YOU UNDER THESE TERMS & CONDITIONS.
48. Sixth Sphere is not be liable, obligated or responsible for any cessation, interruption or delay in the provision or procurement of any services due to causes beyond our reasonable control such as, without limitation, fire, flood, earthquake or other natural disaster, act of God, war or armed conflict (whether or not officially declared), strikes, labor difficulties, riot, civil disturbance, accident, disruption of the public markets or the failure of any supply, transportation, telecommunications, power or other essential commodities or services.
49. Your Membership in the Plan is nonassignable and nontransferable, nor may you assign or delegate any of your rights or duties under these Terms & Conditions, directly or indirectly, to any person or entity without Sixth Sphere's prior written consent, and any act in violation of the foregoing will be null and void. Subject to the foregoing, these Terms & Conditions will be binding upon, and will inure to the benefit of, you and us, and your and our respective successors and assigns.
50. Sixth Sphere may assign, delegate, or transfer any of its rights or duties under these Terms & Conditions, directly or indirectly, to any person or entity without your consent and should Sixth Sphere do so, you hereby agree to release Sixth Sphere from its duties under these Terms & Conditions and to accept such assignee, delegate, or transferee in full substitution of Sixth Sphere.
51. We reserve the right to change or amend these Terms & Conditions at any time. If we make any such change or amendment, we will provide written notice to you. If you do not wish to accept such change or amendment, you may opt out of your Membership within 45 days of the date we sent written notice of the change or amendments to you by sending written notice to us. If we do not receive written notice from you that you do not accept such change or amendment within 45 days, your continuing Membership after the 45 day period represents acceptance of the revised Terms & Conditions.
52. We also reserve the right to interpret and apply these Terms & Conditions, and all such interpretations will be final, conclusive and binding on you. The failure of Sixth Sphere to enforce, at any time, any of the provisions, conditions or requirements of these Terms & Conditions, or the failure to require, at any time, performance by you of any of the provisions of these Terms & Conditions, will in no way be construed to be a present or future waiver of such provisions, nor in any way affect the ability of Sixth Sphere to enforce each and every such provision thereafter. Any and all waivers by Sixth Sphere of any provision, condition or requirement of these Terms & Conditions shall only be effective against Sixth Sphere if such waiver is in writing signed by an authorized officer of Sixth Sphere, and any such written waiver will not constitute a waiver of any future obligation to comply with such provision, condition or requirement.
53. These Terms & Conditions constitute the entire agreement between you and us with respect to your Membership in the Plan for the 2008 Taxation Year, and supersede all previous and contemporaneous agreements and understandings, whether oral or written, with respect to the Membership. If, for any reason, a court of competent jurisdiction finds any provision of these Terms & Conditions, or portion thereof, to be invalid or unenforceable, such provision will be deemed modified with retroactive effect to render such provision valid and enforceable to the maximum extent permissible so as to effect our intent, and the remainder of these Terms & Conditions will continue in full force and effect.
54. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario, but without giving any effect to the choice of law principles there under.
55. All notices, communications and inquiries by you to us regarding these Terms & Conditions must be made in writing and addressed as follows, and will be effective (i) when delivered by hand or confirmed facsimile transmission, (ii) one day after delivery by receipted overnight delivery, or (iii) four days after being mailed by certified or registered mail, return receipt requested, with postage prepaid:

The Canadian Tax Audit Protection Plan
c/o Sixth Sphere Services Professional Corporation
208 – 676 Richmond Street West
Toronto, Ontario M6J 1C3
Tel: (416) 866-8277 or (877) 772-8277
Fax: (416) 866-8278
56. Communications and inquires by us to you regarding these Terms & Conditions may be made in writing and addressed to you at your address set forth in your Application for Membership.
57. By the agreement of all parties hereto, this Agreement and other related documents have been drafted in English; par l'accord de toutes les parties aux présentes, cette convention et tout autre document y afferent a été rédigé en anglais.

APPENDIX A: Pre-Qualifying Conditions

You must meet all of the following conditions in order to qualify for Membership in the Canadian Tax Audit Protection Plan™. If you become a Member of the Plan and it is subsequently determined that you did not meet any one of these conditions, Sixth Sphere shall have no obligation to provide any Hours of Legal Services to you or to refund any portion of your Membership Fee. If Sixth Sphere does provide any Hours of Legal Services to you and it is subsequently determined that you did not meet any one of these conditions, you are 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. 2008 Tax Returns Filed On Time

- (a) **Federal Income Tax:** Your 2008 T1 Income Tax & Benefit Return has been or will be filed with the Canada Revenue Agency on or before its due date.
 - By June 15th, 2009, if you or your spouse was self-employed in 2008; or
 - By April 30, 2009 in all other cases.
- (b) **GST/HST:** If you are self-employed and registered for GST/HST purposes and have chosen to extend the Hours of Legal Services to include your 2008 GST/HST return(s), you must have filed all of your 2008 GST/HST return(s) with the CRA on or before their due date.

2. No Outstanding Tax Returns or Disputes

On the day your Membership in the 2008 Canadian Tax Audit Protection Plan™ is purchased:

- (a) **Not Currently Under Audit** – You 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 you have previously been audited by any Canadian Tax Authority, such audit must have been finalized and concluded;
- (b) **No Notice of Pending Audit** – You cannot have received or been notified by any Canadian Tax Authority that it intends to audit you or any tax or information return previously filed by you;
- (c) **No Outstanding Tax Disputes** – You 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** – You 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** – You 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 you reported in your 2008 T1 Income Tax & Benefit Return to earlier years).
- (f) **Not a "Large Business"** – You 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 You Are A Member

If in 2008 you were a member of a partnership (other than as a limited partner in a limited partnership), then on the date your 2008 Membership in the Plan is purchased – any such partnership of which you were a member in 2008:

- (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 2008 you were an officer or director of a corporation and you directly or indirectly own or owned more than ten per cent (10%) of the voting stock of that corporation, then on date that your 2008 Membership in the Plan is purchased – 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.