

SENTINEL HILL 1998 MASTER LIMITED PARTNERSHIP
Tax Dispute with Canada Revenue Agency ("CRA")
Update January 17, 2013

The oral examinations for discovery have now been held. On November 21 and part of November 22, 2012 Robert Strother was examined (on behalf of all the limited partners who are part of the Appeal before the Tax Court of Canada).

The Respondent's (CRA's) representative, namely David Duff, was examined by Dave Davies of Thorsteinssons LLP in two stages: partially on November 22, 2012 in Ottawa, and on December 10 and 11, 2012 in Vancouver.

The transcripts from those discoveries have now been received by counsel.

As per the Order of the Tax Court of Canada dated November 6, 2012, the undertakings given at the examinations for discovery are to be satisfied by April 1, 2013. Accordingly, the preparation of responses in satisfaction of the undertakings from those oral discoveries is underway.

Unless a settlement can be achieved, the next step (following the completion of undertakings) will be to file a joint application to fix a time and place for the hearing.