



**IN THE MATTER OF THE RECEIVERSHIP OF
HATSIZE LEARNING CORPORATION**

REQUEST FOR LETTERS OF INTENT

AUGUST 15, 2018

On the August 3, 2018, Deloitte Restructuring Inc. ("Deloitte"), was appointed by Order of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "Receivership Order") as the receiver and manager (the "Receiver") of the property of Hatsize Learning Company ("Hatsize" or the "Company") including, without limitation, of all of the Company's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situated, including all proceeds thereof (the "Assets"). A copy of the Consent Receivership Order is available on the Receiver's website at <http://www.insolvencies.deloitte.ca/en-ca/Pages/Hatsize-Learning-Corporation.aspx>.

The Receiver is seeking preliminary non-binding letters of intent ("LOI") for Hatsize until 5:00 p.m. (MDT) on **Friday, August 24, 2018** (the "LOI Deadline"). A form of the LOI is attached as Appendix 1.

If you would like to make arrangements to obtain additional information, please contact the Receiver's representative noted below.

LOI's can be provided to the Receiver as follows:

**Deloitte Restructuring Inc.
Receiver of Hatsize Learning Corporation
700, 850 – 2 Street SW
Calgary, Alberta T2P 0R8**

**Attention: Luke Alliband
lualliband@deloitte.ca
587-293-3227**

The sale of any Assets of Hatsize by the Receiver will be subject to Court approval and will be on an "as is, where is" basis, without any representations or warranties provided by the Receiver, whether as to title, condition, quality, quantities, fitness for purpose, book value, realizable value or otherwise, without limitation. Each offeror will need to perform its own due diligence and satisfy itself with respect to the Assets.

LOIs may be made in respect of all the Assets, or any part or parts thereof. The highest or best LOI or offer may not be accepted by the Receiver. The Receiver reserves the right to not accept any LOI or offer for the Assets, or to vary the terms of or terminate its request for LOI's at any time, in its sole discretion, without notice to any party. The Receiver reserves the right to deal with any one or more offerors to the exclusion of any others and to accept any offer or LOI for some or all of the Assets at any time, including prior to the LOI Deadline, without notice to any party.

LETTER OF INTENT

THIS LETTER OF INTENT (the "LOI") made as of this ____ day of August, 2018 (the "Execution Date"),

BETWEEN:

(the "Purchaser")

- AND -

Deloitte Restructuring Inc., in its capacity as Receiver and Manager of Hatsize Learning Corporation ("Hatsize"), and not in its personal capacity

(the "Vendor").

BACKGROUND:

- A. The Vendor has possession or control of certain assets that are available for sale.
- B. The Purchaser wishes to purchase the assets from the Vendor.

This LOI will establish the material terms to be used in a future asset purchase agreement between the Vendor and the Purchaser (the "Asset Purchase Agreement"). The terms contained in this LOI are not comprehensive and it is expected that additional terms may be added, and existing terms may be changed or deleted. The basic terms are as follows:

Non-Binding

- 1. This LOI does not create a binding commitment between the Purchaser and the Vendor and will not be enforceable, save and except paragraphs 4, 6, 7, 8 and 10. The terms and conditions of any Asset Purchase Agreement will supersede and replace any terms and conditions contained in this LOI.

Transaction Description

- 2. The assets to be included in this contemplated transaction include the assets, property and undertaking of Hatsize (the "Assets") as described in the Schedule "A" attached hereto. The Purchaser will purchase the Assets for the amount of \$_____ (the "Proposed Purchase Price"), to be allocated amongst the Assets in a manner to be determined by the Purchaser and the Vendor.
- 3. The Vendor will prepare a draft Asset Purchase Agreement for review by the Purchaser and the Asset Purchase Agreement will be finalized and executed on or before September 5, 2018. If the Asset Purchase Agreement is not executed by that date, the offer contemplated by this LOI shall be null and void, unless extended by agreement in writing between the Purchaser and the Vendor.
- 4. A deposit of ten percent (10%) of the Proposed Purchase Price will be paid by the Purchaser to the Vendor concurrently with execution and delivery of this LOI (the "Deposit"), by way of

cash deposit payable to "Deloitte Restructuring Inc.". Should this LOI not be accepted by the Vendor, the Deposit will be returned to the Purchaser without interest. Should this LOI be accepted and the parties enter into an Asset Purchase Agreement, the Deposit will be dealt with in accordance with the terms of the Asset Purchase Agreement or as may otherwise be agreed in writing among the Purchaser and the Vendor.

5. Should the Vendor accept this LOI, the Vendor and Purchaser agree to negotiate the terms and conditions of the Asset Purchase Agreement in good faith. Upon the execution of an Asset Purchase Agreement, it is understood by the Purchaser that the Deposit may become forfeited in accordance with the terms of the Asset Purchase Agreement.
6. The Vendor and Purchaser acknowledge that any sale of the Assets will be subject to approval by the Alberta Court of Queen's Bench (the "Court Approval"), to be sought by the Receiver within a reasonable time after the execution of an Asset Purchase Agreement, and closing of the transaction will occur only after Court approval and in any event not more than _____ days after Court approval, or as may otherwise be agreed by the Vendor and Purchaser.
7. The Vendor will make best efforts to obtain the Court Approval vesting the Assets in the name of the Purchaser (or its nominee) free and clear of any liens, charges, encumbrances or rights of others. If the Court Approval is not obtained, the Purchaser or the Vendor may terminate the transaction contemplated by the Asset Purchase Agreement, the Deposit shall be refunded without interest, the transaction contemplated by the Asset Purchase Agreement shall be null and void, and neither the Purchaser nor Vendor shall have any recourse against the other.
8. The Vendor and Purchaser acknowledge and agree that a Non-Disclosure/Confidentiality Agreement pertaining to the within transaction and Asset Purchase Agreement shall be executed by both parties prior to acceptance of the LOI and the commencement of any due diligence in respect of the Assets.
9. The Purchaser acknowledges and agrees that the Assets are being sold on an "as is where is" basis and that the Receiver has not made, nor will have made, any representation, warranty, statement or promise of any kind, except as may be expressly provided for in any Asset Purchase Agreement.
10. The Vendor and Purchaser agree that each party shall bear its own costs associated with this LOI and subsequent Asset Purchase Agreement.

This LOI accurately reflects the understanding between the Vendor and the Purchaser, signed on this _____ day of August _____, 2018.

Per: _____
(Purchaser)

Per: _____
Deloitte Restructuring Inc., in its capacity as
Receiver and Manager of Hatsize Learning
Corporation, and not in its personal capacity
(Vendor)