



Kari Sisson, Executive Director

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March __, 2023

PERSONAL AND CONFIDENTIAL

Building Bridges Initiative
Attention: Mr. Mark Nickell
648 N. Plankinton Avenue
Suite 425
Milwaukee, WI 53203

Dear Mr. Nickell:

Re: Letter of Intent

American Association of Children's Residential Centers, d/b/a Association of Children's Residential & Community Services ("ACRC") is pleased to submit this letter of intent (this "Letter") which outlines the basic economic and legal terms for the acquisition of all assets of Building Bridges Initiative ("BBI") (the "Potential Transaction").

Subject to the preparation and execution of final, definitive agreements satisfactory in form and substance to BBI and ACRC in their sole discretion, the terms of the Potential Transaction are understood to be substantially as follows:

1. Transaction Structure. At Closing (as defined below), BBI shall transfer to ACRC all assets of BBI, free of all liabilities and other obligations. Those assets shall include all accounts receivable, bank, brokerage or other accounts, any other cash, intellectual property, physical property (including but not limited to office equipment) and all interest in any existing or future contractual, business, or other opportunities.

2. Consideration for Purchase. ACRC shall do the following:

(a) Employees. ACRC will offer to hire some or all of BBI's current staff, subject to BBI terminating the employment of all staff prior to Closing. ACRC currently intends to offer to hire all former BBI staff as new ACRC employees; provided, however, that it is in ACRC's discretion to decline to offer to hire any such staff, and in all circumstances ACRC will retain discretion to determine the terms of the offer of employment (including compensation), and that any employment will be on an at will basis with ACRC and offeree free to terminate the relationship at any time and for any reason.

(b) Continuing the Business and Mission of BBI. ACRC shall endeavor to carry on the business and mission of BBI under such circumstances as ACRC determines are

reasonably practicable going forward. ACRC intends for a presently indefinite and undefined period to carry on such business and mission under the name of BBI and to work cooperatively with representatives of BBI's current board of directors or their designees regarding the transition.

3. Closing. The closing of the Potential Transaction (the "Closing") shall occur as soon as practicable after the execution of this Letter by BBI and in any event on or prior to July 31, 2023. The date on which the Closing occurs is referred to in this Letter as the "Closing Date."

4. Proposed Form of Agreement. Upon execution of this Letter by BBI, the parties will begin negotiating to reach a written definitive Asset Purchase Agreement or other similar agreement containing representations, warranties, indemnities, conditions and agreements mutually agreed by the parties.

5. Closing Contingencies. The consummation of the Potential Transaction shall be contingent upon the occurrence, prior to or at the Closing, of each of the following:

(a) Completion by ACRC of a legal and business due diligence investigation of the assets and liabilities, and the business generally, of BBI, which investigation results in ACRC being satisfied as to the operations of BBI, its business and assets, and any risk of continuing liabilities.

(b) Preparation and execution of a final, definitive Asset Purchase Agreement and ancillary agreements in form and substance acceptable to BBI and ACRC which shall include, without limitation, covenants, representations, warranties and indemnifications consistent with the terms of this Letter and such other matters as are reasonably negotiated between the parties.

(c) Transfer of any of BBI's contracts, agreements, or other arrangements with vendors, consultants, grantors, and customers that ACRC wishes to assume or continue.

(d) Acceptance of offers of employment by any BBI staff to whom ACRC extends offers.

(e) Approvals of governmental bodies and other third parties who can require approvals.

(f) There shall not have occurred or exist any condition or fact which is materially adverse to the financial condition, property, business or results of operation of BBI.

6. Conduct of Business. Prior to Closing, BBI will conduct its business and manage its finances and assets in the ordinary course of business and will use its reasonable commercial efforts to maintain and preserve intact its business organization and its relationships with employees, consultants, customers, suppliers and other business relations.

7. Due Diligence Investigation. During the period of time prior to Closing, BBI shall provide ACRC and its representatives with reasonable access to BBI's books, records,

financial statements, employee information and other documents and materials relating to the financial condition, assets, liabilities and business of BBI and to the business premises of BBI to conduct, on a discreet basis and in cooperation with BBI, such inspections, investigations and interviews as ACRC reasonably requests, the cost of which shall be borne by BBI. No employees, customers or suppliers of BBI shall be contacted by ACRC or its representatives with respect to the Potential Transaction without BBI's specific consent, which consent shall not be unreasonably withheld, conditioned or delayed.

8. Confidentiality. The existence and the contents of this Letter (including the terms of acquisition) is submitted under a condition of strict confidentiality and is subject to the confidentiality and non-disclosure agreement previously executed between the parties (the "NDA"). BBI and any of its group companies and each of their respective directors, officers, employees, agents and professional advisers, agree the contents of this Letter will not be disclosed to any other person and will be treated as strictly confidential. BBI reaffirms its obligations under the NDA and agrees that the NDA extends to the fact and contents of this Letter.

9. Public Announcement. Subject to and notwithstanding paragraph 8 above, the parties agree that ACRC may publicly announce the Proposed Transaction at its upcoming annual conference to be held May 16-19, 2023. ACRC intends to make such announcement jointly and with the participation of representatives of BBI.

10. Exclusive Basis. In consideration of the substantial expenditures of time, effort and expense to be undertaken by ACRC in connection with its due diligence review and the negotiation of a definitive purchase agreement, BBI, subject to the terms set forth below, shall not:

(a) solicit offers or expressions of interest from any other party to acquire the assets of BBI (collectively, an "Alternative Transaction");

(b) enter into or continue any negotiations regarding the terms of any Alternative Transaction;

(c) permit access to BBI's premises, employees or representatives, or provide any information to any third party for purposes of or in connection with an Alternative Transaction; or

(d) enter into any oral or written agreement with respect to an Alternative Transaction or engage anyone to enter into an Alternative Transaction.

Notwithstanding anything in this Letter to the contrary, the foregoing exclusivity period shall terminate on the first to occur of (i) July 31, 2023, (ii) the mutual agreement of the parties to terminate such exclusivity period or (iii) BBI's notice to ACRC to terminate such exclusivity period if ACRC proposes a material adverse change to the terms of this Letter.

11. Fees and Expenses. Whether or not the Potential Transaction is consummated, each party shall pay all fees and expenses incurred by it, including the fees of its attorneys,

accountants and other experts incident to the negotiation and preparation of this Letter and the consummation of the Potential Transaction.

12. Governing Law. This Letter and the definitive agreements shall be governed by and construed in accordance with the internal laws and not the laws of conflicts, of the State of Wisconsin and disputes will be resolved in courts located within the state.

We realize there are numerous aspects to the Potential Transaction that require additional definition and we agree that no binding commitments or obligations will exist until the parties execute and deliver final, definitive agreements; however, this Letter evidences our mutual and respective understanding to proceed promptly with the preparation of such agreements.

[Signature page follows]

If the foregoing is satisfactory, please indicate your approval by executing the enclosed copy of this Letter in the place marked below. This Letter shall remain open until March 31, 2023. Unless ACRC receives this Letter executed by BBI by such time, this Letter shall expire and be null and void.

Yours very truly,

BY _____
Kari Sisson, Executive Director
ACRC

Agreed and accepted this
_____ day of March 2023

BY _____
Mark Nickell, Executive Director
BUILDING BRIDGES INITIATIVE

Agreed and accepted this
_____ day of March 2023