



COUNTY COMMISSION

BALDWIN COUNTY
312 Courthouse Square, Suite 12
Bay Minette, Alabama 36507
(251) 580-2564
(251) 580-2500 Fax
agary@baldwincountyal.gov
www.baldwincountyal.gov

ANU GARY
Records Manager
MONICA E. TAYLOR
Assistant Records Manager

August 25, 2016

Mr. Joseph H. Peeples
Pathway, Inc.
Post Office Box 311206
Enterprise, Alabama 36331

**RE: Resolution #2016-100 – Lease Agreement between Baldwin County,
Alabama, and Pathway, Inc.**

Dear Mr. Peeples:

Please find enclosed a **fully executed copy** of *Resolution #2016-100* and the *Lease Agreement* approved during the August 16, 2016, Baldwin County Commission meeting, with Pathway, Inc. for the lease of certain property owned by Baldwin County for the operation of the residential facility for programs for adolescents by Pathway, Inc.

If you have any questions or need further assistance, please do not hesitate to contact Ron Cink, County Administrator/Budget Director, at (251) 580-2550.

Sincerely,

ANU GARY, Records Manager
Baldwin County Commission

AG/met Item BA1

cc: Ron Cink
Wanda Gautney

ENCLOSURE(S)

RESOLUTION #2016-100

**AUTHORIZING AN AGREEMENT BETWEEN
BALDWIN COUNTY, ALABAMA, AND PATHWAY, INC.**

BE IT RESOLVED BY THE COUNTY COMMISSION OF BALDWIN COUNTY, ALABAMA ("Commission"), GOVERNING BODY OF BALDWIN COUNTY, ALABAMA ("County"), as follows:

Section 1. The County has heretofore, upon evidence duly presented to and considered by it, found and determined, and does hereby find, determine and declare that:

- (a) Pathway, Inc., an Alabama corporation ("Pathway, Inc.") submitted a proposal to the County for the management and operation of the Baldwin County Residential Wilderness Facility for Programs for Adolescents. The County and Pathway, Inc. propose to execute and deliver a Lease Agreement ("Agreement") and related documents, wherein Baldwin County will lease certain property to Pathway, Inc., for the purpose of operating a residential facility for programs for adolescents, including up to 48 beds, subject to licensing by the State of Alabama Department of Youth Services.
- (b) The Lease Agreement and related documents will be executed and delivered by Pathway, Inc., and the County.
- (c) Pursuant to Amendment No. 772 and/or Amendment No. 750 to the Constitution of Alabama of 1901, as amended, the County has caused the Notice attached hereto as Exhibit A ("Notice") to be published on August 5, 2016, in *Gulf Coast Newspapers* with respect to certain actions proposed to be taken, including the Agreement proposed to be made and delivered by the parties. The information set forth in the Notice is true and correct, and the publication of the Notice is hereby ratified and confirmed.
- (d) The Lease Agreement has been made available for public inspection with respect to the transactions described in the Notice and the undertakings by the County in connection therewith.
- (e) The expenditure of public funds and use, purchase or lease of property for the purposes specified in the Notice and the Agreement will serve a valid and sufficient public purpose, notwithstanding any incidental benefit accruing to any private entity or entities.
- (f) The County seeks to achieve, by undertaking its obligations pursuant to the Agreement, to promote the local economic and commercial development of the County; to promote the expansion and retention of business enterprise within the County; to increase employment in the County; to promote and develop for the public good and welfare trade, commerce, industry, and employment opportunities in the County; to increase the tax and revenue base of the County; to encourage the provision of services and programs through

private entities to benefit adolescents and to promote the convenience, order, prosperity, health, safety and welfare of its citizens. The increased tax revenues, anticipated reduction in County cost and expenses, additional economic activity, creation of new jobs and the other benefits will directly benefit the County and serve a valid and sufficient public purpose.

(g) It is necessary, desirable, and in the best interests of the taxpayers and citizens of the County for the County to deliver and perform the agreements and undertakings of the County set forth in the Lease Agreement and related documents.

Section 2. The County does hereby approve, ratify and confirm (i) the form and content of, and the statements set forth in, the Notice and (ii) the publication of the Notice as set forth in Section 1 of this resolution.

Section 3. The County does hereby approve, adopt, authorize, direct, ratify and confirm the representations, agreements and covenants of the County set forth in, and the transactions to be undertaken by the County pursuant to, the Lease Agreement.

Section 4. The Lease Agreement is approved in substantially the form and the content attached hereto as **Exhibit B**.

Section 5. The Lease Agreement presented to, considered and adopted by the Commission shall be filed in the permanent records of the County.

Section 6. The Chairman of the Commission is hereby authorized to execute, acknowledge and deliver on behalf of the County a Lease Agreement in substantially the form attached hereto as **Exhibit B**, with any revisions thereto and related documents as may be approved by the Baldwin County Commission, with such execution and delivery to be conclusive proof of the Baldwin County Commission's approval.

Section 7. The Chairman of the Commission, the County Administrator and officers of the County, or any one or more of them, are hereby authorized and directed to do and perform or cause to be done or performed in the name and on behalf of the County such other acts, and to execute, deliver, file and record such other instruments, documents, certificates, notifications and related documents, all as shall be required by law or necessary or desirable to carry out the provisions and purposes of this Resolution and the Agreement.

Section 8.

- (a) All resolutions, orders, or parts thereof in conflict or inconsistent with any provision herein hereby are, to the extent of such conflict or inconsistency, repealed.
- (b) This resolution shall take effect immediately.



J. TUCKER DORSEY, Chairman
Baldwin County Commission

ATTEST:



RONALD J. CINK
County Administrator/Budget Director
Baldwin County Commission



**LEGAL NOTICE
OF
PUBLIC MEETING OF THE BALDWIN COUNTY COMMISSION**

Regarding Economic Development Action Under Alabama Constitutional Amendment No. 772
and/or Alabama Constitutional Amendment No. 750
for
Pathway, Inc.

Notice is hereby given that the County Commission ("County Commission") of Baldwin County, Alabama ("County"), will meet in public session at 8:30 a.m. on Tuesday, August 16, 2016, in the County Commission Chambers of the Baldwin County Administration Building, located at 322 Courthouse Square, Bay Minette, Alabama, for the purpose of consideration of the transaction of any business that may properly come before the County Commission; such business to include, but not be limited to, the authorization by the County Commission pursuant to Amendment No. 772 and/or Amendment No. 750 of the Constitution of Alabama of 1901, as amended, of a resolution ("Resolution") authorizing the execution and delivery of an Agreement or Agreements, and any documents related thereto, by the County (the "Agreements") to be entered by the County and Pathway, Inc., an Alabama Corporation.

Pathway, Inc., is a private corporation that will manage and operate a residential facility for programs for adolescents and will be a direct party to the Agreements.

Pursuant to Amendment No. 772 and/or No. 750 of the Constitution of Alabama of 1901, as amended, and the Agreements, for the purpose of the economic development and the provision of services to adolescents, the County will lease certain property, real and personal, and improvements, which were financed, built and presently owned by the County, located in Lottie, Baldwin County, Alabama, to Pathway, Inc., in accordance with the terms of the Agreements, and the County will provide certain County funds for the purpose of the maintenance and operation of the leased property.

The Agreements will be issued and delivered by the County pursuant to Amendment No. 772 and/or No. 750 to the Constitution of Alabama of 1901, as amended. The amounts payable by the County under the Agreement are payable from all general revenues of the County lawfully available for such purpose. The Agreements will be effective on the date of full execution and delivery of the Agreements.

The County seeks to achieve, by undertaking its obligations pursuant to the Agreements, to promote the local economic and commercial development of the County; to promote the expansion and retention of business enterprise within the County; to increase employment in the County; to promote and develop for the public good and welfare trade, commerce, industry, and employment opportunities in the County; to increase the tax and revenue base of the County; to encourage the provision of services and programs through private entities to benefit adolescents and to promote the convenience, order, prosperity, health, safety and welfare of its citizens. The increased tax revenues, anticipated reduction in County cost and expenses, additional economic activity, creation of new jobs and the other benefits will directly benefit the County and serve a valid and sufficient public purpose.

The County Commission expects to determine at its public meeting that the grant of funds, lease of property and things of value in connection with the transactions described above will serve a valid and sufficient public purpose, notwithstanding any incidental benefit accruing to Pathway, Inc., or any other private entity or entities.

All interested persons may examine and review the Agreements and all relevant documents and make copies thereof at personal expense, at the offices of the County Administrator of Baldwin County, County Administration Building, Bay Minette, Alabama, during normal business hours, before and after the meeting of the County Commission referenced herein.

If you have any questions regarding this Notice, please contact:

Ronald J. Cink, County Administrator
Baldwin County Commission
(251) 580-2550
rcink@baldwincountyal.gov

LEASE AGREEMENT

This Agreement is entered into by and between BALDWIN COUNTY, ALABAMA, by and through the BALDWIN COUNTY COMMISSION, a political subdivision of the State of Alabama (hereinafter referred to as "Landlord"), and PATHWAY, INC., an Alabama corporation (hereinafter referred to as "Tenant").

WITNESSETH:

For and in consideration of the respective covenants and agreement of the parties contained herein, Landlord does hereby lease and demise unto Tenant for and during the lease term the following described Leased Premises located in Baldwin County, Alabama, to wit:

COMMENCING AT THE NORTHEAST CORNER OF SECTION 1, TOWNSHIP 1 NORTH, RANGE 4 EAST, AS RECORDED ON INSTRUMENT NO. 115646, IN THE OFFICE OF THE JUDGE OF PROBATE, BALDWIN COUNTY, ALABAMA; THENCE RUN SOUTHERLY ALONG THE EAST LINE OF SAID SECTION A DISTANCE OF 1759 FEET, MORE OR LESS, TO THE POINT OF BEGINNING OF THE PROPERTY HEREIN TO BE DESCRIBED; THENCE CONTINUE SOUTHERLY ALONG THE EAST LINE OF SAID SECTION A DISTANCE OF 2949 FEET, MORE OR LESS, TO A POINT; THENCE RUN WESTERLY A DISTANCE OF 490 FEET, MORE OR LESS, TO A POINT; THENCE RUN NORTHWESTERLY A DISTANCE OF 512 FEET, MORE OR LESS, TO A POINT; THENCE RUN WESTERLY A DISTANCE OF 480 FEET, MORE OR LESS, TO A POINT ON THE EASTERN BANK OF HURRICANE CREEK; THENCE RUN NORTHERLY ALONG THE MEANDERINGS OF HURRICANE CREEK A DISTANCE OF 2141 FEET, MORE OR LESS, TO A POINT THAT BEARS NORTH-5°-18'27"-WEST A DISTANCE OF 2020.49 FEET FROM THE PREVIOUS DESCRIBED POINT; THENCE RUN WESTERLY A DISTANCE OF 296 FEET, MORE OR LESS, TO A POINT; THENCE RUN NORTHERLY A DISTANCE OF 566 FEET, MORE OR LESS, TO A POINT ON THE SOUTH RIGHT OF WAY LINE OF EWING FARM ROAD; THENCE RUN EASTERLY ALONG THE SAID SOUTH RIGHT OF WAY LINE OF EWING FARM ROAD A DISTANCE OF 1777 FEET, (MORE OR LESS), TO THE POINT OF BEGINNING OF THE PROPERTY HEREIN DESCRIBED.

The Tenant shall be entitled to use a portion of the Leased Premises as outlined and depicted on the attached Exhibit A. The Landlord reserves the right, in its sole discretion, to subdivide the Premises in order to create two or more lots or parcels. In that event, the parties agree that the legal description of the property outlined and depicted in Exhibit A shall be substituted for the legal description set forth in this Agreement based on the subdivision by an addendum executed by the parties, if deemed necessary by the Landlord.

(Said lands and improvements are hereinafter referred to as the "Leased Premises".) This Agreement is made, however, conditioned upon and subject to the following terms and conditions which are agreed to by the respective parties:

1. USE OF LEASED PREMISES

1.1 The Leased Premises are to be used by the Tenant for the sole purpose of operating a residential facility for programs for adolescents, including up to 48 beds, subject to licensing by the State of Alabama Department of Youth Services ("DYS"), as described in the Response to Request for Proposals submitted by Pathway, Inc., dated June 1, 2016, and normal office operations incidental to such activities, or as otherwise expressly permitted by Landlord, in its sole discretion. Any other business activity is expressly prohibited. Tenant shall, at all times, in connection with its operations, fully and promptly comply with all laws, ordinances, orders, rules and regulations of any lawful authority having jurisdiction over said Leased Premises, including, but not limited to, those relating to cleanliness, safety, occupation and use of said Leased Premises and the nature, character and manner of the operation of the business conducted in or at said Leased Premises. In addition, Tenant shall comply with all laws, ordinances, orders, rules and regulations related to the adolescent programs provided by Tenant. Tenant shall, at all times, in connection with its operations, fully and promptly comply with all laws, ordinances, orders, rules and regulations pertaining to environmental protection, either through the EPA, ADEM (Alabama Department of Environmental Management) or other regulatory bodies.

1.2 Tenant is solely responsible for the safety of all employees, invitees, customers and guests relative to the Leased Premises.

1.3 Landlord agrees that if Tenant shall perform all of the covenants and agreements herein required to be performed by Tenant, Tenant shall, subject to the terms of this Agreement, have the peaceable and quiet enjoyment and possession of the Leased Premises.

2. DURATION OF LEASE TERM

2.1 Provided that Tenant has paid unto Landlord the first month's rent pursuant to Section 3.1 below, the term ("Term") covered by this Lease Agreement shall be for a period of thirty-six (36) months and shall commence on the 1st day of September, 2016, and shall terminate at 11:59 p.m. Central Time on August 31, 2019.

3. CONSIDERATION

3.1 In order to cause the Lease Term to commence, Tenant shall pay unto Landlord, simultaneously with the execution hereof, rental for the first month of the Term in the amount of Thirty Thousand Dollars (\$30,000.00).

3.2 In consideration of this Agreement, the Tenant agrees to pay to the Landlord the sum of Thirty Thousand Dollars (\$30,000.00) per month for rent for the Term of the Lease.

3.3 All scheduled rent payments shall be paid to the Landlord on or before the first (1st) day of each month, and the first such monthly payment under this Lease Agreement shall come due on September 1, 2016.

3.4 Payment of said rent shall be made by mailing or otherwise delivering a check or money order payable to at the following address:

For Standard Delivery: Baldwin County Commission
322 Courthouse Square, Suite 12
Bay Minette, Alabama 36507

For Overnight Delivery: Baldwin County Commission
322 Courthouse Square, Suite 12
Bay Minette, Alabama 36507

3.5 Said payments shall be made as indicated herein until such time as Landlord may subsequently designate another place of payment.

3.6 Prior to the commencement of the lease, Tenant shall provide a performance bond from a surety company or letter of credit from a banking institution in a form and subject to terms and conditions approved by the Landlord, in its discretion, in the amount of Five Hundred Thousand Dollars (\$500,000.00) securing the performance by the Tenant of all terms and conditions of this Agreement and to reimburse the Landlord for (1) any losses or damages incurred by the Landlord as a result of the Tenant's failure to comply with the terms of this Agreement and (2) any losses, damages or reimbursements incurred by the Landlord as a result of a Medicaid audit or required reimbursement, fine or penalty, including, but not limited to, reasonable attorney's fees and costs.

3.7 The amount and cost of the food inventory at the facility on September 1, 2016, shall be determined, and the Tenant shall pay the cost of the food to the Landlord on or before October 1, 2016.

3.8 Landlord shall be entitled to bill and receive reimbursement from Medicaid or otherwise for all services provided at the residential facility on or before August 31, 2016. Tenant shall be entitled to bill and receive reimbursement from Medicaid or otherwise for services provided at the residential facility on or after September 1, 2016.

4. MAINTENANCE AND REPAIR

4.1 Tenant has inspected the Leased Premises prior to the execution of this Lease, and agrees to accept the same in its present condition. Tenant is taking the Leased Premises in "as is" condition. Tenant shall maintain and keep in a good state of repair all improvements situated in the interior of the Leased Premises, including, without limitation, windows, electric wiring, plumbing, heating and air conditioning unit(s) and the parking area. Subject to the limitation set forth below, Tenant shall be solely responsible for maintaining and keeping the interior of the Premises (excluding any portion thereof in or below the floor of the Premises) in a good state of repair, free from refuse and rubbish, and shall return and surrender possession of the same at the expiration or termination of this lease in like good order as at the commencement of said Term, natural wear and tear excepted. Provided, however, that Tenant's obligation to maintain and repair pursuant to this Paragraph 4.1 shall be limited to repairs costing \$5000.00 or less per individual repair item. In the event maintenance or repairs of any individual item cost in excess of \$5000.00, Tenant shall pay the first \$5000.00 thereof, and Landlord shall pay the remainder.

4.2 It is expressly understood and agreed between the parties hereto that the Landlord shall not be responsible for the maintenance or repair to any of the items described herein which said maintenance or repair is necessitated by any act of Tenant or Tenant's invitees or licensees, it being expressly agreed by the parties hereto that such maintenance and repair shall be the obligation of the Tenant, including any repair to the electrical wiring, plumbing and heating and air conditioning unit(s), provided, however, that Tenant shall not be responsible for any repairs necessitated as a result of negligence or intentional acts of Landlord or its employees or agents.

4.3 The Tenant may, at Tenant's expense, make such alterations in, or additions to, the building or Leased Premises, as Tenant may deem necessary to fit the same for the business of Tenant, upon first obtaining written approval of Landlord, in Landlord's sole discretion. Specifically, Tenant will be responsible for additional fencing, indoor decorating and additional landscaping at Tenant's expense. It is understood that any and all improvements shall become property of the Landlord, with the exception of fixtures purchased by Tenant which can be removed without damage to the Leased Premises.

4.4 Landlord shall not be required to do any repairs upon the Leased Premises or building thereon other than those agreed upon at commencement of the Lease, if any, and the Landlord shall not be liable for any damage caused by or growing out of any breakage, leakage, getting out of order, or defective condition of said roof, plumbing, gas, water, steam or other sewerage, or the bursting, leaking or running of any cistern tank, wash pan, water closet, or waste pipe, in, above or upon said building, premise or appliances located therein.

4.5 It is further understood and agreed by the parties hereto that nothing herein shall be construed as denying the Landlord the right to make any repairs which are deemed necessary during the Term of this Lease, such right being expressly reserved unto the Landlord.

4.6 Landlord shall maintain and keep in a good state of repair the exterior of all improvements situated on the Leased Premises, expressly including the roof.

4.7 Landlord shall be responsible for the maintenance of the Landlord's generator and the existing security system and sprinkler system.

4.8 Tenant acknowledges and agrees that Landlord shall have the right to perform control burns of the Leased Premises as determined by the Landlord, in its discretion.

4.9 Landlord shall be responsible for grading the access road to the facility, and the Landlord reserves the right to pave the access road, in Landlord's discretion.

4.10 Tenant shall also be responsible for the maintenance of fire extinguishers and pest control.

5. UTILITIES AND CARE OF PREMISES

5.1 Tenant agrees to pay all bills incurred for electricity, water, gas, sewer, telephone, internet services, garbage or other utilities of whatsoever kind used on the Leased Premises during the term of this Lease; to keep all electrical apparatus in good order; to permit no waste of the property, or allow the same to be done, but to take good care of the same; and upon the termination of this Lease, to surrender quiet and peaceable possession of the said Leased Premises in like good order as at the commencement of said term, natural wear and tear excepted. Utilities will be transferred from Landlord to Tenant effective September 1, 2016, and any charges for services through that date will be prorated between the parties.

5.2 The amount of LP gas in the tank on September 1, 2016, shall be determined, and the Tenant shall pay the Landlord the cost of the LP gas in the tank.

6. INDEMNITY, PUBLIC LIABILITY INSURANCE AND FIRE EXTENDED COVERAGE INSURANCE

6.1 Indemnity. Landlord shall not be liable to Tenant or to Tenant's employees, agents, licensees, guests or visitors, or to any other person or entity, whomsoever, for any injury to person or damage to or loss of property on or about the Leased Premises caused by the negligence or misconduct of Tenant, its employees, subtenants, licensees, guests, visitors or concessionaires, or of any other person entering the Leased Premises under the express or implied invitation of Tenant, or arising out of the use of the Leased Premises by Tenant and the conduct of its business therein, or arising out of any breach or default by Tenant in the performance of its obligations hereunder or resulting from any other cause. **TO THE FULLEST EXTENT ALLOWED BY LAW, TENANT SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS LANDLORD AND ANY COMMISSIONER, OFFICER, DIRECTOR, AGENT, EMPLOYEE, REPRESENTATIVE, SHAREHOLDER,**

TRUSTEE, BENEFICIARY, PARTNER OR EMPLOYEE OF LANDLORD (HEREIN COLLECTIVELY CALLED A "LANDLORD RELATED PARTY") FROM AND AGAINST ANY AND ALL LIABILITIES, OBLIGATIONS, DAMAGES, CLAIMS, SUITS, LOSSES, CAUSES OF ACTION, LIENS, JUDGMENTS AND EXPENSES (INCLUDING COURT COSTS, ATTORNEY'S FEES AND COSTS OF INVESTIGATION) OF ANY KIND, NATURE OR DESCRIPTION RESULTING FROM ANY INJURIES TO OR DEATH OF ANY PERSON OR ANY DAMAGE TO PROPERTY WHICH ARISES, OR IS CLAIMED TO ARISE FROM (I) AN INCIDENT OR EVENT WHICH OCCURRED WITHIN OR ON THE LEASED PREMISES; OR (II) THE OPERATION OR CONDUCT OF TENANT'S BUSINESS WITHIN THE LEASED PREMISES (COLLECTIVELY, THE "CLAIMS"), UNLESS SUCH CLAIM IS THE RESULT OF OR CAUSED SOLELY BY THE NEGLIGENT ACTS OR OMISSIONS OF ANY LANDLORD RELATED PARTY. TENANT SHALL, AT TENANT'S SOLE COST AND EXPENSE, DEFEND SUCH CLAIM BY OR THROUGH ATTORNEYS REASONABLY ACCEPTABLE TO LANDLORD.

Tenant shall not cause or permit hazardous materials to be brought upon, kept or used in or about the Leased Premises other than as is necessary or useful to Tenant's business. Any such hazardous material shall be used, kept and stored in a manner that complies with all laws regulating any such hazardous material. **TO THE FULLEST EXTENT ALLOWED BY LAW, TENANT AGREES TO INDEMNIFY, DEFEND AND HOLD HARMLESS LANDLORD AND LANDLORD RELATED PARTIES FROM ANY AND ALL CLAIMS, JUDGMENTS, DAMAGES, PENALTIES, FINES, COSTS, LIABILITIES OR LOSSES AS A RESULT OF THE CONTAMINATION OF THE LEASED PREMISES BY ANY SUCH HAZARDOUS MATERIALS OF TENANT. THIS INDEMNIFICATION OF LANDLORD AND LANDLORD RELATED PARTIES BY TENANT INCLUDES, WITHOUT LIMITATION, COSTS INCURRED IN CONNECTION WITH ANY INVESTIGATION OF SITE CONDITIONS OR ANY CLEANUP, REMEDIAL REMOVAL OR RESTORATION WORK REQUIRED BY ANY FEDERAL, STATE OR LOCAL GOVERNMENTAL AGENCY OR POLITICAL SUBDIVISION BECAUSE OF HAZARDOUS MATERIAL OF TENANT. THIS INDEMNIFICATION OF LANDLORD BY TENANT INCLUDES WITHOUT LIMITATION COSTS INCURRED IN CONNECTION WITH ANY INVESTIGATION OF SITE CONDITIONS OR ANY CLEANUP, REMEDIAL REMOVAL OR RESTORATION WORK REQUIRED BY ANY FEDERAL, STATE OR LOCAL GOVERNMENTAL AGENCY OR POLITICAL SUBDIVISION BECAUSE OF HAZARDOUS MATERIAL OF TENANT PRESENT IN THE SOIL OR GROUNDWATER OR UNDER THE LEASED PREMISES AS A RESULT OF TENANT'S ACTIONS. WITHOUT LIMITING THE FOREGOING, IF THE PRESENCE OF ANY HAZARDOUS MATERIAL ON THE LEASED PREMISES CAUSED OR PERMITTED BY TENANT RESULTS IN ANY CONTAMINATION OF THE PREMISES, TENANT SHALL PROMPTLY TAKE ALL ACTIONS, AS ITS SOLE EXPENSE, AS ARE NECESSARY TO RETURN THE LEASED PREMISES TO THE CONDITION EXISTING PRIOR TO THE INTRODUCTION OF ANY SUCH HAZARDOUS MATERIAL TO THE LEASED PREMISES. "HAZARDOUS**

MATERIAL” SHALL MEAN ANY HAZARDOUS OR TOXIC SUBSTANCE, MATERIAL OR WASTE WHICH IS OR BECOMES REGULATED BY ANY LOCAL GOVERNMENTAL AUTHORITY, THE STATE OF ALABAMA OR THE UNITED STATES GOVERNMENT.

6.2 Responsibility for Insurance Coverage:

(a) Tenant shall, during the Term, at its sole expense, obtain and keep in force, the following types of insurance insuring the Tenant and Landlord (Landlord shall at all times be named as an additional insured), as their respective interests may appear, (i) comprehensive general liability insurance coverage, personal injury, bodily injury, broad form property damage, operations hazard, owner’s protective coverage, contractual liability and products and completed operations liability with limits of not less than One Million (\$1,000,000.00) Dollars inclusive (the aggregate limits of such insurance to apply specifically to the Leased Premises and not to multiple locations); (ii) “All Risk” Physical Damage insurance for Tenant’s property (personal property, fixtures and leasehold improvements in excess of those provided for Landlord) in or on the Leased Premises, providing protection against perils that are covered under standard insurance industry practices within the classification of all risk insurance, including, but not limited to loss or damage from fire, lightning, windstorm, hail, explosion, riot, riot attending a strike, civil commotion, aircraft, vehicles, smoke, domestic water damage, collapse, sprinkler damage, vandalism, malicious mischief, earthquake and flood, for the full insurable value thereof, including an endorsement provided for “loss of income” coverage; and (iii) All Risk Property Damage Insurance covering any building or improvements constructed by the Tenant on the Leased Premises (including exterior walls, downspouts, gutter and roof), in an amount not less than ninety (90%) percent of full replacement cost (exclusive of the cost of excavations, foundations, and footings), and with such retention and amounts deductible as Landlord may in its discretion permit, providing protection against perils that are covered under standard insurance industry practices within the classification of all risk insurance, including, but not limited to, loss or damage from fire, lightning, windstorm, hail, explosion, riot, riot attending a strike, civil commotion, aircraft, vehicles, smoke, domestic water damage, collapse, sprinkler damage, vandalism, malicious mischief, earthquake and flood, and such other risks as Landlord may from time to time determine and with any such deductibles as Landlord may from time to time require. All such policies shall name Landlord and Landlord Related Parties as additional insureds.

(b) Tenant shall furnish evidence satisfactory to Landlord of the existence of and maintenance of such insurance prior to or contemporaneous with the commencement of the Term and thereafter at least fifteen (15) days prior to any date on which such policy is required to be renewed. Tenant shall obtain a written obligation on the part of each insurance company to notify Landlord at least thirty (30) days prior to the cancellation of such insurance.

6.3 Non-Liability for Certain Damages: NOTWITHSTANDING ANYTHING CONTAINED IN THIS LEASE TO THE CONTRARY, NEITHER LANDLORD NOR ANY LANDLORD RELATED PARTY SHALL BE LIABLE FOR

DAMAGES TO TENANT OR ANY PARTY CLAIMING THROUGH TENANT FOR ANY INJURY TO OR DEATH OF ANY PERSON OR DAMAGE TO PROPERTY OR FOR INTERRUPTION OR DAMAGE TO BUSINESS RESULTING FROM ANY OF THE FOLLOWING REASONS: (A) ANY ACT, OMISSION OR NEGLIGENCE OF TENANT OR TENANT'S EMPLOYEES, AGENTS, CONTRACTORS, OFFICERS, SUBTENANTS, ASSIGNEES, LICENSEES, INVITEES OR CUSTOMERS; (B) ANY ACT, OMISSION OR NEGLIGENCE OF ANY OTHER TENANT WITHIN THE BUILDING, OR ANY OF THEIR RESPECTIVE EMPLOYEES, AGENTS, CONTRACTORS, TENANTS, ASSIGNEES, LICENSEES, INVITEES OR CUSTOMERS; (C) THE REPAIR, ALTERATION, MAINTENANCE, DAMAGE OR DESTRUCTION OF THE LEASED PREMISES OR ANY OTHER PORTION OF THE LEASED PREMISES (INCLUDING THE CONSTRUCTION OF LEASEHOLD IMPROVEMENTS FOR OTHER TENANTS OF THE LEASED PREMISES); (D) VANDALISM, THEFT, BURGLARY AND OTHER CRIMINAL ACTS (OTHER THAN THOSE COMMITTED BY LANDLORD'S EMPLOYEES); (E) ANY DEFECT IN OR FAILURE OF EQUIPMENT, PIPES, WIRING, HEATING OR AIR CONDITIONING EQUIPMENT, STAIRS, ELEVATORS, OR SIDEWALKS; THE BURSTING OF ANY PIPES OR THE LEAKING, ESCAPING OR FLOWING OF GAS, WATER, STEAM, ELECTRICITY, OR OIL; BROKEN GLASS; OR THE BACKING UP OF ANY DRAINS, EXCEPT TO THE EXTENT CAUSED BY THE NEGLIGENCE OR WILLFUL MISCONDUCT OF LANDLORD OR ANY LANDLORD RELATED PARTY; (F) INJURY DONE OR OCCASIONED BY WIND, SNOW, RAIN OR ICE, FIRE, ACT OF GOD, PUBLIC ENEMY, INJUNCTION, RIOT, STRIKE, INSURRECTION, WAR, COURT ORDER, REQUISITION, ORDER OF ANY GOVERNMENTAL BODY OR AUTHORITY, OR ANY OTHER CAUSE BEYOND THE REASONABLE CONTROL OF LANDLORD. UNDER NO CIRCUMSTANCES SHALL LANDLORD BE LIABLE FOR DAMAGES RELATED TO BUSINESS INTERRUPTION OR LOSS OF PROFITS.

7. LOSS OF BUILDING

7.1 If the buildings located on the Leased Premises are totally or partially damaged or destroyed by fire, or other cause, so as to be partially or totally unfit for the use or purpose for which the same is hereby let, the Landlord may elect to repair or rebuild same within ninety (90) days after receiving written notice from the Tenant of such destruction. If such election is made, the Landlord shall proceed to rebuild or repair the said building with due diligence. The rent during said time of reconstruction shall be reduced in the proportion that said Leased Premises in the untenable or unfit condition bears to the condition of the said Leased Premises immediately prior to said damage; provided, however, that in the event Landlord fails to make such election to repair or rebuild within the aforesaid ninety (90) days after the Tenant properly notifies the Landlord of such damage, this Agreement may be terminated by the Tenant by written notice to the Landlord at any time after the expiration of said ninety (90) day period, but such notice must be given prior to the commencement of reconstruction by the Landlord, and in the event that reconstruction is begun by the Landlord subsequent to said ninety (90) day

period and prior to notification by Tenant of its intent to terminate this Agreement, then Tenant will be deemed to have waived the right to so terminate.

8. EMINENT DOMAIN

8.1 In the event the whole of the Leased Premises shall be taken by federal, state, county, city, public utility or other authority for public use or under any statute, or by right of eminent domain, then when possession shall be taken thereunder of said Leased Premises, the Term hereby granted and all rights of the Tenant hereunder shall immediately cease and terminate, and the rent herein provided for shall be adjusted as of the date of such termination of this Agreement.

8.2 In the event that a portion of the Leased Premises be taken by such authority, this Lease shall continue in full force and effect as to the property remaining, provided, however, that said property remaining is capable of a continued enjoyment by the Tenant for the uses and purposes provided herein. In such event, however, the rent payable hereunder shall be adjusted as of the time of such taking to equitably reflect the change in size and use of the remaining property.

9. DEFINITION OF DEFAULT

9.1 The happening of any one or more of the following events shall constitute events of default hereunder:

- (a) The levy of execution or other legal process upon the interest of the Tenant in the leasehold estate herein created, or upon any property of the Tenant located upon the Leased Premises that remain in effect for thirty (30) days from such levy.
- (b) The adjudication of the Tenant to be bankrupt, or the approval of a petition for a reorganization of the Tenant filed in good faith, in proceedings instituted under the bankruptcy laws, which remain in effect for thirty (30) or more days from such adjudication.
- (c) The making of an assignment by the Tenant for the benefit of creditors with respect to all or substantially all of the Tenant's property.
- (d) The appointment of a receiver of the Tenant or of Tenant's property by a court of competent jurisdiction which remains in effect for thirty (30) or more days from such appointment.
- (e) The failure of the Tenant to pay any installment of rent hereunder at the maturity thereof and the continuance of such failure for a period of fifteen (15) days after such maturity. It is understood and agreed between the

parties hereto that it shall not be necessary for the Landlord to give notice of rents to become due or being unpaid, or to make any demand for same, the execution of this Lease, signed by the Tenant, which execution is hereby acknowledged, being sufficient notice of the rents being due and the demand for the same, and shall be so construed, any law, usage or custom to the contrary notwithstanding.

- (f) The failure of the Tenant to perform any duty or obligation herein imposed upon Tenant at the time when this Agreement requires said duty or obligation to be performed and the continuance of such failure for a period of thirty (30) days after Landlord provides written notice to Tenant of such failure.
- (g) The vacation of said Leased Premises or abandonment of possession of the same by the Tenant, or the use by the Tenant of said Leased Premises for purpose other than those for which the same are hereby let which is not cured within thirty (30) days after Landlord provides written notice to Tenant of such act in violation of this Lease.
- (h) Violation by Tenant of any laws, rules or regulations regarding the use of the Leased Premises and/or the adolescent programs provided by the Tenant.
- (i) Lapse or revocation of DYS License.

10. REMEDIES UPON DEFAULT

10.1 In the event of default by the Tenant as provided in paragraph 9 hereof which is not cured within the cure periods provided, Landlord shall have the right, at Landlord's option:

- (a) To declare the remaining balance of rent for the entire term of this lease immediately due and payable and proceed by attachment, suit or otherwise to collect the whole amount for the entire lease term;
- (b) To charge interest on the balance at the rate of eighteen percent (18%) per annum or the highest rate allowed by the laws of the State of Alabama, whichever is less.
- (c) To cancel, terminate and annul this lease and immediately re-enter and repossess the let Premises;
- (d) To demand immediate possession of the Leased Premises without annulling this Agreement; and

- (e) In the event this Lease is in default by Tenant, Landlord has the right to place "For Rent" signs on the building while such event of default is in existence and has not been cured. Tenant agrees to allow Landlord, or parties authorized by Landlord, to visit and inspect the building or show for view for buying or renting the same immediately upon default of the Lease.

10.2 In the event of the action referred to in paragraph 10.1(c) above, the Tenant shall immediately surrender possession of the Leased Premises, and the Landlord shall have the right, but not the obligation, at Landlord's option, for the balance of the lease term, to rent the Leased Premises, and the Tenant shall pay to the Landlord the difference between the rent reserved in this lease and any lesser amount of rent which the Landlord may procure by renting the Leased Premises to such other party.

10.3 The exercise by Landlord of the right to declare the entire rent due for the entire term, and subsequent proceedings by the Landlord to collect said rent, shall not affect Landlord's right to exercise the privileges granted Landlord in paragraph 10.1 above. The acceptance of rent by Landlord after a violation of a duty or obligation of the Tenant or breach by the Tenant of a condition to this Agreement shall not be deemed a waiver of any default that may exist hereunder. The remedies provided for herein shall be cumulative and nothing contained herein shall be construed as restricting or limiting any right which the Landlord may have, to recover damages, or other remedy provided by law, from the Tenant for a breach of this lease Agreement.

11. ATTORNEY'S FEES

11.1 If an event of default by Tenant hereunder occurs and is continuing, and in the event of the subsequent employment by the Landlord of an attorney for the collection of any amount due hereunder, or for the institution of any suit for possession of the Leased Premises, or on account of bankruptcy proceedings by or against the Tenant, or legal process being issued against the leasehold interest of the Tenant in the let Premises, or against any property of the Tenant located upon the Leased Premises, or upon the necessity of the Landlord employing an attorney on account of any violation of the conditions of this lease by the Tenant, in such event, the Tenant hereby agrees to pay and shall be taxed with a reasonable attorney's fee and related costs for the services of such attorney on behalf of the Landlord and any Landlord Related Party.

12. TAXES

12.1 Tenant shall promptly pay all taxes and assessments of whatsoever kind and nature which are now or which may be imposed or assessed upon (i) the land and improvements hereby leased; and (ii) any fixtures, equipment, merchandise or other personal property of any kind installed upon the Leased Premises or brought thereto by Landlord. Tenant shall promptly pay all taxes and assessments of whatsoever kind and nature which are

now or which may be imposed or assessed upon any fixtures, equipment, merchandise or other personal property of any kind installed upon the Leased Premises or brought thereto by Tenant. Tenant shall, within fifteen (15) days of receiving notification of same, pay all property taxes assessed against the property, provided however that Tenant shall pay only the prorated portion of such taxes accruing during Tenant's occupancy of the Leased Premises.

13. ACCESS TO RECORDS Landlord shall have the right to access all records of the Tenant for the purpose of determining compliance with the terms and conditions of this Agreement and to ensure compliance with all terms and conditions of Medicaid billing, invoicing and payments in accordance with the Landlord's contract with the State of Alabama Department of Youth Services. Tenant shall provide reports or information to the Landlord regarding the following: charges or complaints related to the Tenant's programs, DYS Audits, annual health inspections and annual fire inspections. The Landlord shall be notified within 24 hours of the following: items or matters required to be reported to DYS; death of anyone at the Leased Premises; escape or attempted escape; injuries to residents or guests while on the Leased Premises; damage to the building or safety equipment and the cause of such damage; DHR investigations or allegations; any arrest or conviction of a staff member, including, but not limited to, arrest or convictions involving crimes of a sexual nature, crimes involving a youth or a child as a victim, crimes involving a weapon and crimes involving illegal substances; and any newsworthy items or matters.

14. ASSIGNMENT

14.1 The Tenant shall not have the right to assign, sublease or transfer this Lease without the prior written consent of Landlord, which consent may be withheld, in the sole discretion of the Landlord.

15. NOTICES

15.1 All notices given hereunder shall be made by either (1) delivery by hand to the address of the Tenant or in person to Tenant, or posted at the entrance of the Leased Premises of Tenant for a period of twenty-four (24) hours; or (2) in writing and sent by U.S. Registered or U.S. Certified Mail, postage prepaid, addressed as follows:

Landlord: BALDWIN COUNTY COMMISSION
Attn.: Chairman of the Baldwin County Commission
322 Courthouse Square, Suite 12
Bay Minette, Alabama 36507

Tenant: PATHWAY, INC.
Attn.: Joe Peebles
Chief Executive Officer
P. O. Box 311206
Enterprise, Alabama 36331

Each party may, by like notice, from time to time, designate any further or different address to which subsequent notices shall be sent.

16. HOLDING OVER

16.1 In the event that the Tenant remains in possession of the Leased Premises or any part thereof after the expiration of said lease term, the Tenant shall be a Tenant at the will of the Landlord, and upon demand, the Tenant shall surrender peaceable possession of said Premises to the Landlord. In such event, all of the terms, conditions and covenants of this Agreement shall remain in full force and effect, and the Tenant shall furnish written notice to the Landlord of Tenant's intention to terminate said Lease Agreement sixty (60) days prior to such termination, and failure to so notify the Landlord shall render the Tenant liable for the rents due under the terms of this lease for a period of two (2) months following the vacation of the premises, in addition to any other damage of whatsoever kind suffered by the Landlord as a result of the failure of the Tenant to so notify.

17. SURRENDER OF POSSESSION

17.1 The Tenant agrees that, upon the expiration of the lease term herein, Tenant will surrender quiet and peaceable possession of said Leased Premises in like good order as at the commencement of said term, reasonable wear and tear excepted. The Tenant further agrees that Tenant shall be liable unto the Landlord for the restoration of the Leased Premises to the same good condition that the said property was in as of the commencement date of the lease term herein, reasonable wear and tear excepted, and provided that such restoration is made necessary by damages caused to the leased property by the Tenant through Tenant's negligence, willful act, abuse or other misuse of the leased property, reasonable wear and tear excepted.

18. SUCCESSIVE INTEREST

18.1 This Agreement shall be binding upon and inure to the benefit of the successors and permitted assignees of each of the parties hereto.

19. EQUIPMENT AND FURNISHINGS / INTERNET SERVICES

19.1 The Landlord, in its sole discretion, may allow for the use or purchase or lease of certain equipment, furnishings or internet services. If the Landlord so elects and Tenant agrees, the parties may enter into a separate agreement or addendum to this Agreement outlining such terms and conditions.

20. LIEN ON LEASEHOLD

20.1 As further consideration of the Lease Agreement and to secure the prompt payments of the rents due hereunder, a first lien is hereby expressly reserved by the Landlord and

granted by the Tenant upon the terms of this lease and upon all interest of the Tenant in this leasehold for the payment of rent and also for the satisfaction of any cause of action which may accrue to the Landlord by provisions of this instrument. A first lien is expressly reserved by the Landlord and granted by the Tenant upon all buildings, improvements, fixtures, water fixtures, gas fixtures and any other fixtures of whatsoever kind erected or put in place or that may be erected or put in place upon the Leased Premises by or through the Tenant for the payment of rent, and also for the satisfaction of any cause of action which may accrue to the Landlord by the provisions of this Agreement.

20.2 In the event funding is no longer available from the Alabama State Plan for Medical Assistance Medication Administrative Code, Chapter 47, and the Medicaid Provider Manual, Chapter 105, the Tenant shall be entitled to terminate this Agreement by giving ninety (90) days written notice to Landlord.

21. MEDICAID

21.1 Subject to all applicable laws, rules and regulations and the Landlord's contract with DYS, as the same may be amended, the Landlord agrees to allow Tenant to utilize the Medicaid number that is agreed upon with the Landlord through DYS through October 1, 2017. In the event that DYS does not approve of another agency to act as the responsible agency for Medicaid purposes and/or program purposes, the Landlord shall have the right to terminate this Agreement after giving ninety (90) days written notice to Tenant.

22. ENTIRE AGREEMENT

22.1 This instrument constitutes the entire Agreement and understanding of the parties hereto on the subject hereof and supersedes all prior agreements and understandings relating to the subject matter hereof. There are no agreements, understandings, restrictions, warranties, or representations between or among the parties hereto other than those set forth herein.

23. GOVERNING LAW

23.1 This Agreement shall be deemed to have been made within the State of Alabama and shall be governed by and construed in accordance with the laws of the State of Alabama, without giving effect to any choice of law provisions arising thereunder.

IN WITNESS WHEREOF, the Landlord and Tenant, by and through their duly authorized representatives, have signed duplicate originals of this Lease Agreement on this the 22nd day of August, 2016.

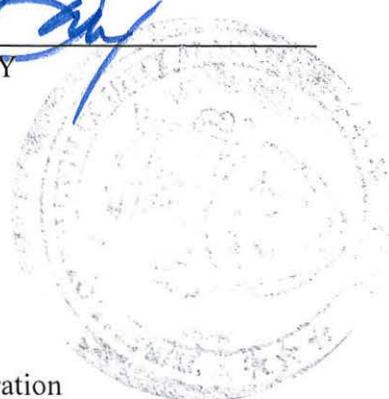
LANDLORD

BALDWIN COUNTY COMMISSION

Attest:

Ronald J. Cink
RONALD J. CINK
County Administrator/Budget Director

By: Tucker Dorsey
TUCKER DORSEY
Its Chairman



TENANT

PATHWAY, INC.
an Alabama corporation

By: Joseph H. Peoples III
Its Chief Executive Officer

STATE OF ALABAMA

COUNTY OF BALDWIN

I, Monica E. Taylor, a Notary Public, in and for said County in said State, hereby certify that TUCKER DORSEY, whose name as Chairman of the Baldwin County Commission, and RONALD J. CINK, whose name as County Administrator/Budget Director, are signed to the foregoing instrument and who are known to me, acknowledged before me on this day that, being informed of the contents of the instrument, they, as such officers and with full authority, executed the same voluntarily for and as the act of said county commission.

Given under my hand and seal this 20th day of August, 2016.

Monica E. Taylor
Notary Public, Baldwin County, Alabama
My Commission Expires:

My Commission Expires 09/05/2016



STATE OF ALABAMA

COUNTY OF Coffee

I, Lonna Rodgers, a Notary Public, in and for said County in said State, hereby certify that Joseph H. Peoples, whose name as CEO of PATHWAY, INC., an Alabama corporation, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and seal this 22nd day of August, 2016.

Lonna Rodgers
Notary Public, Coffee County, Alabama
My Commission Expires: 10-17-16

This instrument prepared by:
DAVID J. CONNER of
BLACKBURN & CONNER, P.C.
Attorneys at Law
Post Office Box 458
Bay Minette, Alabama 36507





CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
09/07/16

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Whittaker-Warren Insurance P.O. Box 311283 Enterprise, AL 36331 Forrest J. Warren	334-347-2631 334-393-2345	CONTACT NAME: PHONE (A/C, No, Ext): E-MAIL ADDRESS:	FAX (A/C, No):																				
	INSURED Pathway of Baldwin Co, LLC PO Box 311206 Enterprise, AL 36331		<table border="1"> <tr> <th colspan="2">INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> <tr> <td>INSURER A :</td> <td>THE SHEFFIELD FUND NAIC [REDACTED]</td> <td></td> </tr> <tr> <td>INSURER B :</td> <td>Evanston Insurance Company</td> <td></td> </tr> <tr> <td>INSURER C :</td> <td></td> <td></td> </tr> <tr> <td>INSURER D :</td> <td></td> <td></td> </tr> <tr> <td>INSURER E :</td> <td></td> <td></td> </tr> <tr> <td>INSURER F :</td> <td></td> <td></td> </tr> </table>	INSURER(S) AFFORDING COVERAGE		NAIC #	INSURER A :	THE SHEFFIELD FUND NAIC [REDACTED]		INSURER B :	Evanston Insurance Company		INSURER C :			INSURER D :			INSURER E :			INSURER F :	
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INSURER C :																							
INSURER D :																							
INSURER E :																							
INSURER F :																							

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$	
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$	
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$	
A B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) if yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input type="checkbox"/>	N/A	[REDACTED]	08/31/16 08/31/16	12/31/16 12/31/16	WC STATUTORY LIMITS OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

CERTIFICATE HOLDER BALDWIN Baldwin County Commission 312 Courthouse Square Suite 12 Bay Minette, AL 36507	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE Forrest J. Warren
--	--

STATE OF ALABAMA)

COUNTY OF BALDWIN)

EQUIPMENT USAGE AGREEMENT

THIS AGREEMENT is made and entered into by and between the County of Baldwin (hereinafter called "COUNTY") acting by and through its governing body, the Baldwin County Commission, and **Pathway, Inc.**, an Alabama corporation (hereinafter referred to as Pathway, Inc., or "PROVIDER").

WITNESSETH

WHEREAS, the COMMISSION has received approval from the Community Foundation of South Alabama (CFSA), a not-for-profit corporation in the State of Alabama, to allow the PROVIDER to utilize equipment/property purchased with CFSA M.O.R.E. grant funding as follows:

Pathways will use CFSA grant-funded equipment/property detailed in Exhibit A in a manner consistent with the original intent of the grant, as detailed in Exhibit B.

WHEREAS, the COMMISSION desires to have the PROVIDER perform the aforesaid services related to the COMMISSION's CFSA M.O.R.E. Grant Program, and therefore, in consideration of the public benefits moving each to the other, it is mutually agreed by and between the COMMISSION and the PROVIDER as follows:

I. AUTHORITY

The COMMISSION has the ability to authorize the use of CFSA M.O.R.E. grant-funded equipment to the PROVIDER, conveyed by the Community Foundation of South Alabama (CFSA), a not-for-profit corporation in the State of Alabama.

II. SERVICES

The COMMISSION will allow the PROVIDER use of equipment/property purchased with CFSA funds, as detailed in Exhibit A, in accordance with all applicable statutes, rules and regulations related to the Grant, in a manner consistent with the original intent of the grant, as detailed in Exhibit B.

III. APPROPRIATION

The PROVIDER shall provide documentation to the COMMISSION, as follows:

1. The PROVIDER will submit, on an annual basis, a report to the COMMISSION that details its activities related to the subject grant-funded equipment, including an inventory and any other such pertinent information as may be needed as determined by the COMMISSION.
2. The COMMISSION is responsible for any routine maintenance or cost incurred to operate equipment. The PROVIDER is responsible to maintain the equipment in good condition and is responsible for any damage beyond normal use.
3. The PROVIDER shall not sell or transfer any equipment purchased under this agreement.

4. The PROVIDER shall provide any additional information deemed necessary by the COMMISSION.

PROVIDER agrees to supply to the COMMISSION, within 30 days from a written request to do so, all applicable data that is necessary for the COMMISSION to ensure the proper use of the subject grant-funded equipment.

IV. TERM AND TERMINATION

This Agreement shall cover grant-funded equipment provided by the COMMISSION and services given by the PROVIDER during the time period of **September 1, 2016 to August 31, 2019**, or until said Agreement is otherwise terminated as hereinbelow provided. The PROVIDER and the COMMISSION further agree that this Agreement may be terminated at any time by either party upon the issuance of a thirty (30) day written notice to the other of intent to terminate the same. In the event of termination by either party, the PROVIDER shall return to the COMMISSION any portion of the grant-funded equipment or portion of the proceeds which the COMMISSION is required to pay back, forfeit or reimburse pursuant to the Grant.

V. NON-DISCRIMINATION AND COMPLIANCE

The PROVIDER hereby covenants and agrees that, in performing its responsibilities and obligations hereunder, the PROVIDER, its officers, agents or employees will not, on the grounds of race, color, sex, religion, national origin, disability or age, discriminate or permit discrimination against any person or groups of persons in any manner. The PROVIDER further agrees to comply with all applicable laws, ordinances and regulations. The PROVIDER also agrees to comply with all applicable state or federal regulations in performing its obligations in relation to the grant-funded equipment as set out in **Exhibit A**. The PROVIDER also agrees to assist the COMMISSION, as deemed necessary by the COMMISSION, in complying with the terms and conditions contained in Exhibit B, including, but not limited to, reporting and audit requirements. The PROVIDER further agrees to comply with all COMMISSION procurement/equipment policies and procedures.

VI. INDEMNITY

The PROVIDER hereby covenants with the COMMISSION that it shall fully indemnify and hold the COMMISSION, its Commissioners, departments, employees, supervisors, agents, representatives and attorneys completely harmless from any and all claims, demands, notices, violations, findings, actions or orders of whatsoever kind or character which may arise from, or which are in any way related to, the work done and duties or obligations performed by the COMMISSION pursuant to this Agreement or services provided or performed by the PROVIDER or any of its officers, agents or employees, including, without limitation, attorney fees and legal expenses and costs incurred as a result of the COMMISSION enforcing, defending or complying with this Agreement, or otherwise addressing or defending any actions or claims related in any way to this Agreement. This provision shall survive the expiration or termination of this Agreement.

If in any event COMMISSION is required to pay back, forfeit, or reimburse any portion of the grant funding subject hereto, PROVIDER shall voluntarily and immediately remit and submit to COMMISSION an amount equaling such portion required.

The provisions of this Section VI. Indemnity shall survive the termination of this Agreement.

VII. NO THIRD PARTY BENEFICIARIES OR AGENCY

It is the intent of the parties of this Agreement that they be the only parties to the Agreement and to expressly exclude third party beneficiaries. Nonparties to the Agreement may not claim benefits under the Agreement. The creation of an agency is strictly prohibited, and PROVIDER is forbidden to act on behalf or bind the COMMISSION for any purpose or reason.

VIII. INDEPENDENT CONTRACTOR

It is agreed between COMMISSION and PROVIDER that the PROVIDER is an independent contractor. PROVIDER acknowledges that it is an independent contractor, and PROVIDER shall at all times remain as such in performing hereunder. PROVIDER is not an employee, servant, partner, or agent of the COMMISSION and has no authority, whether express or implied, to contract for or bind the COMMISSION in any manner. The parties agree that the PROVIDER shall be solely responsible for and shall have full and unqualified control over developing and implementing its own means and methods, as it deems necessary and appropriate in performing hereunder, and that COMMISSION's interests herein are expressly limited to the results of said services. The PROVIDER is not entitled to unemployment insurance benefits, and PROVIDER is responsible for and obligated to pay any and all federal and state income tax on any monies paid pursuant to this Agreement.

IX. CHOICE OF LAW

This Agreement in all respects, including without limitation its formation, validity, construction, enforceability and available remedies, shall be governed by the laws of the State of Alabama, without regard to Alabama conflict of law principles.

X. AMENDMENT

This Agreement may be amended or modified only by the written consent and agreement of the parties to this Agreement at the time of such amendment.

XI. WAIVER

The failure of either party to enforce any provision of this Agreement shall not be construed as a waiver or limitation of that party's right to subsequently enforce every provision of this Agreement.

XII. BINDING EFFECT

This Agreement shall inure to the benefit of, and shall be binding upon, each of the parties hereto and their respective successors and assigns.

XIII. ENTIRE AGREEMENT

This Agreement and the documents referred to in this Agreement constitute the entire agreement between the parties, and there are no other representations, conditions, covenants or agreements which shall be binding upon the parties.

XIV. RULE OF CONSTRUCTION

The parties hereto acknowledge that each party and its counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved

against the drafting party shall not be employed in the interpretation of this Agreement or any amendments hereto.

XV. MISCELLANEOUS

Words of any gender used in this Agreement shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural and vice versa, unless context requires otherwise.

XVI. CAPTIONS

The captions used in connection with the sections of this Agreement are for convenience only and shall not be deemed to construe or limit the meaning of the language contained in this Agreement, or be used in interpreting the meanings and provisions of this Agreement.

XVII. REPRESENTATIONS AND WARRANTIES

The PROVIDER represents and warrants that it has the authority to enter into this Agreement on the terms and conditions contained herein, and the COMMISSION represents and warrants that it has the authority to enter into this Agreement on the terms and condition contained herein.

XVIII. SEVERABILITY

In the event that any of the provisions, or portions thereof, of this Agreement shall be held void or unenforceable or invalid by any court of competent jurisdiction, the validity and enforceability of the remaining provisions, or portions thereof, shall not be affected thereby.

XIX. NUMBER OF ORIGINALS

There is only one original of this Agreement which shall be retained by the COMMISSION.

IN WITNESS WHEREOF, the parties hereto have executed this Contract on the last day of execution by the COUNTY as written below.

COUNTY

Tucker Dorsey /
TUCKER DORSEY, Chairman /Date

ATTEST:

Ronald J. Cink /
RONALD J. CINK, /Date
County Administrator/ Budget Director

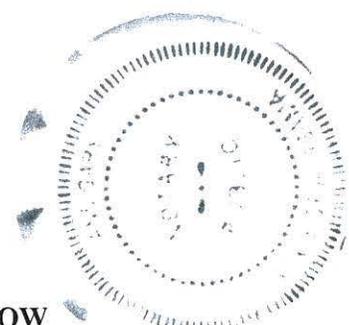
State of Alabama)

County of Baldwin)

I, Anu Gary, a Notary Public in and for said County, in said State, hereby certify that, Tucker Dorsey, whose name as Chairman of Baldwin County Commission, and Ronald J. Cink, whose name as County Administrator/Budget Director, are known to me, acknowledged before me on this day that, being informed of the contents of the Contract for Professional Services, they, as such officers and with full authority, executed same knowingly and with full authority to do so on behalf of said Commission.

GIVEN under my hand and seal on this the 13th day of September, 2016.

Anu Gary
Notary Public _____
My Commission Expires _____ My Commission Expires: October 12, 2019



SIGNATURE AND NOTARY PAGE TO FOLLOW

PROVIDER:

Pathway, Inc., an Alabama Corporation

Joe Deeres / *9-9-16*

By _____ /Date

Its *Chief Executive Office*

State of Alabama)
County of *Coffel*)

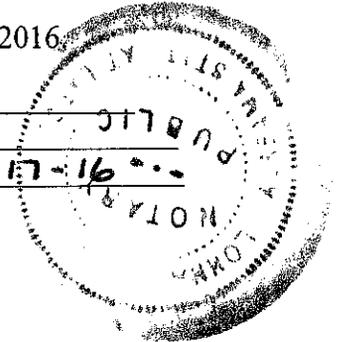
I, *Lonna Rodgers*, Notary Public in and for said County and State, hereby certify that *Joe Deeres* as *Chief Executive Office* of *Pathway, Inc.*, an Alabama corporation whose name is signed to the foregoing in that capacity, and who is known to me, acknowledged before me on this day that, being informed of the contents of the foregoing, he executed the same voluntarily on the day the same bears date for and as an act of said *Pathway, Inc.*

GIVEN under my hand and seal on this the *8th* day of *September*, 2016

Lonna Rodgers

Notary Public

My Commission Expires *10-17-16*



Baldwin County Commission CFSA-Funded Equipment to be Utilized by Pathway, Inc.

Computer/Technology Equipment	QTY
iPad Air (16GB)	24
iPad Keyboard and Cover	24
iPad Screen Protectors	24
iPad Charging/Storage Cart	1
Power Strips (12 Outlet)	2
USB Charging Stations	6
Psychological Testing Conners 3 Software Kit	1
Basi QG Admin Survey for Students	300 units
PAI-A Response Booklets	15
PAI-A Scoring CD	1
Conners CPT 3 Unlimited Use Kit	1
HP Elite Desktop 800	3
650 G1-Standard Model Laptop	2
GED Prep Materials	Various
GED Study Program Materials	Various
TI Scientific Calculators	10
Outdoor Recreation Equipment	
Outdoor Recreation Equipment	Various
Sports Equipment	Various

iPad Serial Numbers
&DMQP4QAXFK14
SDMQP4HCDFK14
SDMQP4LR9FK14
SDMQP4VSGFK14
SDMRP40QEFK14
SDMRP454ZFK14
SDMRP45Q1FK14
SDMRP47K7FK14
SDMPP3UXYFK14
SDMQP4JT1FK14
SDMQP4VFDFK14
SDMQP4VV5FK14
SDMRP40T4FK14
SDMRP45ANFK14
SDMRP460FFK14
SDMRP47SXFK14
SDMQP4GXJFK14
SDMQP4K9NFK14
SDMQP4VKRFBK14
SDMRP40AHFK14
SDMRP44HWFK14
SDMRP45AXFK14
SDMRP468KFK14
SDMRP483BFBK14

Laptop Serial Numbers
5CG5451TDC
5CG5451TD5

Desktop Serial Numbers
MXL52835QG
MXL52421XZ
MXL5190Z6P



Grant Report Budget Form

Applicant: Baldwin County Commission	Date of submission:
Total Grant Request: \$50,000.00	
Total Project Budget: \$50,000.00	
Project Date: October 1, 2014 - October 30, 2015	

Instructions: Please save and rename this document with your organization's name (e.g. "OrgName report.mm.dd.yy")
Note: Insert new lines as needed under the last line of the appropriate category.

PROJECT BUDGET

INCOME	LINE ITEM BREAKDOWN with EXPLANATION & COMMENTS	AMOUNT	
Include all income sources related to the project. If source is inkind, please indicate in the line item breakdown.	CFSA MORE Initiative Award	\$ 50,000.00	
	Baldwin County Commission Camp Horizon Wilderness Facility Budget	\$ 216.00	

Total Income	\$50,216
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EXPENSES	LINE ITEM BREAKDOWN with EXPLANATION & COMMENTS	APPROVED GRANT ALLOCATION AMOUNT	ACTUAL EXPENSES THROUGH REPORTING PERIOD
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ADMINISTRATIVE & INDIRECT COSTS

Administrative & Indirect Costs	N/A		
		0	0
		0	0
		0	0
		0	0
		0	0

Subtotal Administrative Costs	\$0	\$0
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COSTS OF DIRECT SERVICES

Direct Costs related to project	Staff Restorative Justice Training Budget: \$10,300.00 Spent: \$10,307.30		
	Simon Fraser University - Tuition for Restorative Justice Class	\$ 9,136.70	\$ 9,136.70
	Simon Fraser University - Currency conversion difference from USD to CAD	\$ 17.19	\$ 17.19
	Simon Fraser University - Registration Fees	\$ 266.55	\$ 266.55
	Shayna Staska - Wilderness Advisor - Reimbursement for training videos	\$ 19.23	\$ 19.23
	Shayna Staska - Wilderness Advisor - Reimbursement for training video	\$ 6.40	\$ 6.40
	Shayna Staska - Wilderness Advisor - Reimbursement for training video	\$ 6.41	\$ 6.41
	Active Parenting - Training Program Materials	\$ 847.52	\$ 854.82
	Academic Testing and Computer Equipment Budget : \$26,557.00 Spent:\$26,109.20		
	Technology Integration Group (TIG) - 24 iPad Air (16GB)	\$ 9,109.20	\$ 9,109.20
	Technology Integration Group (TIG) - 24 iPad Keyboard and Cover	\$ 618.96	\$ 618.96
	Technology Integration Group (TIG) - 24 iPad Screen Protectors	\$ 438.48	\$ 438.48
	Technology Integration Group (TIG) - iPad Charging/Storage Cart	\$ 752.45	\$ 752.45
	Technology Integration Group (TIG) - 2 Power Strips (12 Outlet)	\$ 150.32	\$ 150.32
	CDW-G - 6 USB Charging Stations	\$ 264.00	\$ 264.00
	Pearson Assessments - Psychological Testing Connors 3 Software Kit	\$ 875.00	\$ 875.00
	Pearson Assessments - 300 units Basi QG Admin Survey for Students	\$ 1,980.00	\$ 1,980.00
	PAR (Psychological Assessment Resources, Inc) - 15 PAI-A Response Booklets and 1 Scoring CD	\$ 1,360.00	\$ 1,360.00
	MHS - Connors CPT 3 Unlimited Use Kit	\$ 1,169.05	\$ 1,169.05
	CIS Inventory - 3 Units HP Elite Desktop 800	\$ 3,252.00	\$ 3,252.00

TSA, Inc - 2 Units 650 G1-Standard Model Laptop	\$ 2,448.00	\$ 2,448.00
Barnes & Noble - GED Prep Materials	\$ 511.37	\$ 511.37
Essential Education - GED Study Program Materials	\$ 3,020.37	\$ 3,020.37
GCOP - 10 TI Scientific Calculators	\$ 160.00	\$ 160.00
Outdoor Recreation Equipment Budget : \$13,143.00 Spent:\$13,799.46		
Playcraft Systems - Outdoor Recreation Equipment	\$ 9,400.91	\$ 9,400.91
S&S Worldwide - Sports Equipment	\$ 3,742.09	\$ 4,398.55
	\$ -	\$ -
	\$ -	\$ -
Subtotal Direct Services Costs	\$49,552	\$50,216
GRAND TOTAL EXPENSES	\$49,552	\$50,216



COUNTY COMMISSION

BALDWIN COUNTY
312 Courthouse Square, Suite 12
BAY MINETTE, ALABAMA 36507
(251) 937-0264
Fax (251) 580-2500
www.baldwincountyal.gov

MEMBERS
DISTRICT 1 FRANK BURT, JR.
2 CHRIS ELLIOTT
3 J TUCKER DORSEY
4 CHARLES F GRUBER

December 2, 2014

Ms. Rebecca Byrne
President and CEO
The Community Foundation of South Alabama
Post Office Box 990
Mobile, Alabama 36601-0990

RE: Acceptance and Implementation of The Community Foundation of South Alabama Grant Award

Dear Ms. Byrne:

The Baldwin County Commission, during its regularly scheduled meeting held on December 2, 2014, took the following actions:

- 1) Accepted the *Grant Award* from The Community Foundation of South Alabama's (CFSA) MORE Initiative in the amount of \$50,000.00 for the grant period of October 1, 2014, to September 30, 2015, to support the Baldwin County Wilderness Program ("Camp Horizon"). The funding will specifically support the purchase of technological equipment and supporting software to improve academic achievement of residents; the purchase of outdoor recreation equipment to promote personal fitness and self-esteem of residents, and for four Camp Horizon staff members to complete an intensive online course for a Restorative Justice Certification from Simon Foster University to increase the success rate of its Aftercare Program; and
- 2) Authorized me, as Chairman, to sign the *Grant Award* and any related documents, including but not limited to, reporting and closeout documentation; and
- 3) Authorized the Grants Staff and Juvenile Detention staff to implement the project.

Enclosed is the executed original *Grant Agreement*. Please execute and return a **fully executed copy** of the *Grant Agreement* to this office to the attention of Anu Gary, Records Manager, for our file.

Ms. Rebecca Byrne
December 2, 2014
Page 2

If you have any questions or need further assistance, please do not hesitate to contact me at (251) 972-6833 or Clair Dorrough, Grants Coordinator, at (251) 580-1623.

Sincerely,



CHARLES F. GRUBER, Chairman
Baldwin County Commission

CFG/met Item BB9

cc: Clair Dorrough
Jennifer Lee
Susan Lee
Ron Cink

ENCLOSURE



**THE COMMUNITY FOUNDATION OF SOUTH ALABAMA
GRANT AGREEMENT**

Date Authorized: September 18, 2014

Grantee: The Baldwin County Commission

Program: Baldwin County Residential Wilderness Program (Camp Horizon)

Fund: CFSA MORE

Amount of Grant: \$50,000.00

Grant Period: Begins: October 1, 2014
Ends: September 30, 2015

The grant to your organization from the Foundation is for the explicit purpose(s) described below and is subject to your acceptance of the following conditions. To acknowledge this agreement, to accept the grant, and to be eligible to receive the funds when needed, **PLEASE RETURN THE SIGNED ORIGINAL OF THIS GRANT AGREEMENT TO THE FOUNDATION.**

Grant Purpose

The Baldwin County Commission requests funding to support the Baldwin County Residential Wilderness Program ("Camp Horizon"). Camp Horizon's therapeutic wilderness program strives to build positive lives through wilderness experience by enhancing social skills, enriching family relationships, increasing personal accountability, reducing risky behavior and improving overall academic participation. Funding will specifically support the purchase of technological equipment (iPads) and supporting software to improve academic achievement of residents and the purchase of outdoor recreation equipment to promote personal fitness and self-esteem of residents. In addition, four Camp Horizon staff will complete an intensive online course for a Restorative Justice Certification from Simon Foster University to increase the success rate of its Aftercare Program. The goal of the aftercare component of the program is to support and monitor each resident's successful transition to their home, school and community environments. Restorative justice takes a community well-being approach to conflict resolution and promotes understanding, relationships, healing and restoration. Victims, offenders, and community members reach solutions that allow them to continue to live together in safer, healthier environments.

Measurable Objectives & Outcomes:

During the grant period, Camp Horizon will:

- Serve 110 males ages 13 -18 through its residential and aftercare programs
- Track the progress of residents in its residential and aftercare programs and provide feedback through a report
- Provide a secure, positive learning environment for all residents in the program with activities designed to increase the residents academic achievement in math and reading
- Provide a structured environment that encourages positive behavior

- Provide opportunity and support for residents to participate in community building and reinvestment during the aftercare phase.

Reporting Schedule

Interim Narrative and Financial		March 31, 2015
Final Narrative and Financial		October 31, 2015

Payment Schedule

\$25,000 of the total grant amount will be awarded after the grantee signs the initial Grant Agreement. The remaining \$25,000 will be awarded following Foundation receipt and approval of the required interim progress reports.

Special Provisions

All grants are made in accordance with current and applicable laws and pursuant to the Internal Revenue Code, as amended, and the regulations issued thereunder.

Please read and adhere to the following special provisions of this grant award.

I. Announcing Grants

Announcements of the grant award are to be made by the grantee unless otherwise indicated by the Foundation. Grantees are required to submit a press release announcing the grant, and are encouraged to allow the Foundation's Director of Programs to preview the text of any announcements and plans for publicity for this grant. The Foundation should be acknowledged as a funding source on all relevant printed materials, such as programs, press releases, newsletters, brochures, and/or annual reports when referring to the program/project funded. The Foundation should also be listed as a funding source on forms of social media (e.g. Facebook and Twitter) when appropriate. All subsequent public announcements, news features, publications or information on this grant should be referred to as "**a grant from The Community Foundation of South Alabama MORE Initiative.**" Please send a copy of any published accounts mentioning the project or the Foundation to the Foundation Officer. Failure to recognize the Foundation's support could preclude future grant awards.

II. Expending of Funds

This grant is to be used only to support the organization as described in the grant purpose and objectives of this agreement and in accordance with the approved budget. If a variance in grant purpose becomes necessary, the grantee is required to submit in writing the reason for the variance request and cite any changes in the grant allocation. The Foundation will review the request and has the authority to approve or deny the request.

The grantee also understands that the Foundation may inquire regarding the status of the grant at any point during the grant period. Based on a reasonability of expectations of completed work, the Foundation may provide guidance or suggestions regarding re-allocation of procedures, resources and/or goals while adhering to the expected outcomes of the original grant agreement.

- A. The grantee shall return to the Foundation any unexpended funds:
1. At the end of the grant period, or
 2. If the Foundation determines that the grantee has not performed in accordance with this agreement and approved budget, or
 3. If the grantee loses its exemption from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code.
- B. No funds provided by the Foundation may be used for any political campaign, or to support attempts to influence legislation by any governmental body, other than through making available the results of non-partisan analysis, study and research.
- C. Expenses charged against this grant may not be incurred prior to the effective date of the grant or subsequent to the termination date and may be incurred only as necessary to carry out the approved purpose and objectives.
- D. The grantee organization is responsible for the expenditure of funds and for maintaining adequate supporting records.
- E. Equipment or property purchased with grant funds shall be the property of the grantee organization so long as it is not diverted from the purposes for which the grant was made. If the purpose of the organization or the use of grant funds is changed, the equipment or property reverts to the Foundation at its option.
- F. Reports, materials, books and articles resulting from this grant may be copyrighted by the organization receiving the grant or by the author, in accordance with the policies of the grantee organization toward the goal of obtaining the widest dissemination of such reports, materials, books and articles. The Foundation reserves the royalty-free license to use such publications. For projects involving possibility of patents, the grantee should request further information from the Foundation.
- G. The Grantee agrees to indemnify, defend and hold harmless the Foundation and its agents and employees from any liability, loss, cost, injury, damage or other expense that may be occurred by the Foundation or claimed by any third person against it as result of the Foundation's funding of the Grantee's project or program, or any action or non-action taken in connection with the project or program.

Report to the Foundation

Full financial accounting of the expenditure of these grant funds, a reporting chart, and narrative reports on the grant-supported objectives are required as a condition of this grant. All reports should be submitted electronically according to the schedule of this agreement. Final Reports are required within 30 days after the end of the grant period.

Information and images submitted as part of the reports (e.g., reports, brochures and other publications) may be used at any time by the Foundation for publicity purposes. The Foundation will assume that all submitted images are copyrighted by the grantee and no further permission is necessary. Images will be credited to the grantee organization. The Foundation encourages

the submission of clear, high-resolution images of at least 300 dpi in .jpg format and requests that the images feature action-shots of people unless a building is being showcased.

III. Limit of Commitment

Unless otherwise stipulated in writing, this grant is made with the understanding that the Foundation has no obligation to provide other or additional support to the grantee.

IV. Nondiscrimination

The grantee organization is responsible for ensuring that it is operated and organized so that it does not discriminate in the hiring of staff or the provision of services on the basis of race, religion, gender, sexual orientation, age, national origin or disability.

FOR THE GRANTEE:

This Agreement must be signed in order for the Grantee to receive the grant installments. The signature must be that of an officer of your organization's Board or staff, authorized to sign. Feel free to contact the Foundation's staff at any time with questions about this grant.

Charles F. Gruber
Signature of Authorized Representative

12-2-14
Date

Charles F. Gruber, Chairman
Print Name and Title



Date

Rebecca Byrne, President and CEO
The Community Foundation of South Alabama

FIRST ADDENDUM TO LEASE AGREEMENT BETWEEN
BALDWIN COUNTY, ALABAMA, AND PATHWAY, INC.

This First Addendum is entered into by and between BALDWIN COUNTY, ALABAMA, by and through the BALDWIN COUNTY COMMISSION, a political subdivision of the State of Alabama (hereinafter referred to as "Landlord"), and PATHWAY, INC., an Alabama corporation (hereinafter referred to as "Tenant"), amending the Lease Agreement with the last date of execution by the parties being September 13, 2016.

WHEREAS, Section 19, EQUIPMENT AND FURNISHINGS / INTERNET SERVICES, reads as follows:

19.1 The Landlord, in its sole discretion, may allow for the use or purchase or lease of certain equipment, furnishings or internet services. If the Landlord so elects and Tenant agrees, the parties may enter into a separate agreement or addendum to this Agreement outlining such terms and conditions.

; and

WHEREAS, Landlord and Tenant desire to enter into this First Addendum to the Lease Agreement in order to authorize the use of certain equipment and furnishings located on the Leased Premises by the Tenant, subject to all terms and conditions of this First Addendum and the Lease Agreement.

WITNESSETH:

For and in consideration of the respective covenants and agreements set forth in this First Addendum and the Lease Agreement, Landlord and Tenant hereby agree as follows:

1. USE OF EQUIPMENT AND FURNISHINGS

1.1 The Landlord hereby authorizes the Tenant to use the equipment and furnishings set forth in Exhibit A, which is attached hereto and incorporated by reference, for the purpose of providing programs for adolescents in accordance with the terms of the Lease Agreement. The Tenant agrees to accept and use said equipment and furnishings in accordance with all terms and conditions of this First Addendum and the Lease Agreement.

2. MAINTENANCE AND REPAIR/TERM

2.1 Tenant has inspected the equipment and furnishings prior to the execution of this First Addendum and agrees to accept the same in its present condition. Tenant is accepting the equipment and furnishings in their "as is" condition and with no warranties. Tenant shall maintain and keep in a good state of repair all equipment and furnishings. Tenant shall be solely responsible for maintaining and keeping the equipment and furnishings in a good

state of repair and shall return and surrender possession of the same at the expiration or termination of the Lease Agreement in like good order as at the commencement of the term of the Lease Agreement, natural wear and tear excepted. Landlord reserves the right to cancel or terminate the use and/or lease of any equipment and/or furnishings, in whole or in part, by providing the Tenant with thirty (30) days written notice of such cancelation or termination, and said equipment and furnishings shall be returned to the Landlord in good order as set forth above, normal wear and tear excepted.

2.2 It is expressly understood and agreed between the parties hereto that the Landlord shall not be responsible for the maintenance or repair to any of the items described herein which said maintenance or repair is necessitated by any act of Tenant or Tenant's invitees or licensees, it being expressly agreed by the parties hereto that such maintenance and repair shall be the obligation of the Tenant, provided, however, that Tenant shall not be responsible for any repairs necessitated as a result of negligence or intentional acts of Landlord or its employees or agents.

2.3 It is further understood and agreed by the parties hereto that nothing herein shall be construed as denying the Landlord the right to make any repairs which are deemed necessary during the Term of this Lease, such right being expressly reserved unto the Landlord.

3. REPORTS

3.1 Tenant shall notify Landlord within 24 hours of any damage to equipment or furnishings, and the Tenant shall inform the Landlord of its plans to repair, replace or reimburse the Landlord for the damaged property.

4. SURVIVAL

4.1 The Tenant's obligations pursuant to this First Addendum shall survive the expiration or termination of this First Addendum and/or the Lease Agreement.

5. EFFECT

5.1 Except as expressly amended by this First Addendum, the Lease Agreement, and all terms and conditions contained therein, shall continue in full force and effect.

IN WITNESS WHEREOF, the Landlord and Tenant, by and through their duly authorized representatives, have signed duplicate originals of this First Addendum to Lease Agreement on this the 13th day of September, 2016.

LANDLORD

BALDWIN COUNTY COMMISSION

Attest:

Ronald J. Cink
RONALD J. CINK
County Administrator/Budget Director

By: Tucker Dorsey
TUCKER DORSEY
Its Chairman

TENANT

PATHWAY, INC.
an Alabama corporation

By: Richard [unclear]
Its Chief Executive Officer

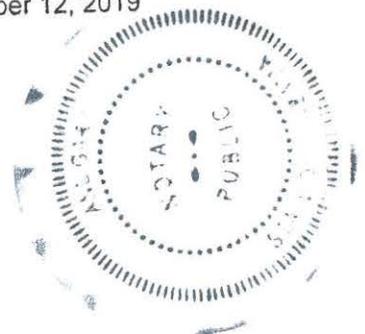
STATE OF ALABAMA

COUNTY OF BALDWIN

I, Anu Gary, a Notary Public, in and for said County in said State, hereby certify that TUCKER DORSEY, whose name as Chairman of the Baldwin County Commission, and RONALD J. CINK, whose name as County Administrator/Budget Director, are signed to the foregoing instrument and who are known to me, acknowledged before me on this day that, being informed of the contents of the instrument, they, as such officers and with full authority, executed the same voluntarily for and as the act of said county commission.

Given under my hand and seal this 13th day of September, 2016.

Anu Gary
Notary Public, Baldwin County, Alabama
My Commission Expires: October 12, 2019



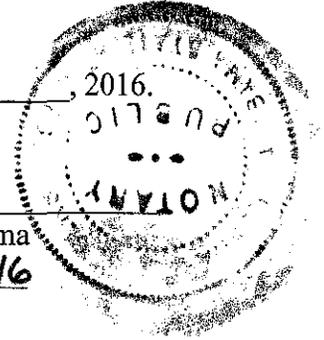
STATE OF ALABAMA

COUNTY OF Coffee

I, Lonna Rodgers, a Notary Public, in and for said County in said State, hereby certify that Joe Peoples, whose name as Chief Executive Officer of PATHWAY, INC., an Alabama corporation, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and seal this 8th day of September, 2016.

Lonna Rodgers
Notary Public, Coffee County, Alabama
My Commission Expires: 10-19-16



This instrument prepared by:
DAVID J. CONNER of
BLACKBURN & CONNER, P.C.
Attorneys at Law
Post Office Box 458
Bay Minette, Alabama 36507

Baldwin County Residential Wilderness Facility
 Property Inventory - Addendum to Lease Agreement "EXHIBIT A"

Sunrise & Sunset Furniture	Quantity	Date	Initial		
Office Desk	9				
Office Chairs	5				
Standard Chairs	14				
Filing Cabinets 2 Drawer	7				
Filing Cabinets 4 Drawer	8				
Fire Proof Filing Cabinet	1				
Paper Shredder	3				
Bulletin Board	5				
Metal Shelves	1				
Refrigerator	4				
Folding Round Tables	2				
Sofa's	6				
Round End Tables	2				
End Tables	5				
Coffee Table	4				
Beds w/Drawer	16				
Washer	4				
Dryer	4				
Camera's	72				
Art Cabinet	2				
Book Case	12				
Bike	2				
Portable Dry Erase Board	1				
Medical Supply	Quantity	Date	Initial		
Weighting Scale	1				
AED	1				
Small Fridge	1				
Microscope	1				
Digital Temp	1				
Shredder	1				
Desk	1				
Office Chair	1				
Chair	2				
Refrigerator	1				
2 drawer file cabinet	1				
4 drawer file cabinet	1				
Otoscope	1				
Lawn Equipment	Quantity	Date	Initial		
Pinic Tables	10				
Sports Utility Cage	2				
Mini Benches	1				
Basketball Goals	2				

