

CLINICAL DIRECTOR AGREEMENT

Independent Contractor Services with Conversion to Employment

NC Growth & Development Initiative, Inc. | Prosperity Commons

Orrin A. Bynes, LCSW, MBA, MSW | Effective Date: October 1, 2026

1. PARTIES AND BACKGROUND

1.1 Parties. This Clinical Director Agreement (the “Agreement”) is between NC Growth & Development Initiative, Inc., a North Carolina nonprofit corporation exempt under Section 501(c)(3) of the Internal Revenue Code, 1242 W Academy St, Suite 101, Winston-Salem, NC 27103 (“NCGDI”), acting through its Executive Director, and Orrin A. Bynes, LCSW, MBA, MSW, whose address is _____ (“Clinical Director”).

1.2 The Program. NCGDI operates Prosperity Commons, a Veteran transitional housing and clinical treatment program at 1242 W. Academy Street, Winston-Salem, North Carolina 27103, under a U.S. Department of Veterans Affairs (“VA”) Grant and Per Diem award, FAIN NCGD063-7665-659-PD-27 (the “Program”). The Program is authorized for fourteen (14) beds. NCGDI plans to activate six (6) beds on October 1, 2026 and the remaining beds in a later phase.

1.3 Ramp-up. Until the Program is fully activated and per diem billing is being received, NCGDI’s revenue and staffing are limited. The parties therefore agree that Clinical Director will first serve as an as-needed independent contractor, paid only for hours billed, and will convert to salaried employment when the conditions in Section 4 are met.

1.4 No prior agreement. No earlier term sheet, draft agreement, or proposal between the parties, including drafts dated June 4, 2026, was signed or delivered, and none is binding. Clinical Director acknowledges that advisory services he contributed before the Effective Date were contributed voluntarily and that no compensation is owed for them.

1.5 Two periods. The “Contractor Period” runs from the Effective Date until the Conversion Date. The “Employment Period” runs from the Conversion Date (defined in Section 4.2) until this Agreement ends.

2. ROLE AND DUTIES

2.1 Role. Clinical Director serves as the Clinical Director of Prosperity Commons and as the Program’s Qualified Professional. His North Carolina LCSW licensure satisfies the Qualified Professional requirement.

2.2 Duties. Clinical Director will provide the following services as the Program requires:

- (a) clinical program design and clinical protocols, consistent with the Program’s low-barrier, harm reduction model;
- (b) VA Grant and Per Diem clinical compliance, including preparation for VA inspection;
- (c) intake and admission criteria, and the clinical staffing plan;
- (d) clinical documentation systems;
- (e) clinical oversight and supervision of licensed and associate-level clinical staff, and of contracted clinical providers;
- (f) treatment plan development with residents, and staff training; and
- (g) clinical coordination with the VA.

2.3 Clinical judgment. Clinical decisions within the scope of Clinical Director’s licensure remain his professional judgment. NCGDI will not direct clinical decisions for financial reasons.

2.4 Substance use disorder scope. Independent authority over substance use disorder treatment, documentation, and billing requires active LCAS licensure, which Clinical Director does not yet hold.

Until his LCAS issues, NCGDI will maintain a contracted LCAS-licensed clinician to provide substance use disorder clinical sign-off.

2.5 Policies. Clinical Director will follow NCGDI's written policies, including its Staff Operations Manual, Emergency and Safety Procedures, and Leadership and Compliance Guide.

3. CONTRACTOR PERIOD

3.1 As-needed services. During the Contractor Period Clinical Director will perform services on an as-needed basis. NCGDI does not guarantee any minimum number of hours. Clinical Director will schedule his services consistent with resident safety, VA inspection timelines, and compliance deadlines.

3.2 Rate. NCGDI will pay \$100.00 per hour for hours actually worked and invoiced ("Billed Hours"), in quarter-hour increments.

3.3 Paid only for Billed Hours. During the Contractor Period Clinical Director is paid only for Billed Hours. He receives no salary, retainer, guaranteed payment, or benefits, and no payment for time not worked.

3.4 Invoices and payment. Clinical Director will invoice monthly, by the fifth day of the following month, stating the date, hours, and a short description of the work. The Executive Director will review each invoice in good faith. NCGDI will pay undisputed amounts within fifteen (15) days after receiving the invoice.

3.5 Hours above fifteen per week. Billed Hours above fifteen (15) in any week require the Executive Director's prior written approval, which may be given by email and will not be unreasonably withheld. In an emergency affecting resident safety or a compliance deadline, Clinical Director will give notice as soon as practicable.

3.6 Independent contractor status. During the Contractor Period Clinical Director is an independent contractor and not an employee. He controls the manner and means of his work and his schedule, subject to Section 3.1. NCGDI will not withhold income tax, Social Security, or Medicare, will issue a Form 1099, and will provide no employee benefits. Clinical Director is responsible for his own taxes. He may make clinical recommendations and supervise clinical work as licensure and Program requirements demand, but he may not sign contracts for NCGDI or hire, fire, or discipline NCGDI employees.

3.7 Classification review. If Billed Hours average more than twenty (20) per week over any four consecutive weeks, the parties will promptly review Clinical Director's classification with counsel. If counsel advises that employee status is required, NCGDI will convert him to W-2 employment at the same hourly rate until the Conversion Date.

3.8 Outside work. Clinical Director may continue his outside employment and practice during the Contractor Period, including any position he holds on the Effective Date. He will disclose each outside employer to the Executive Director in writing, will not bill NCGDI for time worked for anyone else, will not use NCGDI confidential information or its resident, donor, or funder relationships for any outside employer, and will promptly disclose any conflict of interest.

3.9 Insurance. Before beginning services, Clinical Director will provide a certificate showing professional liability insurance of at least \$1,000,000 per claim and \$3,000,000 in the aggregate, and will keep it in force during the Contractor Period.

3.10 Expenses. NCGDI will reimburse reasonable business expenses approved in advance in writing, when submitted with receipts within thirty (30) days.

4. CONVERSION TO EMPLOYMENT

4.1 Conversion Conditions. Clinical Director converts to employment when all of the following are satisfied (the "Conversion Conditions"):

- (a) **Full Activation.** VA has activated all beds then authorized under NCGDI's Grant and Per Diem agreement. As of the Effective Date that number is fourteen (14). If a VA-approved bed reduction lowers the authorized number, Full Activation means activation of all beds then authorized.
- (b) **Billing received.** NCGDI has received its first VA per diem payment.
- (c) **Credential verification.** Clinical Director has delivered documentary verification of (i) his LCAS examination date and result and his current registration or licensure status with the North Carolina Substance Abuse Professional Practice Board, (ii) completion of EMDR Basic Training (Parts 1 and 2) from an EMDRIA-approved training provider, and (iii) an active, unrestricted North Carolina LCSW license, which NCGDI will verify at the primary source.
- (d) **Screening.** His background check and OIG and SAM exclusion screening are clear.

4.2 Conversion Date. The "Conversion Date" is the first day of the calendar month after the month in which the Conversion Conditions are all satisfied. NCGDI will confirm the Conversion Date to Clinical Director in writing.

4.3 Timing. The parties' target for Full Activation is March 1, 2027. VA requires all beds to be activated within 180 days after the Program's October 1, 2026 start, which is on or about March 30, 2027. Conversion depends on the Conversion Conditions being met, not on a calendar date.

4.4 Employment terms. From the Conversion Date Clinical Director is a full-time, W-2 employee of NCGDI reporting to the Executive Director, with a base salary of \$80,000 per year paid on NCGDI's regular payroll schedule. He will devote approximately forty (40) hours per week to NCGDI.

4.5 Benefits. As an employee he is eligible for health, dental, and vision insurance funded by NCGDI, fifteen (15) days of paid time off per year increasing by one (1) day for each year of service, and an annual performance review with opportunity for a merit increase.

4.6 Salary floor and title. NCGDI will not reduce his base salary below \$80,000 without his written agreement. He will hold the title of Clinical Director for at least three (3) years after the Conversion Date, unless his employment ends for Cause.

4.7 Outside activities after conversion. During the Employment Period, Clinical Director may continue outside clinical work as long as it does not conflict with his duties, and his responsibilities to NCGDI take priority over it. Section 8 also applies.

5. ANNUAL PERFORMANCE BONUS

5.1 Bonus Year. A "Bonus Year" is each twelve-month period beginning on the Conversion Date or an anniversary of it. Bonus eligibility begins with the Employment Period.

5.2 Amount. The bonus opportunity is \$20,000 for Bonus Year 1. If Clinical Director earns the full bonus for a Bonus Year, the opportunity for the next Bonus Year increases by \$5,000, to \$25,000 for Bonus Year 2 and \$30,000 for Bonus Year 3. If he does not earn the full bonus, the opportunity for the next Bonus Year stays at the same level. The increases end after Bonus Year 3. For Bonus Year 4 and later, the Board will set the opportunity in writing.

5.3 Components. The bonus has three components, each defined in Exhibit A: (a) VA inspection results, 30 percent; (b) compliance, 35 percent; and (c) placements, 35 percent. Each component is earned in full or not at all. The "full bonus" is earned when all three components are earned.

5.4 What the bonus is not based on. No bonus component will be measured by occupancy, census, per diem revenue, billing volume, collections, or length of stay, and NCGDI will not adopt any metric that rewards admitting, retaining, or discharging a resident for financial reasons.

5.5 Determination. Within forty-five (45) days after each Bonus Year ends, the Executive Director will prepare a written determination with supporting records, and the Board will review and confirm it. The Board may not reduce an earned component except for fraud or falsified records.

5.6 Payment. An earned bonus is paid in the following Bonus Year, in six (6) equal monthly installments on NCGDI's regular payroll dates, beginning with the first payroll date after the Board confirms the determination and continuing for the following five months.

5.7 Conditions and vesting. To earn the bonus for a Bonus Year, Clinical Director must be employed on its last day, unless NCGDI ends his employment without Cause during the year, in which case the Board will determine any earned portion from results through his last day. An earned bonus vests at the end of the Bonus Year. If his employment later ends for any reason other than Cause, the unpaid installments remain payable on schedule. If it ends for Cause, unpaid installments are forfeited.

5.8 Reasonableness and funding. The Board will confirm the Exhibit A metrics in writing before each Bonus Year begins. All compensation is subject to the reasonableness standards that apply to Section 501(c)(3) organizations. NCGDI will charge a bonus to a federal award only to the extent allowable under 2 C.F.R. Part 200 and may otherwise fund it from non-federal sources.

6. CREDENTIAL SUPPORT

6.1 Status. Clinical Director has represented that he has taken the LCAS examination and completed EMDR Basic Training. This Agreement includes no credential milestone bonuses.

6.2 Costs NCGDI will cover. NCGDI will pay directly, or reimburse within thirty (30) days of receipt, the following costs when approved in advance in writing:

- (a) EMDR consultation hours required for his EMDR certification, provided under NCGDI's engagement of an EMDRIA Approved Consultant;
- (b) EMDRIA certification application and related fees; and
- (c) North Carolina Substance Abuse Professional Practice Board licensure application and issuance fees, and one examination retake fee if required.

NCGDI will also make reasonable scheduling accommodations for consultation sessions. NCGDI will report any payment under this Section as required by law.

6.3 Repayment. If, within twenty-four (24) months after NCGDI pays a cost under Section 6.2, Clinical Director ends his engagement or employment other than because of NCGDI's uncured material breach, or NCGDI ends it for Cause, he will repay a prorated portion of that cost, with one twenty-fourth (1/24) forgiven for each full month since payment. No repayment is due if NCGDI ends the relationship without Cause, or on his death or disability.

7. CONFIDENTIALITY, RECORDS, AND WORK PRODUCT

7.1 Confidentiality. Clinical Director will keep confidential all NCGDI non-public information, including grant applications and award information, financial information, investor materials, resident information, donor and funder relationships, operational plans, and personnel matters. This duty survives termination.

7.2 HIPAA and 42 C.F.R. Part 2. Clinical Director will comply with HIPAA and with 42 C.F.R. Part 2. He will not disclose that any person is a resident or is receiving substance use disorder services except as those rules and a valid written consent permit, and he will report any suspected unauthorized disclosure to the Executive Director immediately.

7.3 Work product. All work product he creates for NCGDI under this Agreement, including clinical protocols, program designs, training materials, and documentation, belongs to NCGDI, and he assigns all rights in it to NCGDI. He keeps any materials he owned before the Effective Date and grants NCGDI a non-exclusive license to use them in the Program.

7.4 Return of property. When his engagement ends he will return all NCGDI records, files, and property.

8. NON-SOLICITATION AND NON-COMPETE

8.1 Non-solicitation. During this Agreement and for twelve (12) months after it ends, Clinical Director will not directly solicit NCGDI employees, contractors, funders, or grant sources for a competing veteran housing or behavioral health residential program in Forsyth County, North Carolina, and will not use NCGDI's client, funder, donor, or staff information or relationships to solicit business, employment, or referrals for any outside employer, practice, or venture.

8.2 Non-compete. No non-compete applies during the Contractor Period. Beginning on the Conversion Date, and for twelve (12) months after his employment ends, Clinical Director will not provide clinical director, clinical leadership, or chief clinical officer services to a competing veteran housing or behavioral health residential program operating in Forsyth County, North Carolina.

8.3 Reasonableness. The parties agree these restrictions protect NCGDI's legitimate interests and are reasonable in time and territory. A court may narrow any restriction it finds too broad rather than void it.

9. REPRESENTATIONS, SCREENING, AND COMPLIANCE

9.1 Licensure. Clinical Director represents that his North Carolina LCSW license is active and unrestricted, and he will tell NCGDI within two (2) business days of any complaint, discipline, or adverse action affecting a license or credential.

9.2 Screening. Before services begin and monthly afterward, NCGDI will screen Clinical Director against the OIG List of Excluded Individuals and Entities and the SAM exclusions list, and will conduct a background check. If he becomes excluded, he will be removed immediately from any work connected to federally funded services.

9.3 No payment for referrals. No compensation under this Agreement depends on the volume or value of referrals or other business generated for NCGDI or any affiliate.

9.4 Grant compliance. Clinical Director will perform services in compliance with 38 C.F.R. Part 61, 2 C.F.R. Part 200, and NCGDI's award terms, and will keep time records sufficient to support any charge to a federal award.

10. TERM AND TERMINATION

10.1 Notice. During the Contractor Period either party may end this Agreement on thirty (30) days' written notice. During the Employment Period either party may end it on sixty (60) days' written notice. NCGDI may end it immediately for Cause at any time.

10.2 Cause. "Cause" means: material breach not cured within ten (10) days after written notice, if curable; loss, suspension, or restriction of a required license; exclusion from federal programs; a criminal conviction; a romantic or sexual relationship with a resident; falsification of records; or conduct that materially harms NCGDI's reputation, funding, or regulatory standing.

10.3 Effect. On termination NCGDI will pay all amounts earned through the last day of service, and Section 5.7 governs any bonus. Sections 6.3, 7, and 8 survive.

11. BOARD APPROVAL AND NO OWNERSHIP INTEREST

11.1 Board approval. NCGDI's Board of Directors, acting through members with no conflict of interest, approved the compensation in this Agreement by resolution dated _____, 2026, after reviewing comparability data. The Executive Director signs for NCGDI only, and not for Carolina Growth Holdings, LLC or any other entity.

11.2 No ownership or profits interest. Nothing in this Agreement gives Clinical Director any ownership, profits, preferred, or equity-like interest in NCGDI, Carolina Growth Holdings, LLC ("CGH"), or any affiliate. Any separate arrangement between Clinical Director and CGH is not a term

of, a condition of, or consideration for this Agreement. It will exist only if set out in a separate written agreement reviewed by counsel, and no service or payment under this Agreement depends on it.

12. GENERAL PROVISIONS

12.1 Governing law. North Carolina law governs this Agreement.

12.2 Entire agreement. This Agreement, with Exhibit A, is the entire agreement between the parties on its subject and replaces all earlier discussions, drafts, and term sheets.

12.3 Amendment. Only a written amendment signed by both parties, and approved by the Board where it changes compensation, may change this Agreement.

12.4 Assignment. Clinical Director may not assign this Agreement. NCGDI may assign it to a successor to its Program.

12.5 Severability. If any provision is unenforceable, the rest remains in effect.

12.6 Notices. Notices must be in writing and delivered to the addresses above, or to an email address either party designates in writing.

12.7 Counterparts. The parties may sign in counterparts and by electronic signature.

The parties have signed this Agreement on the dates below, effective as of the Effective Date.

James W. Powell Jr.
Executive Director
NC Growth & Development Initiative, Inc.
(signing for NCGDI only)
Date: _____

Orrin A. Bynes, LCSW, MBA, MSW
Clinical Director
Date: _____

Approved for the Board of Directors by resolution dated _____, 2026:

Name: _____
Board Chair or Secretary
Date: _____

EXHIBIT A

Bonus Year 1 Metrics

These are the initial metrics for Bonus Year 1, with amounts based on a \$20,000 bonus. In later years each component keeps the same percentage of that year's opportunity. The Board may adjust the metrics for a future Bonus Year in writing before that year begins, and not during it.

Component	Weight	Measure	Earned when
VA inspection results	30 percent, \$6,000	Results of every VA inspection or monitoring visit during the Bonus Year, including any follow-up inspection.	No finding remains uncorrected after the deadline VA sets (or thirty days if VA sets none), and no finding repeats a prior finding. Source: VA written reports and NCGDI's corrective action log.
Compliance	35 percent, \$7,000	All four required: (1) treatment plans completed within 14 days of admission and reviewed at least every 30 days; (2) incident reports reviewed within 2 business days; (3) staff licensure, training, and exclusion screening current; (4) HMIS entries and exits recorded on time.	(1) At least 90 percent of files sampled each quarter; (2) 100 percent; (3) 100 percent at each monthly check; (4) at least 90 percent within the Continuum of Care's timeframe. Source: file audits, incident log, monthly screening records, HMIS reports.
Placements	35 percent, \$7,000	Share of veterans with a planned exit during the Bonus Year who exit to permanent housing. Deaths, medical transfers, and transfers to a higher level of care are excluded.	At least 65 percent, or the target stated in NCGDI's VA grant agreement or VA guidance if different. Source: HMIS and VA Grant and Per Diem reporting.

Guardrails

- No component counts occupancy, census, per diem, billing, collections, or length of stay.
- A discharge for substance use, relapse, a mental health crisis, an overdose, or asking for help violates Program policy. If one occurs during a Bonus Year, the Placements component is not earned for that year and the Board will review the circumstances.
- A planned exit counts only if it is documented in the resident's treatment plan.
- If fewer than ten veterans exit during a Bonus Year, one exit changes the rate substantially. The Board may use reasonable judgment in confirming the Placements component and must document its reasoning.