International OCD Foundation, Inc. Affiliation Agreement 2013

TABLE OF CONTENTS

		<u>Page</u>
1)	Purpose	1
2)	Organization and Administration	2
3)	Education and Community Programs/Services	2
4)	Fundraising	3
5)	Financial Accountability and Other Reporting of the Local Affiliate	4
6)	Responsibilities of the IOCDF	5
7)	Financial Accountability and Other Reporting of the IOCDF	6
8)	Termination	8
9)	Compliance/Enforcement	9
Exh	aibit A By-laws of International OCD Foundation, Inc.	12
Exh	ibit B Tips for Starting a Non Profit	21
Exh	nibit C Affiliate Fee Structure and Activity Reporting	24
Exh	nibit D Sample Annual Report	30
Exh	nibit E Sample Financial Report	33
Exh	iibit F Sample Funding Formula and Calculations	35

International OCD Foundation, Inc. Affiliation Agreement

Recognition of Local Association, within the United States of America, as a Local Affiliate of the International Obsessive Compulsive Disorder Foundation, Inc.

The International OCD Foundation, Inc. (IOCDF) hereby recognizes that:

[Affiliate Name]

shall be the sole organization having an IOCDF Local Affiliate office in the Catchment Area of:

Physical Location:
Largest Metropolitan City:
Central Zip Code:
Designated Area:

The IOCDF is an international non profit organization with a mission to educate the public and professional communities about OCD and related disorders; to provide assistance to individuals with OCD and related disorders and their family and friends; and to support research into the causes and effective treatments of OCD and related disorders.

Members of the IOCDF residing in the Local Affiliate's Catchment Area shall be deemed members of the Local Affiliate. The Local Affiliate shall not solicit or grant independent memberships in the Local Affiliate and may neither charge nor collect separate Local Affiliate dues (see also Section 4(d)).

The term of this agreement shall be for three years.

1) **Purpose**

The Local Affiliate shall:

- a) Promote the mission of the IOCDF which is set forth above;
- b) Work cooperatively with the IOCDF to further this mission;
- c) Carry on programs and services that support people with OCD and related disorders and their families; and
- d) Design and promote its own mission and goals, if desired, the principles of which shall be reviewed by and be consistent with those of the IOCDF.

1

2) Organization and Administration

The Local Affiliate shall:

- a) Be incorporated as a not-for-profit corporation in the state/territory of its Local Affiliate business address;
- b) Maintain itself in good standing and remain duly qualified to operate as a not-for-profit organization in the state/territory of incorporation;
- Adopt and/or operate under bylaws and rules of governance that are not materially inconsistent with the IOCDF bylaws attached hereto as Exhibit A and adhere to any applicable regulations of the state/territory of incorporation for a not-for-profit organization;
- d) Obtain written approval by the IOCDF within thirty (30) days prior to any subsequent amendments to this Agreement;
- e) File current copies of the Local Affiliate's articles of incorporation and bylaws with the IOCDF prior to the signing of this Agreement;
- f) Appoint a Board of Directors and hold regular Board meetings in accordance with the regulations for maintaining a not-for-profit organization in the Local Affiliate's state/territory of incorporation. If these meetings are not required by the Local Affiliate's state/territory of incorporation, the Local Affiliate should follow the Board meeting requirements set forth in its bylaws;
- g) Establish a bank account in the name of the Local Affiliate in a federally insured bank or credit union within ten (10) business days of the execution of this agreement; and
- h) Adopt an annual budget that is consistent with its mission and operational goals.

3) Education and Community Programs/Services

The Local Affiliate shall:

- a) Conduct its programs and services insofar as possible throughout its entire Catchment Area:
- b) Carry out all programs and services in accordance with its mission, the mission of the IOCDF and this Agreement;
- c) Act as a central information and resource service for the OCD community within the Local Affiliate's Catchment Area. This should include maintaining an office in the Catchment Area and one or more telephone line(s) which are adequately covered so that inquiries generally receive responses within five (5) business days;

- d) Maintain an email account to receive electronic communications from the OCD community which is adequately covered so that inquiries generally receive responses within (5) business days;
- e) Indicate its affiliation with the IOCDF by posting a weblink to the IOCDF on the Local Affiliate's website homepage. Any website independently maintained by the Local Affiliate must have a homepage that follows the IOCDF's branding guidelines. If the Local Affiliate can not meet this requirement by the deadline due to financial limitations, the IOCDF may choose to assist this effort through a financial subsidy;
- f) Choose to either directly answer or refer to the IOCDF office any inquires for information from individuals residing outside of the Local Affiliate's Catchment Area with the knowledge that no additional financial compensation will be provided by the IOCDF for this service:
- g) Be entitled to propose to the IOCDF an increase in its Catchment Area by submitting a written proposal indicating how this increased area would be served by programming and outreach;
- h) Apply all designated research funds collected by the Local Affiliate to the IOCDF Research Fund; provided, however, if a donor expresses interest in funding local research, the Local Affiliate should coordinate directly with the IOCDF Board of Directors and Scientific Advisory Board to ensure the donor's wishes are met to the extent possible;
- i) Ensure that no local program/project will compete with a corresponding IOCDF program/project effort;
- j) Coordinate efforts with other IOCDF Local Affiliates when programs/projects may impact these groups; and
- k) Work for accessibility of effective treatment for everyone with OCD and related disorders through state and local public policy efforts.

4) Fundraising

The Local Affiliate shall:

- a) Organize and conduct local fundraising activities within its Catchment Area as required for the financial support of the Local Affiliate programs and services;
- b) Coordinate local fundraising efforts with the national IOCDF office so as to avoid duplicate activities within the service area;
- c) Engage in IOCDF membership recruitment and retention within the Catchment Area;

- d) Transfer all membership contact information and fees collected on behalf of the IOCDF directly to the national IOCDF office (i.e. the Local Affiliate should not cash checks made out to the IOCDF). In the rare instances where a member has accidently written the membership check out to the Local Affiliate, it is preferable that the Local Affiliate cash the check and forward the applicable funds to the national IOCDF office.
- e) Operate in accordance with applicable fundraising laws and regulations in effect in the Local Affiliate's state/territory of incorporation¹ and applicable federal laws and regulations.

5) Financial Accountability and Other Reporting of the Local Affiliate

The Local Affiliate shall:

- a) Make proper use of all funds provided to the Local Affiliate through local contributions and by the IOCDF, ensuring that said funds are designated for the purposes for which the funds were provided;
- b) Submit to the IOCDF its Tax Submission, according to the terms and conditions of this Section 5(b).
 - i. <u>Tax Submission</u>. The composition of a Local Affiliate's Tax Submission depends on the form filed with the Internal Revenue Service (IRS). If the Local Affiliate files:
 - 1. IRS Form 990 with the IRS, a copy of this filing should be submitted as the Tax Submission:
 - 2. IRS Form 990-EZ with the IRS, a copy of this filing should be submitted as the Tax Submission;
 - 3. IRS Form 990-N (e-Postcard) with the IRS and does not file either IRS Form 990 or Form 990-EZ with the IRS, then the Tax Submission must contain both:
 - a. A confirmation of filing of IRS Form 990-N (e-Postcard) by the Local Affiliate with the IRS (e.g., an email from the IRS filing system indicating whether the Local Affiliate's e-Postcard was accepted by the IRS), and
 - b. A statement of the Local Affiliate's revenue and expenses, in a form substantially similar to Part I of IRS Form 990-EZ, for the applicable tax year.

¹ Note to Local Affiliate: If the Local Affiliate is an LLC, the word "incorporation" should be changed to "formation."

- ii. <u>Timing</u>. The Local Affiliate shall submit the Tax Submission each calendar year to the national IOCDF office within thirty days (30) of filing IRS Form 990, Form 990-EZ or Form 990-N, as applicable, with the IRS.
- c) Prepare a Financial Report (see Exhibit E for a sample) to be reported in an Annual Report (see Exhibit D for a sample);
- d) Prepare an Activity Report (see Exhibit C for a sample) to be reported in an Annual Report;
- e) Establish and evaluate annual goals in the areas of services, education, prevention, fundraising, public policy, and communications to be reported on in the Local Affiliate Annual Report;
- f) Submit the Local Affiliate Annual Report to the national IOCDF office prior to March 1 of each calendar year;
- g) Maintain a current listing, including contact information, of the Board of Directors and officers of the Local Affiliate, and the standing committee chairs with the national IOCDF office;
- h) Provide the national IOCDF office with a primary email address at which the Local Affiliate will receive electronic communications pertaining to Local Affiliate business; and
- i) As necessary, submit to and fully cooperate in an audit of the Local Affiliate by a certified public accountant retained by the IOCDF, with any such audit to be conducted at the sole expense of the IOCDF.

6) Responsibilities of the IOCDF

The IOCDF shall:

- a) Recognize the right of the Local Affiliate to operate as the sole IOCDF Affiliate with an
 office in the Catchment Area, and allow the Local Affiliate to use the IOCDF logo on all
 correspondence, published materials and websites;
- b) Provide adequate notice to the Local Affiliate when a group of individuals indicates their intention to form a new IOCDF Affiliate adjacent to the Local Affiliate Catchment Area;

5

c) Support the Local Affiliate in its efforts on behalf of people with OCD or related disorders, their families and the mental health professionals who treat them;

- d) Furnish initial and ongoing guidance and technical assistance to the Local Affiliate concerning:
 - Organization and administration
 - Program planning, development and implementation
 - Fundraising
 - Communication and public relations
 - Public education
- e) Work to increase national awareness of OCD and related disorders, the needs of people with OCD and related disorders and the related needs of their families;
- f) Host the Local Affiliate website on the IOCDF website server, upon request by the Local Affiliate;
- g) Include updates of Local Affiliate activities in the OCD Newsletter upon request;
- h) Add up to two (2) Local Affiliate representatives to the IOCDF's Affiliate listsery;
- i) Consult with the Local Affiliate as to the best method of introducing national programs and projects within the Local Affiliate Catchment Area;
- j) Organize and provide the opportunity for the Local Affiliate leadership to participate in a meeting at the Annual IOCDF Conference and a scheduled quarterly conference call with IOCDF leadership, such call to occur every three (3) months, or as close as possible thereto; and
- k) Communicate a list of IOCDF annual goals to the Local Affiliate.

7) Financial Accountability and Other Reporting of the IOCDF

The IOCDF shall:

- a) Provide funding to the Local Affiliate according to the terms and conditions of this Section 7(a).
 - i. <u>Amount of Funding</u>. The amount of funding provided by the IOCDF for an Eligible Year (the "IOCDF Funding") will be equal to an amount determined according to the criteria set forth in Exhibit C (the "Exhibit C Amount"), less any Dormant Funds.
 - ii. <u>Timing</u>. Each Eligible Year, the IOCDF shall provide the IOCDF Funding to the Local Affiliate within thirty (30) days of its receipt of the Local Affiliate's Tax Submission (as defined in Section 5(b)).

iii. Definitions.

- 1. Dormant Funds equal the amount of money by which the Prior Year Funding *exceeds* two hundred percent (200%) of the Prior Year Expenses. In the event there is no such excess, there will be no Dormant Funds associated with that Prior Year and the IOCDF Funding shall be equal to the Exhibit C Amount.
- 2. An Eligible Year is any calendar year, beginning with the first January 1st following the Local Affiliate's date of [incorporation]², in which the Local Affiliate exists and submits its Tax Submission to the IOCDF.
- 3. A Prior Year is the calendar year immediately preceding the current Eligible Year.
- 4. Prior Year Funding is the IOCDF Funding received by the Local Affiliate in the Prior Year.
- 5. Prior Year Expenses equal the total expenses specified in the Local Affiliate's Tax Submission for the Prior Year.
 - a. However, the Local Affiliate may request that the IOCDF use an amount of money other than the total expenses listed in the Local Affiliate's Tax Submission for the Prior Year as its Prior Year Expenses. The IOCDF may grant or deny such a request in its sole discretion. The Local Affiliate must submit such a request in writing to the IOCDF, together with its Tax Submission for the Prior Year, and such request must include the following:
 - I. A request to use a specified amount of money as its Prior Year Expenses in the calculation of Dormant Funds, and
 - II. An explanation as to why the requested amount is a more appropriate representation of the Local Affiliate's total expenses for the Prior Year than the amount listed in the Local Affiliate's Tax Submission.
- iv. <u>Illustration and Examples</u>. Please see Exhibit F for (a) a sample illustration of the funding formula set forth in Section 7(a)(i)-(iii) above and (b) sample calculations of the IOCDF Funding, determined in accordance with the terms of this Section.
- b) Notify the Local Affiliate in writing at least six (6) months prior to any change in Exhibit C as approved by the IOCDF Board of Directors in accordance with the IOCDF bylaws.
- c) Provide the Local Affiliate with a quarterly roster of current members who have paid applicable IOCDF membership dues and who reside within the Catchment Area, including names, addresses, email, date of contribution, membership level and dues

² Note to Local Affiliate: If the Local Affiliate is an LLC, "incorporation" should be changed to "formation."

- collected for each entry to accompany the payment of the IOCDF Funding to the Local Affiliate;
- d) Make available additional funds via a grant application process for the implementation of programs/projects that are proposed by the Local Affiliate and approved by the IOCDF;
- e) Provide the Local Affiliate with a sample Activity Report (attached hereto as Exhibit C), Annual Report (attached hereto as Exhibit D) and Financial Report (attached hereto as Exhibit E), upon request, provide guidance on how to prepare these documents;
- f) The Local Affiliate may deviate from the sample Activity Report, Annual Report, Financial Report listed in Exhibits C, D and E, respectively; provided that such alternate documents contain substantially all the information required by this Agreement;
- g) Provide the Local Affiliate with written, regular and timely communications relevant to current issues pertaining to the IOCDF mission, efforts, national programs and policy decisions;
- h) Notify the Local Affiliate at least two (2) weeks in advance of scheduled IOCDF fundraising activities (i.e., discussion with potential corporate donor/sponsors, annual appeal, direct mail, etc.) to be conducted in the Local Affiliate's Catchment Area;
- i) Communicate in advance of the implementation of any national marketing and/or public relation activities to be implemented in the Local Affiliate's Catchment Area;
- j) Advise the Local Affiliate of partnership opportunities when national IOCDF programs (Annual Conference, Behavior Therapy Training Institute, etc.) are scheduled within the Catchment Area:
- k) Provide the Local Affiliate with an up-to-date copy of the professional members practicing within the Catchment Area to aid in the maintenance of the Local Affiliate's treatment provider referral list; and
- l) Notify the Local Affiliate when members living in the Catchment Area may be eligible to participate in OCD related research projects listed with the IOCDF.

8) Termination

- a) The IOCDF or the Local Affiliate may terminate this Agreement for any reason upon ninety (90) days prior written notice to the other party;
- b) Following written notice of termination, the non-terminating party will have an opportunity to cure any deficiency listed in the notice of termination, to the satisfaction of the terminating party, until the earlier of (i) ninety days from receipt of the written notice of termination, or (ii) a date to be mutually agreed upon by the parties;

- c) Upon termination, both parties (i.e., the Local Affiliate and the IOCDF) shall cease using the other's name and logo on their website, letterhead, publications, etc.;
- d) Upon termination, both parties (i.e., the Local Affiliate and the IOCDF) shall deliver copies of all documents and data of any nature owned by the other and abstain from taking or removing any documents, data or information, or any reproduction thereof, and shall promptly deliver to the other without retaining any copies, notes or excerpts thereof belonging to the other, all memoranda, diaries, notes, records, member lists, cost information, specifications and other documents relating, directly or indirectly, to or containing any such information that belongs to the other party;
- e) It is agreed and understood that the IOCDF retains all right, title and interest in and to the name "International OCD Foundation" and any logos related thereto (the "Licensed Marks"). All of such Licensed Marks shall remain the exclusive property of the IOCDF. The Local Affiliate shall be prohibited from transferring, sublicensing or assigning its rights to use the Licensed Marks; the Local Affiliate shall keep all confidential and proprietary information of the Foundation confidential. Such confidential information may include business operations, organizational structure, employee information, financial operations, donor lists and amounts, sponsorships and any proprietary information such as computer software and programming;
- f) It is agreed and understood that the IOCDF agrees to keep all confidential and proprietary information of the Local Affiliate confidential. The IOCDF acknowledges that the Local Affiliate's corporate and website names and any other names currently reserved by the Local Affiliate and any logos related thereto are the exclusive property of the Local Affiliate. The IOCDF further acknowledges that the existing Local Affiliate website(s) and any other websites or web-based medium developed by the Local Affiliate and any written material published by the Local Affiliate are the exclusive property of the Local Affiliate.

9) Compliance/Enforcement

- a) The failure of the IOCDF or the Local Affiliate to enforce any provisions of this Agreement against the other shall not constitute a waiver of any provision;
- b) It shall be the responsibility of the Local Affiliate Committee of the IOCDF Board of Directors working in concert with the office of the IOCDF Program Director to monitor the Local Affiliate's compliance with this Agreement;

I hereby agree to all the terms and conditions described in this Affiliation Agreement:			
Jeff Szymanski, Ph.D. IOCDF Executive Director	Date	Name: Title:	Date
Diane Davey	Date		
President, IOCDF Board of Dir	rectors		

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10

Documents To Be Included With This Agreement

- Exhibit A By-laws of International OCD Foundation, Inc.
- Exhibit B Tips for Starting a Non-Profit
- Exhibit C Local Affiliate Fee Structure and Activity Reporting
- Exhibit D Sample Annual Report
- Exhibit E Sample Financial Report
- Exhibit F Sample Funding Formulas and Calculations

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11

EXHIBIT A

BY-LAWS OF INTERNATIONAL OCD FOUNDATION, INC.

BY-LAWS OF INTERNATIONAL OCD FOUNDATION, INC.

ARTICLE I GENERAL

- Section 1. <u>Name</u>. The name of this corporation shall be International OCD Foundation, Inc. (the "Corporation").
- Section 2. <u>By-laws</u>. The by-laws are intended to supplement and implement applicable provisions of law and of the Certificate of Incorporation of this Corporation with respect to the regulations of the affairs of this Corporation.
- Section 3. <u>Principal Office</u>. The principal office of the Corporation shall be located in the Commonwealth of Massachusetts. The Board of Directors shall have the power to change the location of the principal office from time to time and to establish such additional offices as it shall determine at its discretion.

ARTICLE II PURPOSES

- Section 1. <u>Community</u>. The Corporation is a community of those who suffer from and/or care about individuals with Obsessive Compulsive Disorder and other bio-chemical disorders ("OCD"), committed to insuring that: All know about OCD, its symptoms and the vast number of persons who have it. Individuals with OCD identify, seek and have access to appropriate support and affordable treatment. Researchers have support and seek a cure for OCD. Individuals with OCD will be recognized as valuable members of the community.
- Section 2. <u>Lawful Activities</u>. To engage in all activities connected with and incidental to these purposes as may now or hereafter be permitted by law.
- Section 3. <u>No Private Inurement</u>. Provided, however, that no part of the net earnings of the Corporation shall inure to the benefit of any private individual, no substantial part of the activities of the Corporation shall be carrying on propaganda or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in, any political campaign on behalf of any candidate for public office.

ARTICLE III MEMBERSHIP

The Corporation shall have as members all individuals or corporations who shall apply for membership and have paid the annual membership dues of such amount as shall be determined from time to time by a vote of the Board of Directors. The Corporation shall retain the power to waive dues requirements in specific situations, as determined by the Board of Directors.

ARTICLE IV DIRECTORS

Section 1. <u>Power</u>. The Board of Directors shall have the general management and control of all property, affairs, and funds of the Corporation and shall exercise all the powers of the Corporation except such as are expressly reserved or prohibited by laws or by these By-Laws.

Section 2. <u>Vacancies</u>. In the event of one or more vacancies in the Board of Directors, the remaining Directors may exercise the powers of the full Board until such vacancy or vacancies are filled. All officers and agents of the Corporation shall act under the direction of the Board.

Section 3. <u>Number</u>. The Corporation shall have a minimum number of directorships of three (3) and a maximum number of seventeen (17). The number of directorships at any time within such minimum and maximum shall be the number fixed by resolution of the Directors or, in the absence thereof, shall be the number of Directors elected at the preceding annual meeting of Directors. One Director shall be designated to represent the Local Affiliates of the Foundation ("Affiliate Director").

Section 4. <u>Local Affiliate Director</u>. The Local Affiliate Director shall hold office for one (1) year or until his/her successor shall have been chosen and qualified. The Board may appoint an alternate Local Affiliate Director who may attend Board meeting, and if present at a Board meeting, may cast a vote in the absence of the Affiliate Director.

Section 5. <u>Election; Term.</u> Each Director shall be elected at the annual meeting of the Board of Directors or to fill a vacancy at any regular meeting and, with the exception of the Local Affiliate Director, shall hold office for the next two years or until his/her successor shall have been duly elected and shall have qualified, or until his/her death, resignation or removal. Nominations for the Board of Directors shall be made by the Board of Directors. Any or all of the Directors may be removed by the Board of Directors by a majority vote with or without cause.

Section 6. <u>Employees</u>; <u>Agents</u>. The Board of Directors shall have the power to choose, appoint and employ such employees and agents as it may deem the interest of the Corporation requires and define the powers and duties of all such employees and agents. All such employees and agents shall be subject to the order of the Board, and may be removed at any time by the Board at its discretion.

Section 7. <u>Classes</u>. Directors serving as of February 28, 2004 shall be divided into three classes (A, B, C). Directors assigned to Class A shall serve until the 2005 Annual Meeting, Directors assigned to Class B shall serve until the 2006 Annual Meeting, and Directors assigned to Class C shall serve until the 2007 Annual Meeting. Thereafter, at the expiration of the aforesaid terms, all Directors, other than the Local Affiliate Director, shall serve for a term of two years until the annual meeting in the second year of their term or until their successors are chosen and qualify. Fran Sydney, a founding Director of the Corporation, shall continue to serve as a Director until she resigns from the Board.

ARTICLE V MEETING OF DIRECTORS

Section 1. <u>Annual Meeting</u>. The annual meeting of the Board of Directors shall be held before March 31 at such place, on such day, and at such hour as shall be designated by the Board of Directors. At such meeting, the Board shall choose and appoint the Directors and officers of the Corporation who shall hold their offices for the next two years until the annual meeting in the second year of their term or until their successors are chosen and qualify.

Section 2. <u>Meetings</u>. Regular meetings of the Board of Directors may be held at such places and at such times as the Board may from time to time by vote determine. No notice shall be required for any regular meeting held at a time and place fixed in advance by the Board of Directors, provided that reasonable notice of the first regular meeting following the determination by the Directors of times and places for regular meetings shall be given to absent Directors, and provided further that reasonable notice specifying the purpose of a regular meeting shall be given to each Director if either contracts or transactions of the Corporation with interested persons or amendments to these By-Laws are to be considered at the meeting.

Section 3. Special Meetings. Special meetings of the Board of Directors may be held at any time and at any place when called by the President or by any two or more Directors reasonable notice thereof being given to each Director by the Secretary, or by the Directors calling the meeting. Any notice to a Director shall be sufficient if given in person, or by telegram, or by fax or by computer e-mail at forty-eight (48) hours, or by mail at least ninety-six (96) hours, before the meeting, such notice in the case of telegram, fax, or e-mail or mail directed to a Director at his or her address as last recorded on the record of the Corporation. Notice of a meeting need not be given to any Director if a written waiver of notice, executed by him or her before or after the meeting, is filed with the records of the meeting, or to any Director who attends the meeting without protesting prior to the meeting or at its commencement the lack of notice to him or her. A notice or waiver of notice need not specify the purpose of the meeting unless the matters to be considered at such meeting are contracts or transactions between the Corporation and interested parties or amendments to these By-Laws.

Section 4. Quorum. Except as otherwise provided in these By-Laws, a quorum for any election or for the consideration of any question shall consist of a majority of the Directors then in office, but less than a quorum may adjourn a meeting from time to time to a future date or dissolve a meeting which has been called. If a meeting is adjourned to a future date, it may be held as so adjourned without further notice. When a quorum is present at any meeting, the votes of a majority of Directors present at the meeting shall be sufficient for election to any office and shall decide any question brought before such meeting, except in any case where a larger vote is required by law or by these By-Laws.

Section 5. <u>Consent Without Meeting</u>. Any corporate action which can be authorized at a meeting of the Board, or a committee thereof, may be authorized without such a meeting, provided that all of the Directors or all of the members of a committee thereof, as the case may be, consent in writing to such action before or after the time such action is taken and the number of such Directors or members constitutes a quorum for such action. The Secretary of the Corporation shall file such consents with the minutes of the meetings of the Board.

15

Section 6. <u>Absence</u>. A Member of the Board of Directors who has missed a total of two (2) consecutive regularly scheduled meetings of the Board for reasons other than sickness or personal emergency may be removed from the Board by a majority vote and the position shall be considered vacant. The Secretary shall be responsible for keeping records of all absences of the Board of Directors.

Section 7. <u>Electronic Participation</u>. Members of the Board of Directors or any committee designated thereby may participate in a meeting of such Board or committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time and participation by such means shall constitute presence in person at a meeting.

ARTICLE VI OFFICERS

Section 1. <u>Officers</u>. The officers of the Corporation shall consist of President, Vice President, Treasurer, Secretary and such other officers as the Board of Directors may from time to time elect or appoint.

Section 2. <u>Powers</u>. In addition to such power and duties as the Board of Directors may prescribe, and except as otherwise provided by the Board, each officer shall generally have the powers and perform the duties which the law and general usage appertain to the particular office.

Section 3. <u>Election</u>. The officers of the Corporation shall be elected by the Board of Directors at its annual meeting or, to fill a vacancy, at any regular meeting. They shall hold office for a two-year term, subject to the By-Laws, unless a shorter term shall have been specified by the terms of their election, and until their successors are elected and qualify, unless they shall sooner die, resign, be removed or become disqualified. In no event may a president serve more than three (3) successive terms as an officer.

ARTICLE VII DUTIES OF OFFICERS

Section 1. <u>President</u>. The President shall preside at all meetings of the Board of Directors. She/he shall appoint the chairperson of all committees, with the approval of the Board, and supervise, directly or indirectly, their work, except the Nominating Committee. The President may appoint special committees as required and shall act as the executive officer of the Corporation and, in general, perform the duties usually associated with the Office of President.

Section 2. <u>Vice President</u>. The Vice President shall succeed to the Presidency in case of a vacancy in that office and shall perform the duties of the President in the absence or disability of the President. She/he shall undertake such other responsibilities as the President may assign.

Section 3. <u>Treasurer</u>. The Treasurer shall keep or shall cause to be kept regular books of account, shall report to the Board of Directors at regular intervals the financial condition of the Corporation, and shall ensure that a true and accurate accounting of the financial transactions of the Corporation is made. Subject to the Board of Directors, the Treasurer shall be responsible for the receipt and disbursement of the monies of the Corporation. The Treasurer shall be

responsible for the safekeeping of all investments and funds of the Corporation, which funds and investments shall be held in such depository or depositories as the Board of Directors shall select. The securities of the Corporation, or any of them, may be held in the name of a nominee, if the Board of Directors approves of such method of registration. Unless the Board of Directors otherwise determines, the Treasurer shall have the power to sell and to endorse or assign for transfer any securities standing in the name of the Corporation. If the Treasurer is absent or unavailable, an Assistant Treasurer, if one shall have been elected, shall have the duties and powers of Treasurer and shall have such further duties and powers as the Directors shall from time to time determine.

Secretary and Assistant Secretary. The Secretary shall have general charge of the records of the Corporation and shall keep minutes of all meetings of the Board of Directors. The Secretary shall give such notice as is required of meetings of the Directors and shall perform all duties commonly incident to the office. If the Secretary is absent or unavailable, an Assistant Secretary, if one shall have been elected, shall have the duties and powers of the Secretary and shall have such further duties and powers as the Directors shall from time to time determine. In the event of the absence of the Secretary and the Assistant Secretary from any meeting of the Board of Directors or of any committee thereof, a person appointed by the meeting to be Secretary *pro tem*, shall keep the records of such meeting and perform such other duties in connection with the office of Secretary as the meeting may prescribe.

Section 5. Execution of Papers. Unless the Board of Directors shall otherwise generally or in any specific instance provide, any bill, note, check, or other negotiable instrument shall be made, signed, accepted or endorsed in the name and on behalf of the Corporation, and any other contract or written instrument whatsoever shall be signed, sealed with the corporate seal, acknowledged and delivered, in the name and on behalf of the Corporation, by either the President or the Treasurer.

ARTICLE VIII ELECTIONS

Section 1. <u>Election</u>. Officers and Directors shall be elected at the annual meeting, or, to fill a vacancy, at any regular meeting, and shall take office, in the former case, immediately following and in the latter case, upon election. Procedures to assure a secret ballot and an accurate count shall be determined by the Board of Directors.

Section 2. <u>Ineligible Persons</u>. No paid employee of this Corporation shall be eligible for nomination or election to any office or the Board of Directors.

Section 3. <u>Bonds</u>. The Board of Directors may from time to time require from any one or more of the officers or agents of the Corporation that any one or more shall give bonds for the faithful performance of duties in such form, in such sum and with such sureties as the Board may determine. The premium for all such bonds shall be paid by the Corporation.

ARTICLE IX COMMITTEES

The Directors may elect from their own number an executive committee which shall include, among others, the President and the Treasurer, and other committees and may delegate to any such committee any or all of their powers except those which by law may not be delegated. The members of any committee shall remain in office at the pleasure of the Directors.

ARTICLE X VACANCIES

Any vacancy in the Board of Directors may be filled by vote of a majority of the Directors then in office.

If the office of any officer becomes vacant, the Directors may choose or appoint a successor by vote of a majority of the Directors present at the meeting at which such choice or appointment is made.

Each such successor shall hold office for the unexpired term of the predecessor and until his or her successor shall be chosen or appointed and qualifies, or until he or she sooner dies, resigns, is removed or becomes disqualified.

ARTICLE XI INDEMNIFICATION

Section 1. Definitions

- (a) References herein to a "Director or officer" shall mean any person who is serving or has served as a Director or officer of the Corporation appointed or elected by the Board of Directors or who is serving or has served at the request of the Corporation as a Director or officer of any organization.
- (b) "Proceeding" means any action, suit or proceeding, civil or criminal, brought or threatened in or before any court, tribunal, administrative or legislative body or agency.
- (c) "Expense" means any fine or penalty, and any liability fixed by judgment, order, decree or award in a Proceeding, any amount reasonably paid in settlement of Proceeding, and any professional fees and other disbursements reasonably incurred in connection with a Proceeding.
- Section 2. <u>Right to Indemnification</u>. Except as limited by law or as provided in Section 3 and Section 4, each Director or officer (and his or her heirs and personal representatives) shall be indemnified by the Corporation against any Expense incurred by him or her in connection with each Proceeding in which he or she is involved as a result of his or her serving or having served as a Director or officer.
- Section 3. <u>Indemnification not Available</u>. No indemnification shall be provided to a Director or officer with respect to a Proceeding as to which it shall have been adjudicated that he

or she did not act in good faith in the reasonable belief that his or her action was in the best interests of the Corporation.

Section 4. <u>Compromise or Settlement</u>. In the event that a Proceeding is compromised or settled so as to impose any liability or obligation on a Director or officer or upon the Corporation, no indemnification shall be provided as to said Director or officer with respect to such Proceeding if such Director or officer shall have been adjudicated not to have acted in good faith in reasonable belief that his or her action was in the best interests of the Corporation.

Section 5. <u>Advances</u>. The Corporation shall pay sums on account of indemnification in advance of a final disposition of a Proceeding, upon receipt of an undertaking by the Director or officer to repay such sums if it is subsequently established that he or she is not entitled to indemnification pursuant to Section 3 and Section 4 hereof, which undertaking may be accepted without reference to the financial ability of such person to make repayment.

Section 6. <u>Not Exclusive</u>. Nothing in this Article XI shall limit any lawful rights to indemnification existing independently of this Article XI. Nothing in this Article XI shall limit the authority of the Directors to indemnify persons not indemnified under this Article XI.

Section 7. <u>Insurance</u>. The provisions of this Article XI shall not limit the power of the Board of Directors to authorize the purchase and maintenance of insurance on behalf of any Director or officer or other person against any Expense, whether or not the Corporation would have the power to indemnify him or her against such Expense under this Article XI.

ARTICLE XII CERTAIN TRANSACTIONS

Except as provided in Article XI, no contract or other transaction between this Corporation and any other person or organization, and no act of this Corporation, shall be affected by the fact that a member, Director, officer, or employee of this Corporation has a financial or other interest in such other person or organization. Any member, Director, officer or employee, individually or any firm or corporation in which such member, Director, officer or employee may have an interest, may be a party to, or may have a financial or other interest in, any contract or transaction of this Corporation provided that the fact that such person, firm or corporation has such an interest shall be disclosed or shall be known to the Board of Directors or a majority of the members thereof, and provided further that such person shall neither vote nor be counted in determining the existence of a quorum for voting upon such matter.

ARTICLE XIII SCIENTIFIC ADVISORY BOARD

Section 1. <u>Purpose</u>. The Board of Directors may establish a Scientific Advisory Board to consist of prominent mental health professionals interested in the treatment and cure of OCD and whose purpose shall be furthering objectives of the Corporation. The Scientific Advisory Board shall have no administrative authority, but shall make recommendations to the Board of Directors for its consideration. The Scientific Advisory Board shall consist of a minimum of eleven (11) and a maximum of nineteen (19) members.

Section 2. <u>Election</u>. Members of the Scientific Advisory Board shall be selected by a majority vote of the Board of Directors, after consultation with the Chairman of the Scientific Advisory Board.

ARTICLE XIV AMENDMENT

Section 1. <u>Amendment</u>. These By-Laws may be amended by a two-thirds vote of the Directors present and voting, at any regular meeting of the Board of Directors, provided the Directors have been notified of the proposed amendment seven (7) days in advance of the meeting. These By-Laws shall become effective immediately upon adoption.

Section 2. <u>Changes to be Noted</u>. Whenever any By-Laws are amended or deleted or a new By-law is adopted, such action and date on which it was taken shall be noted on the original set of By-Laws in the appropriate place and a new set of By-Laws shall be prepared incorporating such change.

ARTICLE XV FISCAL YEAR

The fiscal year of the Corporation shall begin on the first of January and end on the 31st day of December in each year.

ARTICLE XVI HONORARY DIRECTORS

The Board of Directors shall have the right to appoint, at its discretion, a maximum of fifteen (15) Honorary Directors. Each Honorary Director shall serve for a term of two (2) years, or until the next annual meeting after their second anniversary. Honorary Directors shall have the rights to attend meetings but cannot vote.

CERTIFICATION

20

These Bylaw	s were adopted l	by resolution of the Boar	d of Directors of the
Corporation on this	day of	, 20 .	

EXHIBIT B

TIPS FOR STARTING A NON-PROFIT

Starting a Nonprofit Organization*

The process of starting a nonprofit organization generally involves:

- 1. <u>drafting bylaws</u> which sets forth the structure of the organization and <u>creates a governing board</u> with final authority for the organization,
- 2. incorporating as a nonprofit corporation in the state of choice,
- 3. <u>obtaining tax-exempt status</u> from the IRS and the state in which the organization is based, and
- 4. <u>completing additional documents</u> relating to state compliance, annual reporting requirements, newly instituted IRS compliance policies, and sound corporate recordkeeping practices.

When we are asked to assist a client in establishing a new organization, the specific process usually involves:

Developing bylaws and a board of directors. After discussion with the client regarding the purposes of the organization, options for structuring and comprising the board of directors, and basic operational and administrative mechanisms, we will draft the bylaws and an explanatory memorandum which outlines the most important points. A key, often-overlooked point of emphasis is the composition of the board of directors. In particular, it is important to carefully select the initial directors and determine the manner by which future directors are selected.

Incorporation. In most states this is a relatively simple procedure. The Articles of Incorporation generally include a number of the provisions already set forth in the bylaws.

Obtaining tax-exempt status from the IRS. The application and follow-up responses to the IRS are the most time consuming part of the process. Generally, the two substantive pieces of information required by the IRS are:

- A statement of activities detailing, as specifically as possible, the proposed activities of the new organizations.
- Estimated budgets for three years.

Obtaining income and sales tax exemptions and completing charitable registration in the state of incorporation.

For specific state and IRS filing requirements, please check under your state in the state-by-state <u>filings</u>, <u>compliance and statutes section</u> of this online resource library or our <u>site index</u>.

Developing mandatory and recommended policies to meet the requirements of the Internal Revenue Code.

Documents include compensation, conflict of interest, document retention and whistleblower policies.

Further advice regarding:

- Creating a Board Meeting Minute Book and other corporate record keeping practices.
- Risk management and insurance.
- Contracts and relationships with third parties.

Once this process is complete, legal questions often arise in such areas as: maintaining tax exemption, governance and board procedures, liability concerns, licensing and protecting intellectual property, charitable contributions and donor relations, employee matters, contract/grant review and drafting, and real estate leasing and purchasing.

We are pleased to provide counsel in each of these areas as newly established organizations grow, and look forward to developing and maintaining long-term relationships with our clients.

* Taken from http://www.hurwitassociates.com/l_start_forming.php

EXHIBIT C

AFFILIATE FEE STRUCTURE AND ACTIVITY REPORTING

Local Affiliate Fee Structure

Affiliate payments are based on the number of members in the affiliate's designated catchment area and the level of activity the affiliate engages in. Incentives are built into this fee structure to encourage affiliates to help increase membership in the International OCD Foundation, Inc. (the "IOCDF") and to increase their programming. In addition, there is a basic amount of programming all affiliates are expected to maintain (please see below).

- 1. Geographic Region Served: Each affiliate would have as a reference point, the closest city that has a population over 100,000. From this population center a minimum of a 100 mile radius would be used to identify the base line catchment area, or the catchment area will be as otherwise defined in the affiliate's Affiliation Agreement with IOCDF. The number of members falling within that radius would then help determine which tier payment the affiliate falls into. Affiliates would have an opportunity to enlarge this catchment area with two considerations in mind: 1) this area does not overlap with another affiliate (or possible affiliate); 2) the affiliate is able to document that their outreach and programming reaches those in the outlying areas.
- 2. Serve as a Local Resource Center: ALL affiliates should at minimum establish a way for (i) members in their catchment area to contact the affiliate by phone or via e-mail and (ii) the affiliate to respond to such voicemails and/or emails in a timely manner. These voicemails/emails could include responding to inquiries about information about the IOCDF and local resources. In addition, affiliates should maintain and coordinate local resources with the national office of the IOCDF in terms of individual providers, intensive programs, and support groups. Finally, affiliates should attempt to support and encourage local support groups.
- 3. *Educational Programming:* Affiliates are encouraged to organize and host local lecture series, talks, and conferences. Affiliates are encouraged to utilize the "OCD in the Classroom" kit to help increase awareness for teachers and professors in local school systems and colleges. Affiliates are encouraged to develop a regional newsletter to increase awareness and education about local events and resources.
- 4. Support National Programming: Affiliates are encouraged to attend regional conferences as exhibitors to publicize the affiliate and national organization, distribute literature, and encourage attendance at the annual conference and the IOCDF Behavior Therapy Training Institutes. In addition, affiliates are encouraged to help generate membership in the IOCDF by encouraging individuals in their catchment area to join or renew memberships.
- 5. *Local Fundraising:* Affiliates are encouraged to host local fundraisers to raise funds for the operation of the affiliate and to send back to and support the national mission.
- 6. Local Awareness/Advocacy Programs: Affiliates are encouraged to track local stories about OCD relevant news, state laws, advocacy opportunities, etc. and to advertise these events on their website or in their regional newsletters. Affiliates are encouraged to

engage in local advocacy efforts (e.g., meet with local/regional state reps, mayors, etc. to promote OCD awareness and advocacy).

\$250 per year:

• Serves as a local resource center and responds to inquiries within the designated 100 mile radius from the nearest metropolitan area (i.e., population of 100,000 or more).

\$500 per year

- Serves as a local resource center and responds to inquiries within the designated 100 mile radius from the nearest metropolitan area (i.e., population of 100,000 or more).
- Has a minimum of 20 members within catchment area

\$750 per year

- Serves as a local resource center and responds to inquiries within the designated 100 mile radius from the nearest metropolitan area (i.e., population of 100,000 or more).
- Has a minimum of 50 members within catchment area
- Has at least one established educational program which could include:
 - o Hosting a local conference of at least 30 attendees
 - Organizing a lecture series in which presenters happen at least quarterly (i.e., four times a year)
 - o Distributes a regional newsletter at least 3 times a year
 - o Presents "OCD in the Classroom" 3 times a year

\$1000 per year

- Serves as a local resource center and responds to inquiries within the designated 100 mile radius from the nearest metropolitan area (i.e., population of 100,000 or more).
- Has a minimum of 75 members within catchment area
- Has at least one established educational program which could include:
 - o Hosting a local conference of at least 30 attendees
 - Organizing a lecture series in which presenters happen at least quarterly (i.e., four times a year)
 - o Distributes a regional newsletter at least 3 times a year
 - o Presents "OCD in the Classroom" 3 times a year
- Is involved in at least one activity supporting national programming (i.e., exhibits at a regional conference) or hosts at least one fundraiser

\$1500 per year

- Serves as a local resource center and responds to inquiries within the designated 100 mile radius from the nearest metropolitan area (i.e., population of 100,000 or more.)
- Has a minimum of 100 members within catchment area
- Is involved in at least 3 educational, national programming, or fundraising activities

\$2000 per year

- Serves as a local resource center and responds to inquiries within the designated 100 mile radius from the nearest metropolitan area (i.e., population of 100,000 or more.).
- Has a minimum of 200 members within catchment area
- Is involved in at least 4 educational, national programming, or fundraising activities

\$2500 per year

- Serves as a local resource center and responds to inquiries within the designated 100 mile radius from the nearest metropolitan area (i.e., population of 100,000 or more).
- Has a minimum of 300 members within catchment area
- Is involved in at least 5 educational, national programming, or fundraising activities

AFFILIATE ACTIVITY REPORT FORM

As part of its annual Local Affiliate funding evaluation, the IOCDF requests that [______]³ complete the form below for its most recent fiscal year. In order to qualify for the highest level of payment possible, all criteria for a particular tier need to be met (i.e., membership and number of programs).

	AFFILIATE PAYMENT CRITERIA	LOCAL AFFILIATE RESPONSE
I.	GEOGRAPHIC REGION SERVED	
	Nearest metropolitan area (i.e., population of 100,000 or more).	
	Number of members in the catchment area in the last calendar year.	
II.	LOCAL RESOURCE CENTER	
	Can the members in the catchment area contact the Local Affiliate by phone or email (Yes / No)? If no, explain exceptions.	
	Local Affiliate responds in a timely manner to phone calls, voicemails and e-mail originating within the designated 100 mile radius of the nearest metropolitan area (Yes / No). If no, explain exceptions.	
III.	EDUCATIONAL PROGRAMMING	
	Total number of established educational programs.	
	List and describe any local conferences hosted in the last calendar year with at least 30 attendees.	
	List and describe any lecture series on OCD topics organized over the last calendar year.	
	List and describe any distributions of a regional newsletter in the last calendar year.	
	List any presentations of "OCD in the Classroom" in the last calendar year.	
	List and describe any other educational programs.	

³ Note to IOCDF: Fill in appropriate Local Affiliate name when distributing form.

IV.	SUPPORT NATIONAL PROGRAMMING	
	List and describe any activities in the last calendar year that supported national programming (e.g., exhibits at a regional conference).	
V.	LOCAL FUNDRAISING	
	List and describe any local fundraisers hosted in the last calendar year.	
VI.	LOCAL AWARENESS / ADVOCACY PROGRAMS	
	List and describe any efforts to track OCD developments (local stories about OCD-related news, state laws, advocacy opportunities, etc.) and any advertising of these developments on the Local Affiliate website or in the regional newsletter.	
	List and describe local advocacy efforts (e.g., meetings with local/regional state reps, mayors, etc. to promote OCD awareness and advocacy).	
	VII. TOTAL PAYMENT	

EXHIBIT D

SAMPLE ANNUAL REPORT



ANNUAL REPORT 2007-2008

Dear Friends,

The OCFWPA continues to be dedicated to serving families afflicted with OCD and spectrum disorders by supporting education, understanding, research and treatment. While continuing to provide support for people suffering from OCD, educating school systems and mental health care professionals has emerged as the Board of Directors' major focus in the past year.

Accomplishments in the past year included OCD presentations at conferences for school educators and counselors, hosting the Behavior Therapy Institute which brought state of the art training to local therapists, expanding our services to a greater area of western PA. Therapists in the Erie and State College area are now listed on the web site; all OCF members in western PA now receive our newsletter an additional mailings and Dr. Hudak presented a seminar in Erie for OCD therapists.

Building on the success of our first annual Dirt Monster 5 Mile Trail Race fundraiser last November, we will hold our 2nd Annual Dirt Monster 5 mile Trail Race and 1 Mile Walk on Saturday, November 2, 2008.

We are also pleased to announce that this fall we are beginning a series of quarterly educational seminars focusing on OCD and OCD related topics. We will also be holding a local one day OCD conference with the help of the Greater Pittsburgh Psychological Association next spring for professionals, consumers and their families. Plans are in the works for Dr. Gilbert and a child therapist to present a seminar in Erie concerning the treatment of pediatric patients. Launching a local public awareness campaign on OCD and continuing to educate school personnel and therapists remain high on our priority list for the coming year.

We continue to be committed to increasing our membership and raising more funds to support our programs. The national OC Foundation continues to fund a great number of extremely important research studies as well as publicizing OCD research projects which are funded by other sources. We are doing our part by raising awareness of the studies in which our members and their families are most likely to be able to participate.

The OCFWPA continues to serve as a source of information via our voice mail and web site. We maintain a referral list of local therapists expressing an interest in treating OCD as well as local support group information. We answer calls and emails from all over the country.

Volunteers with any amount of time or skill sets are always needed. Suggestions from our membership on what areas they would like to see us focus our efforts are always welcome.

Thank you for your continued support.

Sincerely,

Deborah A Iannuzzi President

Board of Directors 2007-2008

Deborah A Iannuzzi President
Elaine Davis, PhD Vice President
Joan Kaylor, MSEd,NCC,LPC Treasurer
Hilary Zurbuch, MS Director

Scientific Advisory Board

Robert Hudak, MD Chair Larry Glanz, PhD Secretary Charles Berlin, MD Frank Ghinnassi, Ph.D. Katie Hammond Holtz, PsyD

THE MISSION OF THE OBSESSIVE COMPULSIVE FOUNDATION OF WESTERN PA (OCFWPA) IS TO SERVE FAMILIES IN WESTERN PA AFFLICTED WITH OBSESSIVE COMPULSIVE (OCD) AND SPECTRUM DISORDERS BY EXPANDING EDUCATION, UNDERSTANDING, RESEARCH AND TREATMENT.

OC Foundation of Western PA * PO Box 874 * McMurray, PA 15317 412-363-6231 * ocdirections@verizon.net * www.ocfwpa.org

EXHIBIT E

SAMPLE FINANCIAL REPORT

FINANCIAL REPORT

September 1, 2006 to August 31, 2007

Income

Donations	\$ 1,305.00
15% of Membership Dues from IOCDF	\$ 666.75
United Way Contributor's Choice	\$ 341.66
Total	\$ 2,313.41
Expenses	
Postage / Post Office Box	\$ 125.00
Phone	\$ 277.00
Board Insurance	\$ 962.00
Newsletter Expenses	\$ 162.99
Community Education	\$ 150.00
Mental health Professional Survey Expenses	\$ 586.97
Total	\$ 2,263.96

EXHIBIT F

SAMPLE FUNDING FORMULA AND CALCULATIONS

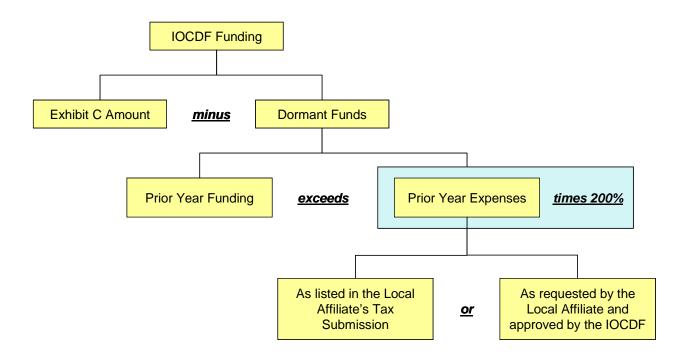
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Sample Funding Formulas and Calculations

This Exhibit provides a graphical illustration of the formula used to determine the IOCDF Funding that will be paid to a Local Affiliate in an Eligible Year, as described in Section 7(a) of the Affiliation Agreement. Sample calculations of IOCDF Funding are also provided below. If there is any conflict between any content in this Exhibit and the provisions of 7(a)(i) - (iii) of the Affiliation Agreement, the provisions of Section 7(a)(i) - (iii) of the Affiliation Agreement will control.

<u>Illustration of the IOCDF Funding Formula</u> (as referenced in Section 7(a) of the Affiliation Agreement)



Sample Calculations of IOCDF Funding

Please note that in each of the examples below, the total IOCDF Funding is set forth for the current Eligible Year. Each example assumes that the Exhibit C Amount will be equal to \$1000 for the Eligible Year and \$500 for the Prior Year. In each case, to receive this level of funding, a local affiliate would need to satisfy the applicable threshold criteria set forth in Exhibit C to the Affiliation Agreement. The calculations below are for illustration purposes only, and are not intended to reflect the actual funding situation of any local affiliate of IOCDF.

Example 1 – Low Prior Year Expenses (\$100):

Step 1: Exhibit C Amount = \$1,000

Step 2: Calculate Dormant Funds

a) Prior Year Expenses = \$100

b) 200% of Prior Year Expenses⁴ = $2 \times 100 = 200$

c) Prior Year Funding = \$500

d) Dormant Funds = the amount by which Prior Year Funding *exceeds*

200% of the Prior Year Expenses

= \$500 - \$200

= \$300

Step 3: Total IOCDF Funding = Exhibit C Amount – Dormant Funds

= \$1,000 - \$300

= \$700

Example 2 – Medium Prior Year Expenses (\$250):

Step 1: Exhibit C Amount = \$1,000

Step 2: Calculate Dormant Funds

a) Prior Year Expenses = \$250

b) 200% of Prior Year Expenses $= 2 \times \$250 = \500

c) Prior Year Funding = \$500

d) Dormant Funds = the amount by which Prior Year Funding *exceeds*

200% of the Prior Year Expenses

= \$500 - \$500

 $= \$0^5$

Step 3: Total IOCDF Funding = Exhibit C Amount – Dormant Funds

= \$1,000 - \$0

= \$1,000

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⁴ As set forth in Section 7(a)(iii)(4) of the Affiliation Agreement and in the graphical illustration in this Exhibit F, the Prior Year Expenses will be equal to (i) the total expenses listed on the Local Affiliate's Tax Submission for the Prior Year, or (ii) such other amount as requested by the Local Affiliate and approved by the IOCDF.

⁵ In this example, there is no excess of Prior Year Funding over 200% of the Prior Year Expenses, hence there are no Dormant Funds. Likewise, if the difference was a negative number (i.e. 200% of the Prior Year Expenses was greater than the Prior Year Funding), there would be no Dormant Funds and no adjustment to the Exhibit C Amount for the current Eligible Year. In each such case, the IOCDF Funding would be equal to the Exhibit C Amount.