



CHARTER AND INTERNATIONAL BYLAWS OF THE SHAMBHALA MANDALA SAN FRANCISCO (CA) SHAMBHALA CENTER

THIS CHARTER is issued by the authority of the Sakyong Mipham Jampal Trinley Rinpoche, the lineage holder of the Shambhala Mandala.

RECITATIONS

THE SHAMBHALA MANDALA is the global community devoted to presenting, establishing, and advancing the wisdom, compassion, and skillful means of the lineage of the Sakyongs of Shambhala .

THE LINEAGE INSTITUTIONS OF THE SHAMBHALA MANDALA have adopted principles and instruments of governance that provide for the recognition and empowerment of Shambhala Meditation Centers dedicated to the advancement of the purposes of Shambhala.

THE SAN FRANCISCO (CA) SHAMBHALA CENTER (the “Center”) has sought recognition as and been determined to qualify for proclamation as a Lineage Institution of the Shambhala Mandala and has accepted this Charter and International Bylaws as its founding instrument.

SHAMBHALA CHARTER

The Center is hereby chartered and proclaimed as a lineage institution of Shambhala International and a member of Shambhala International (Vajradhatu), a Colorado nonprofit corporation. As a lineage institution, the Center is a recognized seat of the Lineage of the Sakyongs of Shambhala and is authorized to present the teachings and practices entrusted to the Shambhala Mandala by that lineage. The Center is authorized, empowered, and licensed to identify itself to the public as a Shambhala Meditation Center under the leadership and spiritual guidance of that lineage. The Center is entitled and commits to participate in the governance bodies and procedures of Shambhala. The Center is further authorized to form and operate such corporate or other legal entities as may be necessary or appropriate under the laws of its local jurisdiction; to adopt and amend local bylaws and rules related to its internal governance; to appoint directors and officers and to employ such persons as may be necessary or appropriate to its efficient operation; to acquire, own, lease, and operate real and personal property; to enter into contracts in its own name; and otherwise to exercise all of the powers permitted under the laws of its local jurisdiction.

INTERNATIONAL BYLAWS

1. **Adoption.** The Center hereby adopts these International Bylaws (“Bylaws”) for the governance and administration of its operations. These Bylaws are supplemental to the Charter and to the governing instruments of Shambhala and shall be deemed subordinate to the Charter and said governing instruments. In the event of conflict in interpretation, the Charter and governing instruments of Shambhala shall prevail.
2. **Purposes.** The purposes for which the Center is established are as follows:
 - (a) To operate solely as a center or division of the Shambhala Mandala and a part of its association of centers and organizations in the world and in the Center’s local jurisdiction, and in that role to present, propagate, and support the teachings of the Shambhala lineage;
 - (b) To establish, maintain and operate a center for religious practice and worship in accordance with the precepts and teachings of the Shambhala and Buddhist traditions, as taught and practiced within the Shambhala Mandala, and, specifically within Shambhala International (Vajradhatu) a Colorado nonprofit corporation (“Shambhala International”), with which the Center is associated;
 - (c) To promote and encourage cooperation and communication between the Center and the other centers and organizations within the Shambhala Mandala and under the direction and control of Shambhala International;
 - (d) To conduct the activities of the Center exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1954, as the same may be amended from time to time; and,
 - (e) To fulfill the purposes and exercise the powers of Shambhala and Shambhala International, as set forth in the Amended and Restated Articles of Incorporation of Shambhala International (Vajradhatu), which are incorporated herein by reference as if fully set forth.
3. **Governance by Shambhala.**
 - (a) The Center is subject to the governance of the Sakyong, the Lineage Holder of Shambhala, and the governing bodies and officers of the Shambhala Mandala and Shambhala International in all matters of practice and instruction, organization, administration, and finances.

- (b) The Center may adopt procedures for appointment, compensation, and replacement of its directors and officers; provided that all such appointments shall be confirmed by the Sakyong or his designee, and all directors and officers shall be subject to the removal from office for cause by the Sakyong or his designee in accordance with procedures in effect within the Shambhala Mandala.
- (c) The Center shall have the authority to adopt operational Bylaws and policies in furtherance of and consistent with these Bylaws, provided that in the event of any conflict, the provisions of these Bylaws shall govern.
4. **Protecting the Name of Shambhala.** The Center acknowledges that the Shambhala Mandala, acting through Shambhala International and Shambhala/Nalanda Foundation (collectively, for purposes of this paragraph only, “Shambhala International”) have adopted, own and use world-wide, the names and service marks Shambhala, Shambhala Center, Shambhala Meditation Centers, and Shambhala Training, and have registered the same with the U.S. Patent and Trademark Office for educational services in International Class 41 and for religious, ministerial and educational services in International Class 42 (the “Trademarks”).
- (a) The Center acknowledges that the service marks, and the goodwill symbolized thereby, are the sole and exclusive property of Shambhala International. The Center agrees that it will do nothing inconsistent with such ownership and that all use of the service marks by the Center shall inure to the benefit of and be on behalf of Shambhala International, that the Center is stopped from establishing any claim of adverse possession to the service marks, and agrees to assist Shambhala International in recording this agreement with appropriate government authorities where necessary.
- (b) The Center acknowledges that nothing in these Bylaws shall give the Center any right, title or interest in or to the service marks and that it shall not attack Shambhala International’s title to the service marks or attack the validity of the service marks as service marks or trademarks. *The parties acknowledge that the Center may, in the course of its operations, wish to use the service mark “Shambhala” in conjunction with other terms, in a manner similar to the conjoined mark “Shambhala Center.” Before making such use, the Center agrees to notify Shambhala International and receive its written approval of such use. Any and all rights to such new mark shall belong to Shambhala International, unless otherwise agreed in writing.*

(c) The Center acknowledges and agrees that it has no power or right to, and shall not at any time (i) attach, pledge or otherwise encumber the title or any rights of Shambhala International in or to the service marks anywhere in the world, (ii) claim any right, title or interest in or to the service marks, or (iii) register or apply to register the service marks in the United States Patent and Trademark Office or in any State of the United States, nor seek registration of the service marks anywhere in the world in the Center's name or in any other name not otherwise expressly authorized by Shambhala International in a signed writing.

5. Limitations on Powers Related to the United States Internal Revenue Code.

(a) The Center is a local subordinate organization within the group ruling of exemption from federal income tax of Shambhala International. The Center shall have the power to conduct activities necessary or incidental to its purposes stated above or conducive to the furtherance thereof, subject always to the direction and control of Shambhala International, acting through its governing bodies.

(b) The Center shall not carry on any activities not permitted to be carried on by an organization exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code of 1954 and Regulations established thereunder, or by any organization contributions to which are deductible under Section 170(c)(2) of such Code and Regulations thereunder or the corresponding provisions of any future United States Internal Revenue law.

(c) The Center is not organized for pecuniary profit or financial gain, and no part of its assets, income or profit shall be distributed to or inure to the benefit of any member or officer of the Center or any other private individual, except that the Center shall be authorized to pay reasonable compensation for services rendered in furtherance of the purposes set forth herein.

(d) No part of the activities of the Center shall be devoted to carrying on propaganda or otherwise attempting to influence legislation. The Center shall not participate or intervene in any political campaign on behalf of any candidate for public office.

6. Assets. The assets of the Center are dedicated to the purposes of the Shambhala Mandala and Shambhala International and in the event of the liquidation, dissolution or winding up of the Center shall be transferred, conveyed and distributed to Shambhala International or any successor to Shambhala International; or in the event Shambhala International or its

successor shall not then exist, then in a manner designed to carry out the purposes of Shambhala International, provided that no assets shall be distributed to any organization whose purposes are not exclusively charitable within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1954 and Regulations adopted thereunder as at any time amended.

7. **Dispute Resolution.** The Center agrees that in the event of any dispute between the Center, its directors, officers, or representatives (for purposes of this paragraph, the “Center”) and Shambhala, Shambhala International, any other participating entity of the Shambhala Mandala, or any director, officer, or representative of Shambhala or Shambhala International, acting in his or her official capacity (for purposes of this paragraph, collectively referred to as the “Shambhala Mandala”), such dispute shall be resolved exclusively by means of the internal dispute resolution procedures established by the Sakyong and the governing bodies of the Shambhala Mandala. As used herein, the term “dispute” shall be construed as broadly as possible and includes, without limitation, any claim or controversy arising out of or related to the Charter, these Bylaws, or, more generally, the relationship between the Center and the Shambhala Mandala, whether legal or equitable and regardless of the nature of any cause of action or legal theory under which such dispute could be asserted. The Center agrees that it shall fully participate in, comply with, and be absolutely bound by any final decision entered in accordance with such internal dispute resolution procedures, which may include mediation and mandatory binding arbitration before an arbiter or arbiters appointed by the Sakyong or his designee; that the final decision entered in such internal dispute resolution procedures shall not be subject to review or appeal by any civil court or tribunal in any jurisdiction whatsoever; and that such final decision shall be fully enforceable to the fullest extent of the law as an arbitration or similar award by the civil courts having jurisdiction over the Center.
8. **Amendment.** These International Bylaws may be amended at any time by action of the governing body of the Shambhala Mandala.

The foregoing International Bylaws are hereby adopted by the Center this _____ day of _____, 2004.

Director

Secretary

ACKNOWLEDGEMENT

The San Francisco (CA) Shambhala Center is hereby acknowledged as a member lineage institution of Shambhala and an associate local center or division of Shambhala International as of the _____ day of _____, 2004.

SHAMBHALA

By: Shambhala International (Vajradhatu)

[SEAL]

By: _____

Title: _____