

**Amended Bylaws of SANTA CRUZ ZEN CENTER,  
a California Nonprofit Religious Corporation**

**ARTICLE 1. ORGANIZATION AND PURPOSES.**

**Section 1.01. Corporate Name.**

The name of this corporation is Santa Cruz Zen Center, and may also be referred to herein as “SCZC” or the “corporation.” The corporation is organized under the California Nonprofit Religious Corporation Law.

**Section 1.02. Principal Office.**

(a) The principal office for the transaction of the activities and affairs of this corporation is located at 113 School Street, in the city of Santa Cruz, Santa Cruz County. The board of trustees may change the location of the principal office by resolution, or may amend this section to state the new location.

(b) The board may at any time establish branch or subordinate offices at any place or places where this corporation is qualified to conduct its activities.

**Section 1.03. Purposes.**

The purpose of Santa Cruz Zen Center is to embody and communicate the teachings of the Buddha. Our understanding of the non-duality of wisdom and compassion, practice and realization, has been conveyed through the teachings of the Soto School. The focus of our center is on integrating Zen practice and everyday life.

**Section 1.04. Irrevocable Dedication of Assets.**

This corporation’s assets are irrevocably dedicated to religious purposes. No part of the net earnings, properties, or assets of the corporation, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or to any trustee or officer of the corporation. On liquidation or dissolution, all properties and assets remaining after payment, or provision for payment, of all debts and liabilities of the corporation shall be distributed to a nonprofit fund, foundation, or corporation that is organized and operated exclusively for charitable purposes and that has established its exempt status under Internal Revenue Code §501(c)(3).

**ARTICLE 2. MEMBERSHIP.**

**Section 2.01. Membership Organization.**

(a) This corporation shall have one or more classes of voting members, with qualifications and obligations to be set by the board of trustees from time to time. However, the only matter upon which a member may vote is the annual election of trustees. The selection of interim trustees due to vacancies occurring between annual meetings is not a matter upon which members may vote. Subject to further amendment by the board, the following provisions shall govern the existence and rights of members:

(1) Those members who pledge and make a regular financial contribution are Contributing Members. Benefits of this class of membership include checking out library materials. Contributing members shall set their own pledge amount.

(2) Sustaining Members are those who contribute a monthly amount as established by the Board. In addition to the Contributing Member's benefits, Sustaining Members receive financial discounts for purchases of books, cushions, other supplies and event participation.

(3) Contributing Members and Sustaining Members shall submit a pledge form, which shall be renewed annually. The amount of a Contributing Member's pledge is a personal decision. Members are encouraged to pledge financial support at a level appropriate to their means and their desire to support Santa Cruz Zen Center.

(4) Voting Members are those who have been Contributing Members or Sustaining Members for at least one year prior to the annual election of trustees, and not in arrears with membership dues or pledges as of August 31 of the election year.

(5) The board may at its option conduct the annual vote for trustees by mail or electronically rather than in-person at the annual meeting. The board shall determine the procedures to be followed in either instance.

(b) The board of trustees may also, in its discretion, admit individuals to one or more classes of nonvoting members who share the corporation's spiritual beliefs, practices, values and goals, and when in good standing may be considered members of the sangha community. While such persons may be referred to as "members," they shall not be members within the meaning of the Nonprofit Corporation Law. Both voting and non-voting members of the corporation may be referred to as the "sangha."

#### **Section 2.02. Memberships Not Transferable.**

No membership or right arising from membership shall be transferred. All membership rights cease on the member's death, termination, or the dissolution of the corporation.

#### **Section 2.03. Annual Meeting.**

A General Membership Meeting shall be held in November of each year. The meeting shall be open to all sangha members. The purpose of the annual meeting is to (1) inform the sangha-at-large about ongoing Santa Cruz Zen Center business and projects; (2) solicit input to advise the Board, Operations Group, and Practice Committee; and (3) elect Board Trustees as necessary, when such vote is not conducted by mail.

#### **Section 2.04. Location of Meetings.**

Meetings of the members shall be held at any place within or outside California designated by the board. In the absence of any such designation, members' meetings shall be held at the corporation's principal office. The board may authorize members who are not present to participate by electronic transmission or electronic video communication.

#### **Section 2.05. Notices to Members.**

Notices to members regarding annual or special meetings, consideration of any matters requiring an meeting of members, or any other matter, shall only be given electronically. It is the responsibility of each member to provide the secretary with his or her electronic contact

information. In special cases of hardship, the secretary may adopt other means of communication, provided that the member timely brings the matter to the secretary's attention.

### **Section 2.06. Quorum for Annual Election of Trustees by Members.**

A quorum of 50% is required for the election of trustees at the annual meeting. If the election is held by mail, a quorum of at least 50% of the membership must submit a ballot. However, a ballot in which a member abstains from voting shall be counted for purposes of determining the existence of a quorum, so long as the ballot is submitted.

## **ARTICLE 3. BOARD OF TRUSTEES.**

### **Section 3.01. General Powers of the Board.**

Subject to the provisions and limitations of the California Nonprofit Religious Corporation Law and any other applicable laws, and subject to any limitations in the articles of incorporation or bylaws relating to action requiring approval by the members, the corporation's spiritual and temporal activities, business, and affairs shall be managed, and all corporate powers shall be exercised, by or under the direction of the board.

### **Section 3.02. Specific Powers of the Board.**

Without prejudice to the general powers of the board set forth in these bylaws, but subject to the same limitations, the board shall have the power to do the following:

- (a) Appoint and remove, at the pleasure of the board, all corporate officers, agents, and employees; prescribe powers and duties for them as are consistent with the law, the articles of incorporation, and these bylaws; fix their compensation; and require from them security for faithful service.
- (b) Conduct, manage, and control the corporation's spiritual and temporal affairs and activities and make such rules and regulations for this purpose, consistent with law, the articles of incorporation, and these bylaws, as the board deems best.
- (c) Borrow money and incur indebtedness on the corporation's behalf, and cause to be executed and delivered for the corporation's purposes, in the corporation's name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities.
- (d) To exercise all other powers conferred by the California Nonprofit Religious Corporation Law, or other applicable laws, consistent with the articles of incorporation.
- (e) Adopt and use a corporate seal, and alter the form of the seal.

### **Section 3.03. Decision Making Processes of the Board.**

- (a) Action by the board of trustees shall be by simple majority of a quorum of board members present.
- (b) Notwithstanding the foregoing, the trustees shall, before adopting a decision by a vote of a simple majority of the trustees constituting a quorum, attempt to reach a decision by consensus agreement. The board shall poll the trustees present at the meeting on a scale of 1-5 with a "1" being full support and "5" being a veto. The board may by resolution specify the procedure by which a board action may be enacted or rejected according to this procedure. In the event that a

decision cannot be reached using this procedure, the vote of a simple majority shall constitute the act of the board.

**Section 3.04. Number and Qualifications of Trustees.**

(a) The board of trustees shall consist of at least six but no more than eleven trustees unless changed by amendment to these bylaws. At a minimum, the board shall consist of the President, Vice-President, Secretary, Treasurer, and at least two voting sangha members. The exact number of trustees shall be fixed, within those limits, by a resolution adopted by the board of trustees.

(b) The term of a trustee shall be three years, and a trustee may serve an indefinite number of consecutive terms.

(c) To qualify for election as a trustee, a candidate must be voting member of the sangha.

**Section 3.05. Staggered Terms of Board Members.**

(a) The terms of trustees shall be staggered so that as near as mathematically possible, the terms of one-third of the trustees shall expire each year.

(b) Whenever necessary to achieve these staggered terms, the board shall specify the term or terms of one or more vacancies to be voted upon at the annual meeting as one, two, or three years.

(c) If and when the number of board members is increased, the initial term of the new trustee shall be designated as one, two or three years, in order to best approximate the conditions of subsection (a), above.

**Section 3.06. Nominations of Candidates and Voting for Trustees.**

(a) Only voting members are eligible to be nominated as trustees.

(b) The board shall appoint a nominating committee comprised of board and voting sangha members. The committee shall submit a list of proposed candidates to the board. The board shall then determine which candidates shall appear on the ballot for the election. The ballot shall be distributed at least one month prior to the election, and shall include biographical information concerning each candidate.

(c) An orientation session shall be held for new trustees within a month after the new Board has been seated. The session shall include a review of the past six months of Santa Cruz Zen Center issues, instruction in the decision-making procedure, and a conversation with the President about Board responsibilities.

**Section 3.07. Vacancies on Board.**

(a) A vacancy or vacancies on the board of trustees shall occur in the event of (1) the death, removal, or resignation of any trustee; (2) the declaration by board resolution of a vacancy of the office of a trustee who has been convicted of a felony or declared of unsound mind by a court order; (3) the removal of a trustee for fraudulent acts in an action in Superior Court under Corporations Code §9223; or (e) the increase of the authorized number of trustees.

**Section 3.08. Resignation of Trustees.**

(a) Except as provided below, any trustee may resign by giving written notice to the president or the secretary of the board. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective. If a trustee's resignation is effective at a later time, the board may elect a successor to take office as of the date when the resignation becomes effective.

(b) Except on notice to the California Attorney General, no trustee may resign if the corporation would be left without a duly elected trustee or trustees.

**Section 3.09. Removal of Trustees.**

(a) Any trustee may be removed, with or without cause, by the unanimous vote of the members of the entire board of trustees at a special meeting called for that purpose, or at a regular meeting, provided that notice of that meeting and of the removal questions are given as provided in the manner specified for a special meeting of the board. Any vacancy caused by the removal of a trustee shall be filled by the board at the same meeting at which the removal occurs, or as soon as it is convenient for the board to do so.

(b) Any trustee who does not attend three successive board meetings will automatically be removed from the board without board resolution unless:

(1) The trustee requests a leave of absence for a limited period of time, and the leave is approved by the trustees at a regular or special meeting. If such leave is granted, the number of board members will be reduced by one in determining whether a quorum is or is not present;

(2) The trustee suffers from an illness or disability which prevents him or her from attending meetings and the board by resolution waives the automatic removal procedure of this subsection; or

(3) The board by resolution of the majority of board members agrees to reinstate the trustee who has missed three meetings.

**Section 3.10. Vacancies Filled by Board.**

Vacancies on the board as described in Section 3.07 may be filled by approval of the board or, if the number of trustees then in office is less than a quorum, by (a) the unanimous written consent of the trustees then in office, (b) the affirmative vote of a majority of the trustees then in office at a meeting held according to notice or waivers of notice complying with Corporations Code §9211, or (3) a sole remaining trustee. Prior to filling any vacancies, the board may ask the sangha community to nominate one or more candidates. The board may also make nominations. The vacancy or vacancies shall be filled from among the nominated candidates.

**Section 3.11. Reduction in Number of Authorized Trustees.**

Any reduction of the authorized number of trustees shall not result in the removal of any trustee before his or her term of office expires, unless the trustee voluntarily resigns.

**Section 3.12. Location of Board Meetings.**

Meetings of the board shall be held at any place within or outside California that has been designated by resolution of the board or in the notice of the meeting or, if not so designated, at the principal office of the corporation.

### **Section 3.13. Board Meetings by Telecommunication.**

Any board meeting may be held by conference telephone, video screen communication, or other communications equipment. Participation in a meeting under this Section shall constitute presence in person at the meeting if both the following apply:

- (a) Each member participating in the meeting can communicate concurrently with all other members.
- (b) Each member is provided the means of participating in all matters before the board, including the capacity to propose, or to interpose an objection to, a specific action to be taken by the corporation.

### **Section 3.14. Annual Organizational Meeting of Board.**

- (a) The board shall hold an annual general meeting for purposes of organization, election of new trustees, election of officers, and transaction of other business. To the extent that it is convenient to do so, this meeting shall immediately follow the annual meeting of members.
- (b) Other general meetings of the board may be held without notice at such time and place as the board may fix from time to time.

### **Section 3.15. Regular Meetings of Board.**

- (a) The board shall meet at least every other month, but may meet more frequently in the discretion of the board.
- (b) All meetings of the board other than closed sessions are open to all sangha members. Practice Leaders and Sangha Members are encouraged to attend Board meetings.
- (c) The agenda for each regular meeting of the board shall include a period of open commentary at the beginning of each meeting in which sangha members may comment on issues related to SCZC. As time permits, community comments may also be received at the end of each meeting.
- (d) The minutes of each meeting shall be made available to the general sangha after approval of the minutes by the Board. The President shall propose and post an agenda at least one week before each meeting and shall receive input to revise it as necessary.

### **Section 3.16. Special Meetings of Board.**

Special meetings of the Board may be called by the President at any time. Board members must receive five days notice of such meetings. These meetings may be open or closed, at the discretion of the Board.

### **Section 3.17. Quorum for Board Meetings.**

- (a) Seventy percent of seated trustees shall constitute a quorum. However, a Board member may take a formal leave of absence if he or she will be unable to participate in board meetings for up to two consecutive months. Such a leave of absence shall create a temporarily unoccupied position, thereby reducing the number by which a quorum is established. If the Board member on leave is an officer, the Board will appoint an interim officer.

(b) A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of some trustees, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting.

**Section 3.18. Waiver of Notice.**

Notice of a meeting need not be given to any trustee who, either before or after the meeting, signs a waiver of notice, a written consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver of notice or consent need not specify the purpose of the meeting. All waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meetings. Notice of a meeting need not be given to any trustee who attends the meeting and who, before or at the beginning of the meeting, does not protest the lack of notice to him or her.

**Section 3.19. Adjournment.**

A majority of the trustees present, whether or not a quorum is present, may adjourn any meeting to another time and place.

**Section 3.20. Notice of Adjourned Meeting.**

Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned for more than 24 hours. If the original meeting is adjourned for more than 24 hours, notice of any adjournment to another time and place shall be given, before the time of the adjourned meeting, to the trustees who were not present at the time of the adjournment.

**Section 3.21. Board Action by Unanimous Consent without Meeting.**

Any action that the board is required or permitted to take may be taken without a meeting if all board members consent in writing to the action. Such action by written consent shall have the same force and effect as any other validly approved board action. All such consents shall be filed with the minutes of the proceedings of the board.

**Section 3.22. Trustee Compensation.**

Trustees and members of committees of the board shall serve without compensation. However, they may be reimbursed for their just and reasonable expense by resolution of the board.

**ARTICLE 4. COMMITTEES.**

**Section 4.01. Board Committees.**

The board, by resolution adopted by a majority of the trustees then in office, may create one or more committees, each consisting of two or more trustees and no one who is not a trustee, to serve at the pleasure of the board. Appointments to committees of the board shall be by majority vote of the trustees then in office. The board may appoint one or more trustees as alternate members of any such committee, who may replace any absent member at any meeting. Any such committee shall have the authority of the board, to the extent provided in the board resolution, except that no committee may do the following:

- (1) Fill vacancies on the board or any committee of the board;

- (2) Fix compensation of the trustees for serving on the board or on any committee;
- (3) Amend or repeal bylaws or adopt new bylaws;
- (4) Amend or repeal any resolution of the board;
- (5) Create any other committees of the board or appoint the members of committees of the board;
- (6) Approve any contract or transaction to which the corporation is a party and in which one or more of its trustees has a material financial interest; or
- (7) Take any final action on any matter that is prohibited to be taken by a committee pursuant to the California Nonprofit Religious Corporation Law, or any other provision of law.

#### **Section 4.02. Advisory Committees.**

The board may at any time establish one or more advisory committees to the board. The members of any advisory committee may consist of trustees or non-trustees, but must be members in good standing of the sangha. Advisory committees may not exercise the authority of the board to make decisions on behalf of the corporation, but shall be limited to making recommendations to the board or the board's authorized representatives and to implementing board decisions and policies. Advisory committees shall be subject to the supervision and control of the board.

#### **Section 4.03. Property Maintenance Committee.**

- (a) A Property Maintenance Committee shall be appointed by the Board to organize and coordinate the Property Maintenance Team, and may be either a board committee or an advisory committee. If due to its composition it is an advisory committee, the committee may not be delegated any board powers.
- (b) The Property Maintenance Committee shall be led by the Board/Property Liaison, and shall include work leaders, property manager, renter liaison, and a third-party property maintenance service.
- (c) The Property Maintenance Committee shall do the following:
  - (1) Serve as liaison between Board, third-party property maintenance service, renter liaison, reserve study consultant, work leaders, and property manager.
  - (2) Act as the liaison for renter concerns and contracts in collaboration with renters.
  - (3) Develop annual property/ground budgets and present property/grounds maintenance priorities and recommendations to the Board for final approval.
  - (4) Convene sub-committees to select tenants and include at least one board member and one practice leader in the decision-making process.
  - (5) Ensure that a financial reserve study is completed every three years and review reserve study on an annual basis or more frequently as needed.

#### **Section 4.04. Practice Committee.**

A Practice Committee consisting of senior students chosen by the Teachers shall assist and advise the Teachers on practice issues. Practice Committee members shall advise the Teachers

and administrative leaders on the calendar, schedule, practice roles and temple forms. This group shall seek input from the broader sangha where appropriate. Summaries of Practice Committee meetings shall be made available to the Board in the form of the calendar, practice schedule and other related information.

**Section 4.05. Executive Committee.**

The board may appoint two or more trustees of the corporation to serve as the executive committee of the board. The executive committee, unless limited by a resolution of the board, shall have and may exercise all the authority of the board in the management of the business and affairs of the corporation between meetings of the board; provided, however, that the executive committee shall not have the authority of the board in reference to those matters enumerated in this Article which are forbidden to committees. All actions of the executive committee shall be reported to and ratified by the full board at the next duly scheduled board meeting.

**Section 4.06. Committee Meetings.**

Meetings and actions of committees of the board shall be governed by, held, and taken under the provisions of these bylaws concerning meetings and other board actions, except that the time for general meetings of board committees and the calling of special meetings of board committees may be set either by board resolution or, if none, by resolution of the committee. Minutes of each meeting shall be kept and shall be filed with the corporate records. The board may adopt rules for the governance of any committee as long as the rules are consistent with these bylaws. If the board has not adopted rules, the committee may do so.

**ARTICLE 5. OFFICERS OF THE CORPORATION.**

**Section 5.01. Number and Titles of Officers.**

The officers of the corporation shall be a President, Vice-President, Secretary and Treasurer. The corporation, at the board's discretion, may also have one or more additional vice presidents, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be appointed under these bylaws.

**Section 5.02. Election of Officers.**

Officers shall be chosen from among the trustees. The officers of this corporation shall be elected by the board immediately after the annual election of trustees, and shall serve at the pleasure of the board, subject to the rights of any officer under any employment contract.

**Section 5.03. Removal of Officers.**

Without prejudice to the rights of any officer under an employment contract, the board may remove any officer with or without cause. Removal of an officer does not in itself cause a removal of the person from the board of trustees.

**Section 5.04. Resignation of Officers.**

Any officer may resign at any time by giving written notice to the board. The resignation shall take effect on the date the notice is received or at any later time specified in the notice. Unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to any rights of the corporation under any contract to

which the officer is a party. Resignation of an officer does not in itself cause a resignation of the person from the board of trustees.

**Section 5.05. Vacancies.**

A vacancy in any office because of death, resignation, removal or disqualification of the officer, or any other cause, shall be filled in the manner prescribed in these bylaws for normal appointments to that office. However, vacancies need not be filled on an annual basis.

**Section 5.06. Responsibilities of President.**

The President shall guide the sangha in creating and actualizing the vision and long-term goals of Santa Cruz Zen Center. The President shall serve as Chair of the Board of Trustees and presides over the Board and the General Membership meetings. The President shall be responsible for preparing agendas for these meetings.

**Section 5.07. Responsibilities of Vice-Presidents.**

The Vice-President shall function as president in the President's absence. The Vice-president shall consult with and advise the President on Board matters.

**Section 5.08. Responsibilities of Secretary.**

(a) The secretary shall keep or cause to be kept, at the corporation's principal office or such other place as the board may direct, a book of minutes of all meetings, proceedings, and actions of the board, of committees of the board, and of members' meetings. The minutes of meetings shall include the time and place that the meeting was held; whether the meeting was annual, general, or special, and, if special, how authorized; the notice given; the names of persons present at board and committee meetings; and the number of members present or represented at members' meetings.

(b) The secretary shall keep or cause to be kept, at the principal California office, a copy of the articles of incorporation and bylaws, as amended to date.

(c) The secretary shall keep or cause to be kept, at the corporation's principal office or at a place determined by resolution of the board, a record of the corporation's members, showing each member's name, address, and class of membership.

(d) The secretary shall give, or cause to be given, notice of all meetings of members, of the board, and of committees of the board that these bylaws require to be given. The secretary shall keep the corporate seal, if any, in safe custody and shall have such other powers and perform such other duties as the board or the bylaws may require.

**Section 5.09. Responsibilities of Treasurer.**

(a) The treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the corporation's properties and transactions. The treasurer shall send or cause to be given to the trustees such financial statements and reports as are required to be given by law, by these bylaws, or by the board. The books of account shall be open to inspection by any trustee at all reasonable times.

(b) The treasurer shall (1) deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the corporation with such depositories as the board may designate; (2)

disburse the corporation's funds as the board may order; (3) render to the president and the board, when requested, an account of all transactions as treasurer and of the financial condition of the corporation; and (4) have such other powers and perform such other duties as the board or the bylaws may require.

(c) The treasurer shall advise the Board on financial policy, and provide direction to keep the Santa Cruz Zen Center a viable economic entity. The Treasurer shall prepare the annual budget, cause the filing of any required tax returns or reports, and secure appropriate insurance coverage. The treasurer shall reports to the Board regularly on progress and problems in the areas or his or her responsibility. The treasurer shall chair a permanent fiscal subcommittee which shall serves in an advisory capacity to the treasurer.

(d) If required by the board, the treasurer shall give the corporation a bond in the amount and with the surety or sureties specified by the board for faithful performance of the duties of the office and for restoration to the corporation of all of its books, papers, vouchers, money, and other property of every kind in the possession or under the control of the treasurer on his or her death, resignation, retirement, or removal from office.

## **ARTICLE 6. CONFLICTS OF INTEREST, CONTRACTS WITH TRUSTEES, AND INTERESTED TRUSTEES.**

### **Section 6.01. Contracts with Trustees.**

(a) No trustee of this corporation nor any other corporation, firm, association, or other entity in which one or more of this corporation's trustees are trustees or have a material financial interest, shall be interested, directly or indirectly, in any contract or other transaction with this corporation unless (1) the transaction is approved or ratified in good faith by the members other than the trustees, after notice and disclosure to the members of the material facts concerning the transaction and the trustee's interest in the transaction, or (2) (A) the material facts regarding such trustee's financial interest in such contract or transaction or regarding such common trusteeship, officership, or financial interest are fully disclosed in good faith and are noted in the minutes, or are known to all board members before consideration by the board of such contract or transaction; (B) such contract or transaction is authorized in good faith by a majority of the trustees then in office, or if greater, by a vote sufficient for that purpose without counting the vote of the interested trustees; (3) before authorizing or approving the transaction, the board considers and in good faith decides after reasonable investigation that the corporation could not obtain a more advantageous arrangement with reasonable effort under the circumstances, or the transaction was in furtherance of the corporation's religious purposes; and (4) this corporation enters into the transaction for its own benefit or for the benefit of the organization, and the transaction is fair and reasonable to this corporation or was in furtherance of its religious purposes at the time the transaction is entered into.

(b) This Section does not apply to a transaction that is part of a public, charitable, or religious program of this corporation if it (1) is approved or authorized by the corporation in good faith and without unjustified favoritism and (2) results in a benefit to one or more trustees or their families because they are in the class of persons intended to be benefited by the public, charitable, or religious program of this corporation.

### **Section 6.02. Loans to Trustees and Officers.**

This corporation shall not lend any money or property to or guarantee the obligation of any trustee or officer without the approval of the California Attorney General, provided, however, that the corporation may advance money to a trustee or officer of the corporation for expenses reasonably anticipated to be incurred in the performance of his or her duties if that trustee or officer would be entitled to reimbursement for such expenses by the corporation.

### **Section 6.03. Restrictions Regarding Interested Trustees.**

Notwithstanding any other provision of these Bylaws, not more than forty-nine percent (49%) of the persons serving on the Board may be interested persons. For purposes of this Section, “interested persons” means either: (a) any person currently being compensated by the corporation for services rendered it within the previous twelve (12) months; or (b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person.

## **ARTICLE 7. INDEMNIFICATION AND INSURANCE.**

### **Section 7.01. Indemnification.**

(a) To the fullest extent permitted by law, this corporation shall indemnify its trustees and officers, and may indemnify employees and other persons described in Corporations Code §9246(a), including persons formerly occupying any such positions, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any “proceeding,” as that term is used in that section, and including an action by or in the right of the corporation, by reason of the fact that the person is or was a person described in that section. “Expenses,” as used in this bylaw, shall have the same meaning as in that section of the Corporations Code.

(b) On written request to the board by any person seeking indemnification under Corporations Code §9246(b) or §9246(c), the board shall promptly decide under Corporations Code §9246(e) whether the applicable standard of conduct set forth in Corporations Code §9246(b) or §9246(c) has been met and, if so, the board shall authorize indemnification. If the board cannot authorize indemnification, because the number of trustees who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of trustees who are not parties to that proceeding, the matter shall be decided by the court in which such proceeding is or was pending upon application made by the corporation or the agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney or other person is opposed by the corporation.

(c) To the fullest extent permitted by law and except as otherwise determined by the board in a specific instance, expenses incurred by a person seeking indemnification under these bylaws in defending any proceeding covered by those Sections shall be advanced by the corporation before final disposition of the proceeding, on receipt by the corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately found that the person is entitled to be indemnified by the corporation for those expenses.

### **Section 7.02. Insurance.**

This corporation shall have the right, and shall use its best efforts, to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, trustees, employees, and

other agents, to cover any liability asserted against or incurred by any officer, trustee, employee, or agent in such capacity or arising from the officer's, trustee's, employee's, or agent's status as such.

## **ARTICLE 8. CORPORATE RECORDS AND REPORTS, AND RIGHTS OF INSPECTION.**

### **Section 8.01. Corporate Records.**

This corporation shall keep the following:

- (a) Adequate and correct books and records of account;
- (b) Minutes of the proceedings of its members, board, and committees of the board; and
- (c) A record of each member's name, address, and class of membership.

The minutes and other books and records shall be kept either in written form or in any other form capable of being converted into clearly legible tangible form or in any combination of the two.

### **Section 8.02. Inspection of Articles and Bylaws.**

- (a) This corporation shall keep at its principal California office the original or a copy of the articles of incorporation and bylaws, as amended to the current date, that shall be open to inspection by the members at all reasonable times during office hours.
- (b) The corporation shall also make available to members on a reasonable basis, the minutes of the board of trustees, other than closed sessions, and summarized financial statements. The board may, in its discretion, make other records of the corporation available to members.

### **Section 8.03. Trustees' Inspection Rights.**

Every trustee shall have the right at any reasonable time to inspect and copy all books, records, and documents of every kind and to inspect the physical properties of the corporation for a purpose reasonably related to the trustee's interests as a trustee.

## **ARTICLE 9. PRACTICE LEADERSHIP.**

(a) Practice Leadership:

(1) Teachers will consist of: (A) Practitioners who have received full dharma transmission or lay entrustment in the Soto lineage, and (B) who have been invited by current SCZC Teachers and approved by the SCZC Board of Trustees to join the Practice Leadership. SCZC Teachers will hold roles and responsibilities as defined in a job description and receive feedback and evaluation by the Board of Trustees.

(2) The Teachers in the SCZC Practice Leadership will bear overall responsibility of coordinating the SCZC Teacher group. All Teachers will abide by the description of his/her roles and responsibilities, subject to the following: (A) The Teacher's role is defined by a job description that designates his/her organizational and spiritual leadership responsibilities and is subject to performance review. (B) The Board of Trustees may invite the Practice Leadership to recommend Teachers. (C) The Board of Trustees shall invite and approve the selection of a Teachers to serve in the Teacher position.

(3) All Teachers will work collaboratively with other Teachers, Functional Leaders as specified in these bylaws, and with the Board of Trustees, to align with and uphold the SCZC Mission and Vision Statements.

(4) If needed, the SCZC Ethics and Grievance Statement and Procedure will be followed to arrive at conflict resolution.

(5) Teachers will encourage and support the development of gender diversity in Practice Leadership.

(6) Only those persons with full dharma transmission and the approval of the Teachers may offer dokusan, jukai, and shukke tokudo. Further, any person performing these functions at or under the auspices of SCZC is accountable to the Board of Trustees.

(b) Functional Leadership:

(1) SCZC Board of Trustees President, Board/Property Liaison, Global Sangha Leader, and Support Net Leader shall work in collaboration with Practice Leadership to guide the SCZC community.

(2) The Board/Property Liaison, Global Sangha Leader, and Support Net Leader roles and responsibilities are defined by job descriptions and agreements, subject to performance reviews, and are invited and approved by the Board of Trustees to serve in these positions.

(3) The Board may release from service any leaders, teachers or priests due to extraordinary circumstances (such as irreconcilable conflicts, ethical violations or moral turpitude) consistent with the SCZC Bylaws and Ethics Statement.

## **ARTICLE 10. OTHER PROVISIONS.**

### **Section 10.01. Construction and Definitions.**

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Corporation Law shall govern the construction of these bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes the feminine and neuter, the singular includes the plural, the plural includes the singular, and the term "person" includes both a legal entity and a natural person.

### **Section 10.02. Amendments.**

These bylaws may be adopted, amended, or repealed by a vote of at least 2/3 of the entire board of trustees; provided, however, that amendment or repeal of this section shall require the unanimous approval of the board of trustees.

### **Section 10.03. Fiscal Year.**

The fiscal year of the corporation shall begin on the first day of January and end on the last day of December of each year.

### **Section 10.04. Non-Discrimination Policy.**

Subject to the requirement that members shall be bound by shared spiritual beliefs, practices, values and goals, the corporation shall ensure that no individual is discriminated against regarding its services and operations on any ground applicable to the business of the corporation

which is enumerated in federal, state or local law, or in its agreements with any public entity regarding the same, including but not limited to race, religion, color, gender, sexual orientation, age, national origin, disability, family structure or veteran status.

**Section 10.05. Electronic Transmission.**

Subject to any guidelines and procedures that the board of trustees may adopt from time to time, the terms “written”, and “in writing” as used in these bylaws include any form of recorded message in the English language capable of comprehension by ordinary visual means and may include electronic transmissions, such as facsimile or e-mail, provided that:

- (a) For electronic transmissions from the corporation, the corporation has obtained an unrevoked written consent from the recipient to the use of such means of communication;
- (b) For electronic transmissions to the corporation, the corporation has in effect reasonable measures to verify that the sender is the individual purporting to have sent such transmission; and
- (c) The transmission creates a record that can be retained, retrieved, reviewed, and rendered into clearly legible tangible form.

**CERTIFICATE OF SECRETARY**

I certify that I am the duly elected and acting Secretary of Santa Cruz Zen Center, a California Nonprofit Religious Corporation; that these bylaws, consisting of \_\_\_\_\_ pages, are the bylaws of this corporation as adopted by the board of trustees on \_\_\_\_\_; and that these bylaws have not been amended or modified since that date.

Executed on \_\_\_\_\_, at \_\_\_\_\_, California.

\_\_\_\_\_  
Secretary