

# BYLAWS

---

THE LOUISVILLE ZEN CENTER, INC.

*Adopted by the Board of Directors on December 29, 2015; as amended by the Board of Directors on March 1, 2018*

## Table of Contents for Bylaws of Louisville Zen Center Inc.

ARTICLE I. NAME .....	1
ARTICLE II. NONPROFIT PURPOSES .....	1
A. IRC Section 501(c)(3) Purposes. ....	1
B. Specific Objectives and Purposes.....	1
ARTICLE III. OFFICES .....	1
A. Principal Office. ....	1
B. Change of Address. ....	1
ARTICLE IV. AFFILIATION .....	2
A. Statement of Affiliation.....	2
B. Suspension of Affiliation. ....	2
C. Termination of Affiliation.....	3
ARTICLE V. AFFILIATE LEADER .....	3
A. Duties. ....	3
B. Selection.....	3
C. Removal. ....	3
ARTICLE VI. BOARD OF DIRECTORS.....	4
A. Purpose. ....	4
B. Powers.....	4
C. Number, Qualifications, and Term.....	4
D. Election; Nomination. ....	4
E. Regular Meetings; Notice.....	5
F. Special Meetings; Notice.....	5
G. Waiver of Notice. ....	5
H. Quorum.....	5
I. Action. ....	5
J. Telecommunications Meetings.....	5
K. Action without Meeting.....	5
L. Vacancies .....	6
M. Removal. ....	6
N. Nonliability of Directors. ....	6

ARTICLE VII. OFFICERS.....	6
A. Composition .....	6
B. Election and Term of Office. ....	6
C. Removal. ....	7
D. Vacancies. ....	7
E. Duties of President.....	7
F. Duties of Secretary.....	7
G. Duties of Treasurer. ....	8
ARTICLE VIII. INDEMNIFICATION, INSURANCE, COMPENSATION, CONFLICTS OF INTEREST.....	9
A. Indemnification. ....	9
B. Liability Insurance. ....	9
C. Compensation. ....	9
D. Conflicts of Interest.....	9
ARTICLE IX. COMMITTEES .....	10
A. General.....	10
B. Conduct of Meetings.....	10
C. Limitations.....	10
D. Executive Committee.....	10
ARTICLE X. MEMBERSHIP .....	10
A. Members.....	11
B. Admission of Members. ....	11
C. Annual Dues. ....	11
D. Termination of Membership.....	11
E. Nontransfer of Membership.....	12
F. Membership Book.....	12
G. Nonliability of Members. ....	12
H. Trial Members.....	12
ARTICLE XI. RIGHTS AND PRIVILEGES OF MEMBERSHIP .....	12
A. Use of Common Facilities.....	13
B. Participation in Corporate Activities.....	13
C. Participation in Rochester Zen Center Activities. ....	13
D. Voting.....	13

ARTICLE XII. CORPORATE MEETINGS OF MEMBERS .....	13
A. Meetings of Members.....	13
B. Agenda. ....	14
C. Notice.....	14
D. Quorum.....	14
E. Action.....	14
F. Voting Procedures.....	14
G. Action by Written Ballot. ....	15
ARTICLE XIII. FINANCIAL POLICY.....	16
A. Fiscal Year.....	16
B. Contracts. ....	16
C. Checks, Drafts, or Orders. ....	16
D. Deposits. ....	16
E. Gifts.....	16
ARTICLE XIV. CORPORATE RECORDS AND REPORTS .....	16
A. Maintenance of Corporate Records.....	16
B. Directors’ Inspection Rights. ....	17
C. Members’ Inspection Rights. ....	17
D. Right to Copy and Make Extracts.....	17
E. Periodic Report. ....	18
ARTICLE XV. IRC 501(c)(3) TAX EXEMPTION PROVISIONS.....	18
A. Limitations on Activities.....	18
B. Prohibition Against Private Inurement. ....	18
C. Distribution of Assets.....	18
ARTICLE XVI. CONFLICT OF INTEREST AND COMPENSATION APPROVAL POLICIES .....	18
A. Purpose of Conflict of Interest Policy.....	19
B. Definitions. ....	19
C. Conflict of Interest Avoidance Procedures. ....	20
D. Records of Board and Board Committee Proceedings. ....	21
E. Compensation Approval Policies. ....	21
F. Annual Statements.....	24
G. Periodic Reviews. ....	24

H. Use of Outside Experts.....	25
ARTICLE XVII. AMENDMENTS.....	25
ARTICLE XVIII. CONSTRUCTION AND TERMS.....	25

# **BYLAWS OF THE LOUISVILLE ZEN CENTER, INC**

## **ARTICLE I. NAME**

The name of the corporation shall be The Louisville Zen Center, Inc. (the “corporation”).

## **ARTICLE II. NONPROFIT PURPOSES**

**A. IRC Section 501(c)(3) Purposes.** This corporation is organized exclusively for one or more of the purposes as specified in Section 501(c)(3) of the Internal Revenue Code, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code.

**B. Specific Objectives and Purposes.** The specific objectives and purposes of this corporation shall be:

1. To foster the teachings of Zen Buddhism, as adapted to Western cultural forms and traditions;
2. To provide training in the disciplines, practices, and devotions of Zen Buddhism;
3. To provide suitable surroundings, instruction, and support for the teaching and practice of Zen Buddhism;
4. To train and develop instructors and fully qualified teachers of Zen Buddhism, both lay and ordained; and
5. To carry out such other activities as nonstock, nonprofit corporations are authorized to conduct under the laws of the Commonwealth of Kentucky.

## **ARTICLE III. OFFICES**

**A. Principal Office.** The principal office of the corporation shall be located at 757 South Brook Street, Louisville, KY. The corporation may have such other offices within the Commonwealth of Kentucky as the board of directors (the “board”) may determine from time to time.

**B. Change of Address.** The designation of the county or state of the corporation’s principal office may be changed by amendment of these bylaws. The board of directors may change the principal office from one location to another within

Jefferson County by noting the changed address and effective date below, and such changes of address shall not be deemed, nor require, an amendment of these bylaws:

New Address: \_\_\_\_\_

\_\_\_\_\_

Dated: \_\_\_\_\_, 20\_\_

New Address: \_\_\_\_\_

\_\_\_\_\_

Dated: \_\_\_\_\_, 20\_\_

New Address: \_\_\_\_\_

\_\_\_\_\_

Dated: \_\_\_\_\_, 20\_\_

#### **ARTICLE IV. AFFILIATION**

**A. Statement of Affiliation.** The corporation intends to apply for affiliation with the Rochester Zen Center, a not-for-profit corporation incorporated under the New York Religious Corporations Law. Until such time as the corporation may become an affiliate of the Rochester Zen Center, the corporation's Affiliate Leader shall be appointed by, and serve at the pleasure of, the corporation's board of directors. Additionally, provisions of these bylaws relating to the corporation's status as an affiliate of the Rochester Zen Center shall be suspended until such time as the corporation may become an affiliate of the Rochester Zen Center.

The corporation will comply with the provisions of the Rochester Zen Center's bylaws and guidelines relating to affiliates. However, as an independently incorporated entity managed by its own board of directors, the corporation acknowledges full and sole legal responsibility for its acts and omissions, and no legal obligation therefor is assumed by the Rochester Zen Center.

**B. Suspension of Affiliation.** The Abbot of the Rochester Zen Center (the "Abbot") or the Abbot's designee may totally or partially suspend the affiliation of the corporation pursuant to the provisions of the Rochester Zen Center's bylaws relating

to affiliate groups, as they may be amended from time to time. However, such suspension of affiliation shall not affect the Rochester Zen Center membership of any member of the suspended affiliate group. The Abbot or the Abbot's designee shall have the authority to rescind any suspension of affiliation pursuant to this paragraph.

### **C. Termination of Affiliation.**

1. *Action by the Abbot.* If the Abbot or the Abbot's designee determines that the corporation's continued affiliation with the Rochester Zen Center is contrary to the best interests of the Rochester Zen Center or that the corporation is not fulfilling the obligations and requirements of affiliation with the Rochester Zen Center, the Abbot may, acting in consultation with the Rochester Zen Center Board of Trustees, terminate the corporation's affiliation after affording reasonable notice and opportunity to be heard.
2. *Action by the Corporation.* The corporation may terminate its affiliation with the Rochester Zen Center at any time by both the unanimous vote of the full board of directors and approval by a vote of two-thirds of the members.

## **ARTICLE V. AFFILIATE LEADER**

**A. Duties.** The Affiliate Leader shall direct the spiritual affairs of the corporation in the furtherance of its stated purposes. As the spiritual leader of an affiliate group and the Abbot's personal representative to the affiliate group, the Affiliate Leader is responsible for ensuring that all training and practice activities of the affiliate group are conducted in a manner consistent with the usages, style, and spirit of practice at the Rochester Zen Center. Accordingly, the Affiliate Leader shall have sole responsibility for the training and practice activities of the affiliate group. In exercising this responsibility, the Affiliate Leader shall follow the current version of Guidelines for Affiliate Leaders, as approved by the Abbot of the Rochester Zen Center.

**B. Selection.** The Affiliate Leader shall be appointed by the Abbot and shall serve at the Abbot's pleasure. However, before appointing or dismissing an Affiliate Leader, the Abbot shall consult the corporation's board of directors.

### **C. Removal.**

1. *Action by the Abbot or the Rochester Zen Center Board of Trustees.* Although an Affiliate Leader serves at the Abbot's pleasure, the Rochester Zen Center Board of Trustees may also suspend or remove the Affiliate Leader pursuant to



relevant provisions of the Rochester Zen Center bylaws, as they may be amended from time to time.

2. *Action by the Members.* If the members of the corporation believe that the Affiliate Leader is abusing his or her position, they may bring the matter to the Abbot's attention or submit a formal complaint to the Rochester Zen Center Ethics and Advisory Committee or to the Board of Trustees of the Rochester Zen Center.

## **ARTICLE VI. BOARD OF DIRECTORS**

- A. Purpose.** As an independently incorporated entity, the corporation shall be responsible for its own organization and operation with regard to financial and other secular matters. Such affairs of the corporation shall be managed by its board of directors.
- B. Powers.** The board of directors shall set administrative policy and shall ensure that the corporation is administered in a fiscally responsible manner that effectively furthers the stated purposes of the corporation. The board shall have authority to resolve any question regarding the interpretation of the articles of incorporation or these bylaws.
- C. Number, Qualifications, and Term.** There shall be three (3) to five (5) directors. At a minimum, directors shall be of the age of majority in this state and must be members of the corporation. Directors shall serve terms of three years, commencing April 1<sup>st</sup> of the year in which the director was elected. Each director's term shall continue until the election, qualification, and commencement of the term of his/her successor.
- D. Election; Nomination.** The Affiliate Leader shall be an ex officio voting director. Other directors shall be elected at the annual meeting of the members, which is to be held at a time and place to be determined by the board of directors.

Member-elected directors shall be elected by ballot in accordance with the voting procedures in these bylaws. However, if only one person accepts the nomination for a member-elected director position, s/he may be appointed to a three-year term in accordance with provisions in these bylaws for filling vacancies on the board.

Any corporate member may propose to the board of directors the names of possible nominees. The board of directors shall nominate persons deemed qualified to serve on the board of directors. The board of directors shall nominate a number

of candidates equal to twice the number of directors to be elected by vote of the Center's members.

- E. Regular Meetings; Notice.** The board of directors may provide, by resolution, the time and place for holding regular meetings without other notice than such resolution. All regular meetings shall be held at the principal office of the corporation in the absence of any designation in the resolution.
- F. Special Meetings; Notice.** Special meetings of the board may be called by or at the request of a majority of directors and shall be held at the principal office of the corporation or at such other place as the directors may determine. Notice of any special meeting of the board of directors shall be given at least one week prior thereto delivered either personally, or by mail, fax, or electronic mail to each director at his/her address, fax number or electronic mail address as shown by the records of the corporation.
- G. Waiver of Notice.** Any director may waive notice of any meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.
- H. Quorum.** A quorum shall consist of a majority of the members of the board of directors. Except as otherwise provided under the articles of incorporation, these bylaws, or provisions of law, no business shall be considered by the board at any meeting at which the required quorum is not present, and the only motion which the presiding officer shall entertain at such meeting is a motion to adjourn.
- I. Action.** Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present is the act of the board of directors, unless the articles of incorporation, these bylaws, or provisions of law require a greater percentage or different voting rules for approval of a matter by the board. No director may vote at any meeting by proxy.
- J. Telecommunications Meetings.** Members of the board of directors and members of any committee designed by the board may participate in a meeting of such board or committee by means of a telephone or video conference or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting in such a manner shall constitute presence in person at such meeting
- K. Action without Meeting.** Any action consented to in writing or electronic mail by each and every director shall be valid as if adopted by the board of directors at a

duly held meeting thereof, provided that such written consent is inserted in the corporation's minute book.

- L. Vacancies.** Vacancies on the board of directors shall exist (1) on the death, resignation, or removal of any director, and (2) whenever the number of authorized directors is increased.

Any director may resign effective upon giving written notice to the president, the secretary, or the board of directors, unless the notice specifies a later time for the effectiveness of such resignation. No director may resign if the corporation would then be left without a duly elected director or directors in charge of its affairs, except upon notice to the office of the attorney general or other appropriate agency of this state.

Unless otherwise prohibited by the articles of incorporation, these bylaws, or provisions of law, vacancies on the board may be filled by approval of the board of directors. If the number of directors then in office is less than a quorum, a vacancy on the board may be filled by approval of a majority of the directors then in office or by a sole remaining director. A person elected to fill a vacancy on the board shall hold office until the next election of the board of directors or until his or her death, resignation, or removal from office.

- M. Removal.** Directors elected by the corporation's members or appointed by the board may be removed upon the affirmative vote of a majority of the members of the board.

- N. Nonliability of Directors.** The directors shall not be personally liable for the debts, liabilities, or other obligations of the corporation.

## **ARTICLE VII. OFFICERS**

- A. Composition.** The officers of the corporation shall be a president, a secretary, and a treasurer. The corporation may also have one or more assistant secretaries, assistant treasurers, and other such officers with such titles as may be determined from time to time by the board of directors. Any two or more offices may be held by the same person.

- B. Election and Term of Office.** Officers of the corporation shall be elected annually by the board of directors. New offices may be created and filled at any meeting of the board of directors. Each officer shall hold office until his/her successor has been duly elected or appointed.

- C. Removal.** Any officer elected or appointed by the board of directors may be removed by the board of directors whenever in the board's judgment the best interests of the corporation would be served thereby.
- D. Vacancies.** A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by the board of directors for the unexpired portion of the term.
- E. Duties of President.** It is contemplated that the board of directors will normally elect the Affiliate Leader to the office of president, but the board shall not be required to do so nor shall the Affiliate Leader be compelled to serve in the office. The president shall perform all duties incident to his or her office and such other duties as may be required by law, by the articles of incorporation, or by these bylaws, or which may be prescribed from time to time by the board of directors. Unless another person is specifically appointed as presiding officer of the board of directors, the president shall preside at all meetings of the board of directors and at all meetings of the members. Except as otherwise expressly provided by law, by the articles of incorporation, or by these bylaws, he or she shall, in the name of the corporation, execute such deeds, mortgages, bonds, contracts, checks, or other instruments which may from time to time be authorized by the board of directors.
- F. Duties of Secretary.** The secretary shall report to the board of directors and shall:
1. Certify and keep at the principal office of the corporation or at such other place as the board may determine, the original, or a copy, of these bylaws as amended or otherwise altered to date.
  2. Keep at the principal office of the corporation or at such other place as the board may determine, a book of minutes of all meetings of the directors, and, if applicable, meetings of committees of directors and of members, recording therein the time and place of holding, whether regular or special, how called, how notice thereof was given, the names of those present or represented at the meeting, and the proceedings thereof.
  3. Ensure that the minutes of meetings of the corporation, any written consents approving action taken without a meeting, and any supporting documents pertaining to meetings, minutes, and consents shall be contemporaneously recorded in the corporate records of this corporation. "Contemporaneously" in this context means that the minutes, consents, and supporting documents shall be recorded in the records of this corporation by the later of (1) the next meeting of the board, committee, members, or other body for which the minutes,

consents, or supporting documents are being recorded, or (2) sixty (60) days after the date of the meeting or written consent.

4. See that all notices are duly given in accordance with the provisions of these bylaws or as required by law.
5. Be custodian of the records and of the seal of the corporation and affix the seal, as authorized by law or the provisions of these bylaws, to duly executed documents of the corporation.
6. Keep at the principal office of the corporation or at such other place as the board may determine, a membership book containing the name and address of each and any members, and, in the case where any membership has been terminated, he or she shall record such fact in the membership book together with the date on which such membership ceased.
7. Exhibit at all reasonable times to any director or member of the corporation, or to his or her agent or attorney, on request therefor, the bylaws, the membership book, and the minutes of the proceedings of the directors of the corporation.
8. In general, perform all duties incident to the office of secretary and such other duties as may be required by law, by the articles of incorporation, or by these bylaws, or which may be assigned to him or her from time to time by the board of directors.

**G. Duties of Treasurer.** The treasurer shall report to the board of directors and shall:

1. Have charge and custody of, and be responsible for, all funds and securities of the corporation, and deposit all such funds in the name of the corporation in such banks, trust companies, or other depositories as shall be selected by the board of directors.
2. Receive, and give receipt for, monies due and payable to the corporation from any source whatsoever.
3. Disburse, or cause to be disbursed, the funds of the corporation as may be directed by the board of directors, taking proper vouchers for such disbursements.
4. Keep and maintain adequate and correct accounts of the corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, and losses.

5. Exhibit at all reasonable times the books of account and financial records to any member, director of the corporation, or to his or her agent or attorney, on request therefor.
6. Render to the president and directors, whenever requested, an account of any or all of his or her transactions as treasurer and of the financial condition of the corporation.
7. Prepare, or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports.
8. In general, perform all duties incident to the office of treasurer and such other duties as may be required by law, by the articles of incorporation of the corporation, or by these bylaws, or which may be assigned to him or her from time to time by the board of directors.

## **ARTICLE VIII. INDEMNIFICATION, INSURANCE, COMPENSATION, CONFLICTS OF INTEREST**

- A. Indemnification.** The directors and officers of the corporation shall be indemnified by the corporation to the fullest extent permissible under the laws of this state.
- B. Liability Insurance.** The corporation shall have the authority, but not the obligation, to secure errors and omissions insurance covering its directors and officers.
- C. Compensation.** Directors and officers shall serve without compensation, but may be reimbursed for authorized expenses related to service on the board. Compensation paid by the corporation to any director and/or officer of the corporation shall be deemed paid to that person solely as compensation for his or her services rendered to the corporation in their capacity other than as a director and/or officer as provided in the Conflict of Interest and Compensation Approval Policies article of these bylaws.
- D. Conflicts of Interest.** As provided in the Conflict of Interest and Compensation Approval Policies of these bylaws, no director, officer, or committee member shall derive any personal profit or gain, either directly or indirectly, by reason of his or her office. Each director, officer, and committee member shall disclose to the board any financial or other interest that he or she may have in a matter pending before the board, and shall refrain from participating in any decision regarding such matter, unless the board – acting without the participation of the director, officer, or

committee member in question – determines that the interest is sufficiently minimal that his or her participation would not constitute a conflict of interest.

## **ARTICLE IX. COMMITTEES**

- A. General.** The board of directors, by resolution adopted by a majority of the entire board, may designate standing or special committees as the board may deem desirable. The presiding officer and members of such committees shall be appointed by the board; however the Affiliate Leader shall be an ex officio voting member of all committees. Each committee of the board of directors shall serve at the board's pleasure.
- B. Conduct of Meetings.** Committee meetings shall be conducted in the same manner as meetings of the board of directors.
- C. Limitations.** The functions, scope, and term of service of committees shall be determined by the board of directors. However no such committee shall have the authority of the board of directors in reference to amending, altering or repealing the bylaws; electing, appointing or removing any member of any such committee or any director or officer of the corporation; amending the articles of incorporation, restating articles of incorporation; adopting a plan of merger or adopting a plan of consolidation with another corporation; authorizing the sale, lease, exchange or mortgage of all or substantially all of the property and assets of the corporation; authorizing the voluntary dissolution of the corporation or revoking proceedings therefor; adopting a plan for the distribution of the assets of the corporation; or amending, altering or repealing any resolution of the board of directors which by its terms provides that it shall not be amended, altered or repealed by such committee. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the board of directors, or any individual director of any responsibility imposed upon it or him or her by law.
- D. Executive Committee.** The board of directors may designate a standing Executive Committee which shall be chaired by the Affiliate Leader and shall consist of the officers and other members as the board of directors may from time to time appoint. The Executive Committee may: (1) execute the day-to-day secular affairs of the corporation, (2) have the power to make ongoing decisions between board meetings, and (3) have the authority of the board except as limited in this article of these bylaws.

## **ARTICLE X. MEMBERSHIP**

**A. Members.** Members of the corporation are individuals or other legal entities who (1) have been admitted as members in accordance with the procedures described in this article of these bylaws, and (2) have not resigned or withdrawn or had their membership privileges suspended or revoked.

**B. Admission of Members.** The board of directors and the Affiliate Leader shall determine from time to time the requirements and procedures whereby a person may be admitted as a member of the corporation. The board of directors shall specify the privileges and obligations of membership as they pertain to financial and other secular matters. The Affiliate Leader shall specify the privileges and obligations of membership as they pertain to spiritual matters. In order to be admitted as a member of the corporation, a candidate must:

1. Attend an Introductory Workshop or Introduction to Practice conducted by the corporation or by the Rochester Zen Center or one of its affiliates (the Affiliate Leader may waive this requirement in appropriate cases);
2. Submit a completed Membership application form;
3. Attend a membership interview satisfying the Affiliate Leader or the Affiliate Leader's designee that the applicant should be admitted to membership in the corporation; and
4. Pay to the corporation an initial contribution in an amount prescribed from time to time by the board of directors.

**C. Annual Dues.** The board of directors shall determine from time to time the amount of annual dues payable to the corporation by the members and shall give appropriate notice to the members. Dues shall be payable monthly, in advance, on or before the fifth (5<sup>th</sup>) day of every month unless other arrangements are made and approved in writing.

**D. Termination of Membership.** The membership of a member shall terminate upon the occurrence of any of the following events:

1. Upon his or her notice of such termination delivered to the president or secretary of the corporation personally or by mail, such membership to terminate upon the date of delivery of the notice or date of deposit in the mail.
2. Upon a failure to renew his or her membership by paying dues on or before their due date, such termination to be effective thirty (30) days after a written notification of delinquency is given personally or mailed to such member by the secretary of the corporation. A member may avoid such termination by paying



the amount of delinquent dues within a thirty (30) day period following the member's receipt of the written notification of delinquency.

3. After providing the member with reasonable written notice and an opportunity to be heard either orally or in writing, upon a determination by the board of directors that the member has engaged in conduct materially and seriously prejudicial to the interests or purposes of the corporation. Any person expelled from the corporation shall receive a refund of dues already paid for the current dues period.

All rights of a member in the corporation shall cease on termination of membership as herein provided.

- E. Nontransfer of Membership.** Membership in the corporation is not transferable or assignable.
- F. Membership Book.** The corporation shall keep a membership book containing the name and address of each member. Termination of the membership of any member shall be recorded in the book, together with the date of termination of such membership. Such book shall be kept at the corporation's principal office.
- G. Nonliability of Members.** A member of this corporation is not, as such, personally liable for the debts, liabilities, or obligations of the corporation.
- H. Trial Members.** In consultation with the board of directors and subject to the board's approval, the Affiliate Leader may establish requirements and procedures whereby a person may become a trial member of the corporation. Such requirements and procedures may provide that a person shall not remain a trial member for more than a specified period of time. If the Affiliate Leader determines that a trial member is acting contrary to the best interests of the corporation or is not fulfilling the obligations and requirements of trial membership, the Affiliate Leader or his or her designee may revoke the person's status as a trial member. Trial members are persons who are not yet members of the corporation, but who may apply for membership after satisfactory completion of a period of trial membership. The Affiliate Leader shall specify the privileges and obligations of trial membership as they pertain to spiritual matters; the board of directors shall specify such privileges and obligations as they pertain to financial and other secular matters.

## **ARTICLE XI. RIGHTS AND PRIVILEGES OF MEMBERSHIP**

Members of the corporation shall have the following rights and privileges:

- A. Use of Common Facilities.** Subject to rules and regulations adopted from time to time by the board of directors, members shall have the right, in common with other members to use the portion of the corporation's facilities designated as common meeting areas;
- B. Participation in Corporate Activities.** Members may attend and participate in all regular spiritual functions of the corporation including formal and informal meditation sessions, instructions, Zen talks/commentaries, study-discussion groups, and ceremonies. Members may attend and participate in all regular secular functions of the corporation such as picnics and other social activities. In addition, members are given preference for retreats and receive discounts on materials, workshops, and retreats;
- C. Participation in Rochester Zen Center Activities.** Pursuant to Rochester Zen Center bylaws, full membership in an affiliate group automatically results in membership in the Rochester Zen Center while the group is an affiliate of the Rochester Zen Center. Rochester Zen Center members are entitled to attend and participate in all regular spiritual and secular functions of the Rochester Zen Center;
- D. Voting.** Members shall have the right to vote in the election of directors and upon any other matter before the corporation's meetings of members. Pursuant to Rochester Zen Center Bylaws, full members of an affiliate group are also entitled to vote upon matters before the Rochester Zen Center's corporate meetings of members while the group is an affiliate of the Rochester Zen Center. Voting procedures for Rochester Zen Center corporate meetings are outlined in applicable provisions of the Rochester Zen Center bylaws.

## **ARTICLE XII. CORPORATE MEETINGS OF MEMBERS**

### **A. Meetings of Members.**

1. An annual meeting of the corporation's members shall be held at a date, time, and a place to be determined by the board of directors. The annual meeting shall elect directors and shall report on the spiritual affairs and the financial condition of the corporation. The annual meeting shall also vote upon any other matter properly before the meeting.
2. Special meetings of the corporation's members may be convened by the president or by the board of directors. Special meetings of the members may also be called, in writing, by members having one-twentieth (1/20) of the votes entitled to be cast at such meeting, but in no case shall such meeting be called

by ten (10) or fewer members. Special meetings of the corporation's members shall be held at a date, time, and a place to be determined by the board of directors.

- B. Agenda.** Those and only those matters or questions that have been properly placed on the agenda of an annual or special corporate meeting shall be included on the ballots provided to members; no other matters or questions, except adjournment of the meeting, shall be in order at any corporate meeting, and no vote of a corporate meeting regarding any other matter or question shall have any force or effect. The board of directors may place a matter or question on the agenda for a corporate meeting. In addition, members having one-twentieth (1/20) of the votes entitled to be cast at such meeting, but in no case by ten (10) or fewer members, may place a matter or question on the agenda by written demand made upon the corporation's secretary at least two months before the date of the meeting. However, the affirmative vote of a majority of the directors shall be required to place the adoption, amendment, or repeal of any bylaw on the agenda for a corporate meeting.
- C. Notice.** Notice stating the place, day and hour of meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be given not less than ten (10) nor more than thirty-five (35) days before the date of the meeting, by or at the direction of the president, or the secretary, or the officers or persons calling the meeting, to each member entitled to vote at such meeting. Those and only those matters or questions that have been properly placed on the agenda of the meeting shall be in the notice to members.
- D. Quorum.** The presence (in person or by proxy) of a majority of the members will constitute a quorum. Except as otherwise provided under the articles of incorporation, these bylaws, or provisions of law, no business shall be considered by the members at any meeting at which the required quorum is not present, and the only motion which the presiding officer shall entertain at such meeting is a motion to adjourn.
- E. Action.** The act of the majority of the members eligible to vote at a meeting at which a quorum is present shall be the action adopted except where otherwise required by law or the articles of incorporation or these bylaws. In case of a tie vote, the matter or question proposed shall fail to pass; a tie vote as between two proposed alternatives shall be decided by the presiding officer's toss of a coin.
- F. Voting Procedures.**

1. Each member shall be entitled to one vote on each matter submitted to a vote of members. No vote regarding any other matter or question shall have any force or effect.
2. A member entitled to vote may vote in person or by proxy executed in writing. Elections may be conducted by mail.
3. In all elections for directors, every member entitled to vote shall not have the right to cumulate his or her vote by giving one candidate a number of votes equal to his or her vote multiplied by the number of directors to be elected, or by distributing such votes on the same principle among any number of such candidates.

**G. Action by Written Ballot.** Except as otherwise provided under the articles of incorporation, these bylaws, or provisions of law, any action which may be taken at any regular or special meeting of members may be taken without a meeting if the corporation distributes a written ballot to each member entitled to vote on the matter. The ballot shall:

1. set forth the proposed action;
2. provide an opportunity to specify approval or disapproval of each proposal;
3. indicate the number of responses needed to meet the quorum requirement and, except for ballots soliciting votes for the election of directors, state the percentage of approvals necessary to pass the measure submitted; and
4. shall specify the date by which the ballot must be received by the corporation in order to be counted. The date set shall afford members a reasonable time within which to return the ballots to the corporation.

Ballots shall be mailed or delivered in the manner required for giving notice of membership meetings as specified in these bylaws.

Approval of action by written ballot shall be valid only when the number of votes cast by ballot within the time period specified equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the action at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

Directors may be elected by written ballot. Such ballots for the election of directors shall list the persons nominated at the time the ballots are mailed or delivered.

## **ARTICLE XIII. FINANCIAL POLICY**

- A. Fiscal Year.** The fiscal year of the corporation shall be the calendar year.
- B. Contracts.** The board of directors may authorize any officer or officers or agents of the corporation, in addition to the officers so authorized by these bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or may be confined to specific instances.
- C. Checks, Drafts, or Orders.** All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation shall be signed by the treasurer or an assistant treasurer and countersigned by the president of the corporation or such officers or agents of the corporation and in such manner as shall from time to time be determined by resolution of the board of directors.
- D. Deposits.** All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the board of directors may select.
- E. Gifts.** The board of directors may accept on behalf of the corporation any contribution, gift, bequest, or devise for the nonprofit purposes of this corporation.

## **ARTICLE XIV. CORPORATE RECORDS AND REPORTS**

- A. Maintenance of Corporate Records.** The corporation shall keep at its principal office:
1. Minutes of all meetings of directors, committees of the board, and of all meetings of members, indicating the time and place of holding such meetings, whether regular or special, how called, the notice given, and the names of those present and the proceedings thereof;
  2. Adequate and correct books and records of account, including accounts of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains, and losses;
  3. A record of its members indicating their names and addresses and the termination date of any membership;

4. A copy of the corporation's articles of incorporation and bylaws as amended to date, which shall be open to inspection by the members of the corporation at all reasonable times during office hours.

**B. Directors' Inspection Rights.** Every director shall have the absolute 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, and shall have such other rights to inspect the books, records, and properties of this corporation as may be required under the articles of incorporation, other provisions of these bylaws, and provisions of law.

**C. Members' Inspection Rights.** Each and every member shall have the following inspection rights, for a purpose reasonably related to such person's interest as a member:

1. To inspect and copy the record of all members' names, addresses, and voting rights, at reasonable times, upon written demand on the secretary of the corporation, which demand shall state the purpose for which the inspection rights are requested.
2. To obtain from the secretary of the corporation, upon written demand on, and payment of a reasonable charge to, the secretary of the corporation, a list of the names, addresses, and voting rights of those members entitled to vote for the election of directors as of the most recent record date for which the list has been compiled or as of the date specified by the member subsequent to the date of demand. The demand shall state the purpose for which the list is requested. The membership list shall be made available within a reasonable time after the demand is received by the secretary of the corporation or after the date specified therein as of which the list is to be compiled.
3. To inspect at any reasonable time the books, records, or minutes of proceedings of the members or of the board or committees of the board, upon written demand on the secretary of the corporation by the member, for a purpose reasonably related to such person's interests as a member.

Members shall have such other rights to inspect the books, records, and properties of this corporation as may be required under the articles of incorporation, other provisions of these bylaws, and provisions of law.

**D. Right to Copy and Make Extracts.** Any inspection under the provisions of this article may be made in person or by agent or attorney and the right to inspection shall include the right to copy and make extracts.

- E. Periodic Report.** The board shall cause any annual or periodic report required under law to be prepared and delivered to an office of this state or to the members of this corporation to be so prepared and delivered within the time limits set by law.

## **ARTICLE XV. IRC 501(c)(3) TAX EXEMPTION PROVISIONS**

- A. Limitations on Activities.** No part of the activities of this corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation (except as otherwise provided by Section 501(h) of the Internal Revenue Code), and this corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of, or in opposition to, any candidate for public office.

Notwithstanding any other provisions of these bylaws, this corporation shall not carry on any activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code.

- B. Prohibition Against Private Inurement.** No part of the net earnings of this corporation shall inure to the benefit of, or be distributable to, its members, directors or officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes of this corporation.
- C. Distribution of Assets.** The corporation may be dissolved at any time upon the adoption of a resolution to dissolve by a unanimous vote of the full board of directors. Upon the adoption of a resolution to dissolve the corporation, the directors shall, after paying or making provision for the payment of all of the liabilities and obligations of the corporation, adopt a plan to distribute the assets of the corporation to an organization having similar purposes that is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or any successor provision, and that qualifies as a public charity under the Internal Revenue Code. Such distribution shall be made in accordance with all applicable provisions of the laws of this state.

## **ARTICLE XVI. CONFLICT OF INTEREST AND COMPENSATION APPROVAL POLICIES**

**A. Purpose of Conflict of Interest Policy.** The purpose of this conflict of interest policy is to protect this tax-exempt corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director or committee member of the corporation or any "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations and which might result in a possible "excess benefit transaction" as defined in Section 4958(c)(1)(A) of the Internal Revenue Code and as amplified by Section 53.4958 of the IRS Regulations. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

**B. Definitions.**

1. *Interested Person.* Any director, officer, member of a committee with governing board delegated powers, or any other person who is a "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations, who has a direct or indirect interest, as defined below, is an interested person.
2. *Financial Interest.* A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
  - a. An ownership or investment interest in any entity with which the corporation has a transaction or arrangement;
  - b. A compensation arrangement with the corporation or with any entity or individual with which the corporation has a transaction or arrangement; or
  - c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

3. *Conflict of Loyalty.* A conflict of loyalty is a particular type of conflict of interest in which an interested person's loyalty or duty to another person or organization to which s/he is connected could prevent (or be perceived to prevent) the interested person from acting in the best interest of the corporation. Examples of when a possible conflict of loyalty might occur:

- a. An interested person is appointed to a post on the staff of one of the corporation's funders;



- b. A family member of an interested person is employed by the corporation;
- c. An interested person takes up an executive, staff, or board position with another organization with similar objectives.

A financial interest or possible conflict of loyalty is not necessarily a conflict of interest. Under the following section of these bylaws, an interested person may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

### **C. Conflict of Interest Avoidance Procedures.**

1. *Duty to Disclose.* In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.
2. *Determining Whether a Conflict of Interest Exists.* After disclosure of the interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.
3. *Procedures for Addressing the Conflict of Interest.* An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

The presiding officer of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

After exercising due diligence, the governing board or committee shall determine whether the corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity

with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

4. *Violations of the Conflicts of Interest Policy.* If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

**D. Records of Board and Board Committee Proceedings.** The minutes of meetings of the governing board and all committees with board delegated powers shall contain:

1. The names of the persons who disclosed or otherwise were found to have an interest in connection with an actual or possible conflict of interest, the nature of the interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
2. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

**E. Compensation Approval Policies.** A voting member of the governing board who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation.

A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation.

No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

When approving compensation for directors, officers and employees, contractors, and any other compensation contract or arrangement, in addition to complying with the conflict of interest requirements and policies contained in the preceding and following sections of this article as well as the preceding paragraphs of this section of this article, the board or a duly constituted compensation committee of the board shall also comply with the following additional requirements and procedures:

1. the terms of compensation shall be approved by the board or compensation committee prior to the first payment of compensation;
2. all members of the board or compensation committee who approve compensation arrangements must not have a conflict of interest with respect to the compensation arrangement as specified in IRS Regulation Section 53.4958-6(c)(iii), which generally requires that each board member or committee member approving a compensation arrangement between this organization and a “disqualified person” (as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations):
  - a. is not the person who is the subject of the compensation arrangement, or a family member of such person;
  - b. is not in an employment relationship subject to the direction or control of the person who is the subject of the compensation arrangement;
  - c. does not receive compensation or other payments subject to approval by the person who is the subject of the compensation arrangement;
  - d. has no material financial interest affected by the compensation arrangement; and
  - e. does not approve a transaction providing economic benefits to the person who is the subject of the compensation arrangement, who in turn has approved or will approve a transaction providing benefits to the board or committee member.
3. the board or compensation committee shall obtain and rely upon appropriate data as to comparability prior to approving the terms of compensation. Appropriate data may include the following:
  - a. compensation levels paid by similarly situated organizations, both taxable and tax-exempt, for functionally comparable positions. “Similarly situated” organizations are those of a similar size, purpose, and with similar resources;

- b. the availability of similar services in the geographic area of this organization;
- c. current compensation surveys compiled by independent firms;
- d. actual written offers from similar institutions competing for the services of the person who is the subject of the compensation arrangement.

As allowed by IRS Regulation 4958-6, if this organization has average annual gross receipts (including contributions) for its three prior tax years of less than \$1 million, the board or compensation committee will have obtained and relied upon appropriate data as to comparability if it obtains and relies upon data on compensation paid by three comparable organizations in the same or similar communities for similar services.

4. the terms of compensation and the basis for approving them shall be recorded in written minutes of the meeting of the board or compensation committee that approved the compensation. Such documentation shall include:
  - a. the terms of the compensation arrangement and the date it was approved;
  - b. the members of the board or compensation committee who were present during debate on the transaction, those who voted on it, and the votes cast by each board or committee member;
  - b. the comparability data obtained and relied upon and how the data was obtained;
  - c. If the board or compensation committee determines that reasonable compensation for a specific position in this organization or for providing services under any other compensation arrangement with this organization is higher or lower than the range of comparability data obtained, the board or committee shall record in the minutes of the meeting the basis for its determination;
  - d. If the board or committee makes adjustments to comparability data due to geographic area or other specific conditions, these adjustments and the reasons for them shall be recorded in the minutes of the board or committee meeting;
  - e. any actions taken with respect to determining if a board or committee member had a conflict of interest with respect to the compensation arrangement, and if so, actions taken to make sure the member with the conflict of interest did not affect or participate in the approval of the transaction (for example, a notation

in the records that after a finding of conflict of interest by a member, the member with the conflict of interest was asked to, and did, leave the meeting prior to a discussion of the compensation arrangement and a taking of the votes to approve the arrangement);

- f. The minutes of board or committee meetings at which compensation arrangements are approved must be prepared before the later of the date of the next board or committee meeting or 60 days after the final actions of the board or committee are taken with respect to the approval of the compensation arrangements. The minutes must be reviewed and approved by the board and committee as reasonable, accurate, and complete within a reasonable period thereafter, normally prior to or at the next board or committee meeting following final action on the arrangement by the board or committee.

**F. Annual Statements.** Each director, officer, and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

1. has received a copy of the conflicts of interest policy;
2. has read and understands the policy;
3. has agreed to comply with the policy; and
4. understands the corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

**G. Periodic Reviews.** To ensure the corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

1. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's-length bargaining.
2. Whether partnerships, joint ventures, and arrangements with management organizations conform to the corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes, and do not result in inurement, impermissible private benefit, or in an excess benefit transaction.

**H. Use of Outside Experts.** When conducting the periodic reviews as provided for in section of these bylaws, the corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

## **ARTICLE XVII. AMENDMENTS**

These bylaws may be amended by the affirmative vote of a majority of the entire board of directors. However, the corporation shall not adopt, rescind, or amend any bylaw or any provision of its articles of incorporation without first having obtained the approval of the Rochester Zen Center's Board of Trustees.

## **ARTICLE XVIII. CONSTRUCTION AND TERMS**

If there is any conflict between the provisions of these bylaws and the articles of incorporation of this corporation, the provisions of the articles of incorporation shall govern.

Should any of the provisions or portions of these bylaws be held unenforceable or invalid for any reason, the remaining provisions and portions of these bylaws shall be unaffected by such holding.

All references in these bylaws to the articles of incorporation shall be to the articles of incorporation, articles of organization, certificate of incorporation, organizational charter, corporate charter, or other founding document of this corporation filed with an office of this state and used to establish the legal existence of this corporation.

All references in these bylaws to a section or sections of the Internal Revenue Code shall be to such sections of the Internal Revenue Code of 1986 as amended from time to time, or to corresponding provisions of any future federal tax code.

## **ADOPTION OF BYLAWS**

We, the undersigned, are all of the initial directors or incorporators of this corporation, and we consent to, and hereby do, adopt the foregoing bylaws, consisting of \_\_\_\_\_ preceding pages, as the bylaws of this corporation.

Dated: \_\_\_\_\_

---

Jeanette Prince-Cherry

---

Michel Samson

---

Stuart Braune