

CHARLES CARREON

LAW FOR THE DIGITAL AGE

September 5, 2019

Via Email: Philip.Weiser@coag.gov
Philip J. Weiser, Attorney General
Colorado Department of Law
Ralph L. Carr Colorado Justice Center
1300 Broadway, 10th Floor
Denver, Colorado 80203

Re: Petition Requesting an Investigation of the Shambhala Non-Profit Organizations

Dear Attorney General Weiser:

This letter will convey to you the enclosed petition requesting that your office initiate and pursue a thorough investigation of all of the following Colorado nonprofit and corporate entities, jointly referred to herein as the "Shambhala Organization," including:

- Shambhala USA
- Rocky Mountain Shambhala Center, incorporated February 17, 2000
- The Sakyong's Foundation, incorporated May 4, 2006
- The Sakyong Ladrang, incorporated January 8, 2009, name changed to The Sakyong Potrang on February 19, 2015
- Front Range Shambhala, incorporated August 10, 2015
- Shambhala Mountain Online, LLC, organized August 10, 2015
- Shambhala Credit Union

Attached for your convenient reference are:

1. The Petition
2. A letter I composed providing some factual information about the Shambhala Organization
3. The list of 226 Petition signers as of today's date at 6:00 p.m.
4. Fifteen comments posted on the Change.org website hosting the Petition
5. Articles of Incorporation and related corporate formation documents available from the public record and from the Shambhala Organization itself (Bates # SHAMBHALA 001 - 090)
6. An Open Letter from the "Kusung," the "Royal Guard" of Shambhala's "King," Osel Rangdrol Mukpo, aka the "Sakyong" (SHAMBHALA 091 - 125)
7. Financial Reports from the Shambhala.org and Shambhala-transition.org websites (SHAMBHALA 126 - SHAMBHALA 161)
8. Real estate documents (SHAMBHALA 162 - 168)

There is one, overarching feature of the Shambhala Organization that I wish to highlight here -- the profound disconnect between the guiding philosophy of Shambhala, that defines the Sakyong as the "King of Kalapa," and two fundamental principles of the law of tax-exempt non-profits: (1) the rule against allowing private inurement of individuals who assert control over non-profit corporations, and (2) the requirement that a tax-exempt, charitable religious non-profit be operated for public benefit.

Monarchy Is An Inappropriate Governance Structure for a Non-Profit, Tax-Exempt Corporation

In Item 6, the Open Letter from the Kusung, the Sakyong is referred to as the "King" of Kalapa. As a "spiritual monarch," the Sakyong commands and receives loyalty oaths from the currently-operating "Interim Board," who replaced the Kalapa Council when its members resigned *en masse* after the sexual

ADDRESS REDACTED
Tel: PHONE REDACTED

assault scandal engulfed the Sakyong last year. You will find the term "Kalapa" used forty-two times in the enclosed internal documents of Shambhala. The Sakyong resides in the "Kalapa Court," and his Court functionaries were dubbed the "Kalapa Council."

Titles of Nobility, Abolished by the Constitution, Should Not be Publicly Subsidized

Designating the Director of a 501(c)(3) non-profit corporation a King runs afoul of Article I, Section 9, Clause 8 of the United States Constitution, that provides "No Title of Nobility shall be granted by the United States." By approving the non-profit, tax-exempt status of the Shambhala Organizations that present the Sakyong as a divine monarch, the United States government has in fact been envieged into financially supporting a monarchical institution with a public subsidy.

Shambhala's Monarchical Structure Centralizes Power and Leads to Commingling of Assets

The monarchical structure also facilitates interlocking boards among all Shambhala Organization corporations and the commingling of their assets for exploitation by the monarch. The Kalapa Council "included the Boards of Directors of Shambhala Canada and Shambhala USA," and the "salaried members of the Kalapa Council were situated in the Sakyong Potrang." (SHAMBHALA 137.) Thus, the Kalapa Council was an interlocking control group, a "Board of Boards" that exerted centralized control over several of the main non-profit corporations comprising the Shambhala Organization.

Shambhala's Monarchical Structure Virtually Compels Private Inurement of the Sakyong

As a review of the Articles of the various Shambhala corporations shows, all of these corporations are controlled by the Sakyong Potrang, that has one director, who although unnamed, could only be the Sakyong. The current Interim Board has signed a Loyalty Oath to the Sakyong¹ that entirely undermines any vestige of "independent Board oversight," and establishes a form of corporate governance that makes private inurement not only possible, but indeed, the order of the day.

Shambhala's Monarchical Structure Subverts the Public Benefit Rationale for Tax-Exempt Status

The Shambhala Organization's monarchical structure flies in the face of the notion that a non-profit organization enjoying tax-exempt status must provide public benefit. A non-profit organization cannot be a "Court," and its Board members cannot be courtiers. These structures are specifically intended to centralize authority and wealth in a single individual -- the King -- and to justify unlimited expenditures of funds gathered under the rubric of charitable, religious activity to pay for a lavish display expressly modeled after the courtly displays of European monarchs.² A monarchical structure, that reposes all control of riches and power in one man cannot, by definition, be operating for the public benefit. The "exemption from federal income tax is intended to encourage the provision of services that are deemed socially beneficial."³ "An organization that seeks to obtain [or maintain] tax exempt status, therefore, bears the burden of proving that it satisfies all the requirements of the exemption statute involved."⁴ The Shambhala Organization cannot carry this burden in its current configuration.

¹ <http://matthewremski.com/wordpress/interim-shambhala-international-board-swears-religious-oath-to-leader-accused-of-sexual-assault/>

² "[O]n the home front, *the nearest Western model on which to base a Shambhala household seemed to be the courts of European monarchs*, with a touch of Asia thrown in the mix; I suppose that if he wanted a more homegrown approach, Rinpoche could have suggested organizing his life around the model of the American White House, which is really another take on a European court, but he was not attracted to this bastion of democracy as a role model for himself or his students." Diana J. Mukpo and Carolyn Rose Gimian, *Dragon Thunder, My Life With Chogyam Trungpa*, p. 216 (Shambhala 2006) (emphasis added).

³ *Portland Golf Club v. Commissioner*, 497 U.S. 154, 161 (1990).

⁴ *Harding Hospital, Inc. v. United States*, 505 F.2d 1068, 1071 (6th Cir. 1975).

Proposed Remedies Should Include Abandonment of the Monarchical Structure

I would therefore recommend that the Shambhala Organizations be required to abandon the entire monarchical structure and the deification of the Sakyong as the organization's "God-King," as a condition of maintaining its non-profit status. Additionally, they should be required to disclose at least five years of financial records to your office and the public, and to get current on all Form 990 filings, including those corporations currently dodging the filing requirements by claiming "church status" that is vitiated by asset commingling and interlocking control mechanisms.

Your investigation may of course bring to light other inappropriate aspects of the Shambhala Organization's way of conducting its affairs, and require additional changes to its system of corporate governance, changes that can be enforced through continuing oversight and potential judicial action. Additionally, my own study of the Shambhala Organization is continuing, and I will continue to monitor its activities as they come to light, and intend to send you a further letter summarizing additional facts and legal authorities supporting this request for investigation and remedial action.

In conclusion, to make clear my motivation in submitting these materials to you, I hereby certify that I initiated the Petition to advise you of an urgent situation that might not otherwise garner your investigative attention. My interest in this matter is not motivated by any private grievance, nor do I represent any client with an interest adverse to the Shambhala Organization or any of its principals. I will follow up with Mr. Rauch so that I may report to the Petitioners regarding the effect of their Petition. Thank you for your attention to this matter.

Very truly yours,

SIGNATURE REDACTED

Charles Carreon

cc: Daniel Rauch, Asst. Attorney General (Daniel.Rauch@coag.gov)
Petition Signers (via Change.org)

Colorado AG: Investigate the Financial Activities of the Shambhala Nonprofit Organizations

To: Colorado Attorney General Phil Weiser and Asst. AG Daniel Rauch

From: Undersigned Petitioners (226 Signers as of September 5, 2019 at 6:15 pm)

Shambhala, A Non-Profit Organization in Crisis: The Shambhala community is a religious nonprofit organization with meditation centers in many major American cities. In June 2018, the spiritual leader of the group, the Sakyong Mipham, was credibly accused by multiple persons of sexual assault, often provoked by extreme alcohol abuse. The Sakyong published a letter that neither admitted nor denied the accusations of sexual assault, "stepped back" from his teaching activity, and left the United States. Although he promised to be open, accept criticism for his past errors that had "caused harm" to others, he has remained entirely incommunicado for the past year. Although the Sakyong's own conduct gave rise to the the allegations against him, the Shambhala organization has paid no less than \$100,000 to investigators to scrutinize the allegations of his accusers, while the Sakyong has refused to give a single interview to these investigators, interposing his attorney to present formalistic denials on his behalf. Currently, a large number of Shambhala members believe many of the allegations to be true.

Shambhala Is Under the the Sakyong's Sole Control: The Sakyong always has, and continues to exercise total authority over all real estate and other properties that have been accumulated through the efforts of Shambhala students during the past forty years. The Boards of Directors through which he acts are entirely subservient to his will, and that of Shambhala's attorney, Alexander Halpern, who designed and administers the entire Shambhala complex of Shambhala companies, including Shambhala USA, the Sakyong Potrang, Shambhala Mountain Center, the Nalanda Foundation, Front Range Shambhala, and Shambhala Mountain Online, LLC.

The Interim Board Is Evicting Shambhala Students from Their Home to Pay Off "Loans" From One Shambhala Entity to Another, While the Sakyong Enjoys Substantial Wealth: Currently, the Shambhala Interim Board of Directors, who have all sworn a Loyalty Oath to "uphold the Sakyong's world," are engaging in transfers of assets in order to "pay off loans" allegedly made by the Sakyong Potrang (one Shambhala organization) to Shambhala USA (another Shambhala organization), including the sale of historic Marpa House in Boulder, that 40 Shambhala practitioners have called home for many years. Meanwhile, the Sakyong continues to hold title in his own name to large residences and real properties valued in the millions of dollars, i.e., the "Kalapa Court" in Colorado, Vermont, and Halifax, Nova Scotia. The Shambhala organization pays the upkeep on these residences, that runs into hundreds of thousands of dollars per year.

The Interim Board is Providing No Transparency In Financial Disclosures: The financial reporting that the Interim Board of Directors has been providing to Shambhala members is very vague, and provides no clear information regarding why intra-Shambhala loans such as that from the Sakyong Potrang to Shambhala USA must be paid with such imminence that Shambhala students must be evicted from their home. Nor do the financial reports detail the amounts of any of the past payments to the Sakyong for salaries, honoraria, or other compensation, nor do they disclose the amounts of any fund transfers currently being made for his maintenance.

The Interim Board is Acting for the Benefit of the Sakyong, Not Shambhala: The Interim Board has failed to demonstrate any independence or interest for the longterm welfare of the community of students. The Shambhala organization was shocked earlier this year, when a longtime Shambhala member was believed to have killed himself by setting fire to his automobile shortly after speaking out about the sexual abuse charges rocking the organization. That shock was followed by further shock resulting from the arrests of two longtime Shambhala members in Colorado on charges of child sex abuse. The Interim Board spoke on each of these events only after the matter had been disclosed in the press, and issued several non-credible denials of organizational knowledge of the underlying events. The Interim Board commissioned two reports from outside entities (the Wickwire-Holm lawfirm and An Olive Branch) about the Sakyong's misconduct and the culture of sexual abuse inside Shambhala, but has followed up on none of their recommendations. The Interim Board is clearly acting only on behalf of the Sakyong, as a personal individual, and is not acting in the best interests of the Shambhala Community.

The Shambhala Assets Are At Grave Risk of Being Converted to the Sakyong's Private Benefit: The Shambhala organizations hold millions of dollars in real estate in the State of Colorado that is not paying taxes. The Shambhala organizations reap millions of dollars in donations each year based on the representation that they are religious nonprofits. The Shambhala organizations enjoy exemptions from various types of wage and hour regulations that allow them to employ Shambhala students at low or no wages to produce products and events that are sold to the public. Currently, it appears that all of the labors of two generations of Shambhala students have been accumulated for the sole purpose of benefiting the Sakyong and his family. Unless the Colorado Attorney General exercises oversight, the assets painfully garnered for public benefit, to which Colorado and US taxpayers contributed by means of tax exemptions, may be entirely devoted to the private profit of the Sakyong.

Shambhala Members and the Interested Public Request the Colorado Attorney General to Investigate: Accordingly, the undersigned respectfully request the Attorney General of the State of Colorado, Phil Weiser, to initiate an investigation into the financial practices of the Shambhala organization, and in particular, the activities of the following Colorado business organizations: Shambhala USA, the Sakyong Potrang, Shambhala Mountain Center, the Nalanda Foundation, Front Range Shambhala, and Shambhala Mountain Online, LLC.

Recipient: Colorado Attorney General, US Attorney for the District of Colorado

Letter: Greetings,

The petitioners request the Attorney General to investigate the following Colorado non-profit corporations, that operate in concert to receive funds under the rubric of charitable, religious activities, but have in truth and in fact been utilized to enrich the "King of Shambhala," Osel Rangdrol Mukpo, who operates as the sole controlling individual of all of these corporations under his honorific title of "Sakyong Mipham Rinpoche":

- Shambhala USA
- Rocky Mountain Shambhala Center, incorporated February 17, 2000
- The Sakyong's Foundation, incorporated May 4, 2006
- The Sakyong Ladrang, incorporated January 8, 2009, named changed to The Sakyong Potrang on February 19, 2015
- Front Range Shambhala, incorporated August 10, 2015
- Shambhala Mountain Online, LLC, organized August 10, 2015

A review of the governing documents of the Shambhala corporations indicates that they all seem to have provisions vesting corporate governance in a single director. Rocky Mountain Shambhala Center ("RMSC") controls well over \$10 Million in tax-exempt real estate in Colorado. The Fifth Article of the RMSC Articles provides the Director of the First Class with veto power over the acts of the Board:

The supervision and control of the Corporation shall be vested in its Board of Directors. There shall be two classes of directors of the Corporation. The first class of directors shall include one (1) director. The second class of directors shall consist of at least three (3) directors. All actions of the Board of Directors shall require the consent of the director of the first class and at least a majority of a quorum of the directors of the second class; provided, however, that any amendment to these Articles of Incorporation shall require the unanimous consent of all directors of the Corporation.

Article 7 of the Articles of Incorporation of Front Range Shambhala provides: "The corporation shall have a single voting member. The voting member shall be Shambhala USA."

The text of the Fifth Article of the Shambhala USA Articles of Incorporation provides: "The supervision and control of the Corporation shall be vested in its Board of Directors. There shall be two classes of directors of the

Corporation. The first class of directors shall include one (1) director. The second (common) class of directors shall consist of at least three (3) directors."

The Shambhala USA bylaws, in turn, provide at Sections 2, 3, and 4, that all power shall be vested in the Sakyong Potrang, as the Sole Member of Shambhala USA:

"Section 2. Sole Member. The Corporation shall have a single member, referred to as the Sole Member. The Sole Member is The Sakyong Potrang, a Colorado nonprofit corporation and a tax-exempt, charitable organization. The Sakyong Potrang shall designate a representative to act on its behalf in all matters affecting the Corporation. Such designation shall be made in writing delivered to the Secretary of the Board of Directors; shall be effective upon delivery; and shall remain in effect until changed in writing by the Sole Member. The Sole Member shall have the powers set forth in these Bylaws. Section 3. Number and Tenure of Directors. The number of Directors shall not be less than three (3), as determined from time to time by the Sole Member. ***

Section 4. Appointment of Directors. All members of the Board of Directors shall be appointed by the Sole Member. The Board of Directors may make advisory recommendations for appointments to the Sole Member."

The Sakyong Potrang, in turn, which holds all authority in Shambhala USA, is required only to have one director, whose name is undisclosed, by Article 2: "The supervision and control of the corporation shall be vested in a Board of Directors which shall include at least one (1) director."

The Articles for the Sakyong's Foundation, similarly provide: "The supervision and control of the corporation shall be vested in a Board of Directors which shall include at least one (1) director."

These opaque, nesting, centralized structures are not what one would expect to find in a religious organization. Indeed, they would seem more appropriate to a consortium of shell corporations organized for the purpose of concealing financial transactions and the identities of the controlling persons. What is clear is that the Boards of Directors of all of these entities are mere puppets of the one director who runs the Sakyong Potrang, and that one director is certainly the Sakyong.

There is at least one more business entity likely to be of considerable significance to the entire Shambhala Organization, and that is the Shambhala Credit Union. Its Charter does not appear to be of public record; however, news reports record that Alexander Halpern, Shambhala's long-time attorney, who has incorporated all of the Shambhala corporations

and shepherded it through its entire institutional history, is its Vice President.

"The essential difference between non-profit and for profit organizations is reflected in the private inurement doctrine. *** [A] non-profit organization is not permitted to distribute its profits (net earnings to those who control it (such as directors and officers). Simply stated, a non-profit organization is an entity that cannot lawfully engage in private inurement. Consequently, the private inurement doctrine is the substantive defining characteristic that distinguishes non-profit organizations from for-profit organizations for purposes of federal tax laws."

Bruce R. Hopkins, *The Law of Exempt Organizations* (10th ed. John Wiley & Sons 2011).

The Shambhala corporations are all intertwined, and their finances are commingled. Although some of the corporations are characterized as "churches," and others are non-profits ostensibly operated for other tax-exempt purposes, the Sakyong, like his father Chogyam Trungpa before him, and the numerous members of the Mukpo family, have had total control over the finances of these entities for decades, and have accumulated substantial personal wealth in a continuing stream of private inurement. Although the non-church organizations (Rocky Mountain Shambhala Center, the Sakyong's Foundation, the Sakyong Potrang, and Front Range Shambhala) are legally required to file Form 990 with the Internal Revenue Service, they are all behind in their filings, some by several years. Internal financial documentation indicates that the likely reason for the failure to Form 990s (which if continued for three years running results in automatic loss of tax-exempt status) is the desire to conceal the extent of commingling and private inurement that is going on.

Recently, as the Denver Post reported at https://www.denverpost.com/2019/08/08/boulder-marpa-house-sha

 the Shambhala organization sold Marpa House for \$4.9 Million, which has been a residence place for 40 group members for approximately forty years, ostensibly in order to cover ongoing expenses. These funds are believed to be at imminent risk of misappropriation for the private inurement of the Sakyong and his close confederates, because the Sakyong has given up all clerical duties for the organization since mid-2018, when he became the focus of a long-running scandal based on credible allegations of sexual assault and lavish living against him personally. The organizational disgrace deepened this year with the pending prosecution

of two Shambhala teachers on charges of having sex with underage girls. One of the persons being prosecuted is Bill Karelis, who was a highly-placed group member who had served as the Comptroller of Shambhala, holding the purse strings for the organization.

Shambhala has already spent at least \$100,000 conducting internal investigations of the Sakyong's sexual misdeeds, and Shambhala is reasonably suspected of doling out secret settlements to resolve allegations against the Sakyong and other clerics using organizational funds (a pattern that has been discovered to be commonplace in other clergy sex scandals such as those involving the Catholic Church).

The recent death of Bill Scheffel, a senior member of Shambhala, in an automobile fire deemed a suicide, was inherently suspicious because Mr. Scheffel had just vented his frustration concerning Shambhala leadership's failure to address what he said were long-running sexual abuses taking place within the organization. https://www.denverpost.com/2018/07/11/dead-boulder-man-set-car-

 This tragic, rare occurrence (suicide is rarely committed by self-immolation inside an automobile) places a large, somewhat macabre question mark over the nature and extent of the secrets being concealed behind the cloak of religion. Even if Scheffel's death was a suicide, the seriousness of the situation that drove him to such an extreme raises questions about what is going on inside Shambhala.

Given the degree of commingling and the extensive evidence of rich living by the Mukpo family for decades, none of the organizations in the Shambhala organization should be deemed to be operating independently of the others, nor should any of them be allowed to maintain financial secrecy under cover of church status. The Attorney General has authority to demand inspection of all financial records necessary to establish that all Shambhala organizations are operating in a manner consistent with their enjoyment of non-profit status. In the aggregate, these corporations own well over \$10 Million in Colorado real estate, and have avoided approximately \$4 Million in taxation over the last forty years. Non-profit status is predicated upon a quid pro quo with the government, in which "exemption from federal income tax [and related state property and sales tax exemptions] is intended to encourage the provision of services that are deemed socially beneficial." *Portland Golf Club v. Commissioner*, 497 U.S. 154, 161 (1990). Private inurement, the extraction of wealth for the benefit of church leadership, and acts violative of public policy, such as engaging in the

commission and cover-up of sexual misconduct, are inimical to tax-exempt status. *Church of Scientology v. Commissioner*, 823 F.2d 1310, 1333 (9th Cir. 1987)(Court held that the Church did not qualify for tax exempt status under §§ 501(a) and 501(c)(3) because it was operated for a substantial commercial purpose, its earnings inured to the benefit of its founder, and it violated well-defined standards of public policy); see also, *Church of Gospel Ministry, Inc. v. United States*, 640 F.Supp. 96 (1986).

The Colorado Attorney General has authority, pursuant to the Colorado Charitable Solicitations Act, Colo. Rev. Stat. §§ 6-16-101 et seq. ("CCSA"), and the Colorado Consumer Protection Act, Colo. Rev. Stat. §§ 6-1-101 et seq. ("CCPA"), to enjoin and restrain charitable non-profit organizations from engaging in deceptive trade practices, including acts of charitable fraud. The Attorney General also has inherent common law authority to protect charitable trusts from misappropriation or conversion to non-exempt purposes. *Anderson v. Suthers*, 2103 COA 148, 338 P.3d 384 (2013). Accordingly, the Attorney General is respectfully requested to investigate the Shambhala organization's corporate entities by requesting their financial records for a period of five years, to determine whether private inurement has occurred and/or whether acts violative of public policy have been committed under the cloak of religion and charity, and to impose appropriate penalties and remedial sanctions to preserve the assets of Shambhala for genuinely tax-exempt purposes and protect the public from the loss of public funds occasioned through inappropriate tax exemptions and permitting the solicitation of donations and service fees under false pretense of religious activity conducted for the financial enrichment and personal aggrandizement of the Sakyong, the Mukpo family, and their close confederates.

Signatures

Name	Location	Date
Charles Carreon	tucson, AZ	2019-08-04
Lee Reilly	Barre, US	2019-08-04
Rogelio Lopez	San Diego, US	2019-08-04
Ana Carreon	Ashland, OR	2019-08-04
Dpri Digenti	Northampton, US	2019-08-04
Lise Hull	Bandon, OR	2019-08-04
Tenzin Chodron	Grotte, Italy	2019-08-04
Juliana McCarthy	Topanga, US	2019-08-04
Daniel Genden	n/a, FL	2019-08-04
Daniel Montgomery	Boulder, US	2019-08-04
Justin Rezzonico	BOULDER, CO	2019-08-04
John dV	Victoria, Canada	2019-08-04
David Suppan	Denver, US	2019-08-04
BRIAN SULLIVAN	New Maryland, Canada	2019-08-04
Barbara Heffernan	Fairfield, US	2019-08-04
Frances Morris	Boulder, CO	2019-08-04
Ravenna Michalsen	New Haven, US	2019-08-04
Dave Lindberg	Lebanon, US	2019-08-05
Nancy Smith	Portland, OR	2019-08-05
Leisa ReFalo	Gresham, US	2019-08-05

Name	Location	Date
Kim Kita	Fort Collins, CO	2019-08-05
Jason Bray	Pittsburgh, US	2019-08-05
Lori Ruth	Oakland, US	2019-08-05
Tara Carreon	Tucson, US	2019-08-05
Robert Ivanc	Ljubljana, Slovenia	2019-08-05
Peggy Kass	San Anselmo, CA	2019-08-05
Judith Lechner	Netherlands	2019-08-05
Ati Rosselet	Budapest, Hungary	2019-08-05
Rebecca Adae	New Paltz, US	2019-08-05
Jayne Byrne	Dublin, Ireland	2019-08-05
Saskia Mispelblom	Amsterdam, Netherlands	2019-08-05
Sarah Pollock	Boadilla del Monte, Spain	2019-08-05
joan channon	Hawi, US	2019-08-05
Martin Heltai	Portland, US	2019-08-05
Ben Black	Seattle, US	2019-08-05
Carrie Gleason	Littleton, CO	2019-08-05
Jamie Moffat	Toronto, Canada	2019-08-05
David Frevola	Halifax, Canada	2019-08-05
natalie mccall	East Kilbride, UK	2019-08-05
Donna Fanara	Sonoma, US	2019-08-05
nathan montgomery	Iowa City, US	2019-08-06
B Bernard	Ottawa, Canada	2019-08-06

Name	Location	Date
Louis Pepin	Québec, Canada	2019-08-06
Shaun Bartone	Worcester, US	2019-08-06
Michael Brucato	Cincinnati, US	2019-08-06
Esther Rochon	Montréal, Canada	2019-08-06
brendan stewart	Denver, US	2019-08-06
Kim McCoy	Hillsboro, OR	2019-08-06
amy turino	Denver, CO	2019-08-06
Shannon van Staden	Brussels, Belgium	2019-08-06
Jeff Harrington	Avignon, France	2019-08-06
Oleksa Stepaniuk	Київ, Ukraine	2019-08-06
C Rhom	Wien, Austria	2019-08-06
David Sanchez	Queens, US	2019-08-06
Kieron Byrne	Dublin, Ireland	2019-08-06
Norman Cox	Montrollet, France	2019-08-06
Jon Feller	Stuttgart, Germany	2019-08-06
Richard Allison	Red Lion, US	2019-08-06
Grace Goodman	Northampton, US	2019-08-06
Mutasem Alghazali	Chicago, IL	2019-08-06
Rachel Lance	Brooklyn, US	2019-08-06
Jonathan Petersen	Westerville, US	2019-08-06
Ligia Brock	Novo Hamburgo, Brazil	2019-08-06
Adam Kaluba	Cincinnati, US	2019-08-06

Name	Location	Date
D Tingen	Amsterdam, Netherlands	2019-08-06
Jean Field	US	2019-08-06
Jessica Sarapoff	La Roche-Bernard, France	2019-08-06
Kathleen Lynch	Amsterdam, Netherlands	2019-08-06
GARY CASON	Manitou Springs, US	2019-08-06
Sara Alkhader	Lansing, US	2019-08-06
Serena Simon	McAllen, US	2019-08-06
mareeya sanchez	brentwood, US	2019-08-06
Brian Hilliard	Brussels, Belgium	2019-08-07
Tim Coxon	Brighton, England, UK	2019-08-07
Itzel Luna	Lynwood, US	2019-08-07
Giovanni Costa	Stuttgart, Germany	2019-08-07
Bridget Taylor	Marazion, UK	2019-08-07
Eric Kalabacos	Princeton, US	2019-08-07
Boris Wanders	Netherlands	2019-08-07
p u g s	Grapevine, US	2019-08-07
Madson Paul	Lake Worth, US	2019-08-07
Verena Schacht	Köln, Germany	2019-08-07
Gabriel Henry	Lexington, US	2019-08-07
Erica Kear	Oscoda, US	2019-08-07
Nancy Steinbeck	Melbourne, AR	2019-08-07
Dan Costantinou	Granite City, US	2019-08-07

Name	Location	Date
Veronica Lueck	Ironton, US	2019-08-07
John Horner	Boulder, US	2019-08-07
V Marsh	Dallas, US	2019-08-07
Yiovani Yero	Lake Worth, US	2019-08-07
Bruce Tharp	Oakland, US	2019-08-07
Begoña Martinez Izeta	Madrid, Spain	2019-08-07
Ashley Smith	Frankfort, US	2019-08-08
Kayla Haygood	Austin, US	2019-08-08
J3B41T3D B10	San Marcos, US	2019-08-08
Karin Becker	Köln, Germany	2019-08-08
Murat Yasar	Sevran, France	2019-08-08
Jessyca Risa	Eatontown, US	2019-08-08
Benjamin Medrano	Denver, US	2019-08-08
Carol Merchasin	Absecon, US	2019-08-08
Kriti Besson	Mt Prospect, US	2019-08-08
Leslie Hays	Denver, CO	2019-08-08
michael hager	fort collins, US	2019-08-08
betty hauptman	Salt Lake City, US	2019-08-08
stanky leg	US	2019-08-08
Robin Lande	Berlin, Germany	2019-08-08
Loretta Ursini	Park Ridge, US	2019-08-08
tenmaxz law	New York, US	2019-08-08

Name	Location	Date
Lillian Yeast	Mexico, US	2019-08-09
Mighty Writer	Carthage, US	2019-08-09
Ace Pratt	Portland, US	2019-08-09
Richard Edelman	Sebastopol, US	2019-08-09
Caed San Diego	Pacifica, US	2019-08-09
Trinity Velazquez	charlestown, US	2019-08-09
Flame Fox	Joliet, US	2019-08-09
Aliyah Cunningham	Sarasota, US	2019-08-09
Alenka Bajec Strle	Croatia	2019-08-09
Mike Murray	Laramie, US	2019-08-09
Clayton Carey	Windsor, US	2019-08-09
Joaquin Negron	Kersey, US	2019-08-09
Angelina Degoian	Stevenson Ranch, US	2019-08-09
Estefany Garcia	Corona, US	2019-08-09
Autumn Murdy	Covington, US	2019-08-09
Christine Chandler	Portland, US	2019-08-09
Joanne Bihari	Halifax, Canada	2019-08-09
Laura Byrd	Portland, US	2019-08-10
jeffrey stevens	Denver, US	2019-08-10
Travis Coleman	Loveland, CO	2019-08-10
Bob Chandler	Maine	2019-08-10
Patricia Ullman	Bethesda, MD	2019-08-11

Name	Location	Date
Philip Beeman	Vancouver, Canada	2019-08-13
Danielle Loeb	Denver, US	2019-08-14
Tibor Stern	Olathe, US	2019-08-14
Sequoia Everest	Clinton, WA	2019-08-15
Debra Peluso	Arlington, US	2019-08-15
Marte-Micaela Riepe	Berlin, Germany	2019-08-15
Maria Grazia Oakley	Clackamas, OR	2019-08-16
Sarah Pollock	Beaverton, US	2019-08-16
Jason Riddle	San Jose, US	2019-08-16
James Harrington	Boulder, CO	2019-08-16
April Bond	Courtenay, AL	2019-08-17
Eileen Thibault	El Sobrante, CA	2019-08-17
Stephan van der Mersch	Boulder, US	2019-08-18
Diane Brunjes	Colorado Springs, CO	2019-08-18
Amber Sosos	Woodside, US	2019-08-18
Eric Davis	Ellendale, US	2019-08-18
Kevin Russell	Placentia, CA	2019-08-18
Austin Korynas	Killeen, US	2019-08-19
Ganesh G. Neumair	Lana, Italy	2019-08-19
shahin golshani	US	2019-08-19
Lopa van der Mersch	Boulder, CO	2019-08-19
zak timan	berkeley, US	2019-08-19

Name	Location	Date
Rafael Miret	Miami, US	2019-08-19
Linton McClain	Tampa, US	2019-08-19
Tasai Berry	Atlanta, US	2019-08-19
Shahin Tavakol	Los Angeles, US	2019-08-19
ur mom	Austin, US	2019-08-19
Rylee McKenna	Watertown, US	2019-08-19
Andrew Hyde	Boulder, US	2019-08-19
Saina Hejrizadeh	Albuquerque, US	2019-08-19
heather Adriano	Port Jervis, US	2019-08-19
Daniel Dykstra	Canton, US	2019-08-20
Syed Khan	Oxnard, CA	2019-08-20
Yee Yee	Beaverton, US	2019-08-21
Golman Kreene	Philadelphia, US	2019-08-21
Hena Blue	Atlanta, US	2019-08-21
Kenneth DeLaruelle	Harrison Township, US	2019-08-21
Jamie Pittman	Custer, US	2019-08-21
Chris Muench	Camp Hill, US	2019-08-21
Darya Bank	Murrieta, US	2019-08-21
Michael Scalia	Newark, US	2019-08-21
Maria Castro	Garfield, US	2019-08-21
Melody Brenchley	West Haven, US	2019-08-21
Cindy Lopez	Lexington, US	2019-08-22

Name	Location	Date
Gen Lainez	Winthrop, US	2019-08-22
Logan Scates	Yorktown, US	2019-08-22
Alexis Perez	Mecca, US	2019-08-22
Gracie White	Breese, US	2019-08-22
Cecelia S	Northampton, US	2019-08-22
Kyle Forrest	Joplin, US	2019-08-22
titia oosten	Utrecht, Netherlands	2019-08-24
Richard Wiggers	Castricum, Netherlands	2019-08-24
Mary Finnigan	Bristol, England, UK	2019-08-24
Melinda Bowers	Denver, US	2019-08-24
Marta Jakus	Stockholm, Sweden	2019-08-25
Sila Trevor	London, England, UK	2019-08-25
Fiana Reid	Cork, Ireland	2019-08-25
Joan Sutton	San Francisco, US	2019-08-25
Petra Hunsche	Amsterdam, Netherlands	2019-08-25
Clarity Haynes	New York, NY	2019-08-25
Aranyo Ditvoorst	Heemstede, Netherlands	2019-08-26
Karla Smith	Denver, CO	2019-08-27
paul hagebeuk	Netherlands	2019-08-27
Eleanor Bristol	Boulder, CO	2019-08-29
Raimund Hopf	Hamburg, Germany	2019-08-30
Jake Kolsky kolsky	Taigum, Australia	2019-09-03

Comments

Name	Location	Date	Comment
Ana Carreon	Ashland, OR	2019-08-04	"These sound like serious accusations with consequences for people's lives, people who have sacrificed much for this organization. Their selflessness should be defended and an investigation should protect their mission to provide service to the public, not just one individual."
Frances Morris	Boulder, CO	2019-08-04	"1. Shambhala, to my knowledge, has not contributed anything useful to the communities it is part of, such as contributing time or money to the homeless, the needy or to helping the environment. 2. The Sakyong and his family live in opulent splendor, waited on hand and foot, by largely unpaid staff who work long hours and are often verbally (even physically) abused and exploited. 3. The Sakyong (aside from giving occasional talks and teachings over the years), has no right to receive the large annual income, imperial lifestyle, huge houses and first class travel he enjoys. Please note that he has not done anything at all in the last year + whilst hiding out in India."
Charles Carreon	tucson, AZ	2019-08-05	"Thank you, Frances. Well spoken. If you are in the FB Open Shambhala group, please post it there, as I have no FB Account."
Charles Carreon	tucson, AZ	2019-08-05	"Thank you. What the Sakyong is doing with Shambhala is outrageous, and I appreciate your vote to put a halt to it!"
Nancy Smith	Portland, OR	2019-08-05	"I wish to support the effort to find out about the financial dealings of the Shambhala entities mentioned below."
Peggy Kass	San Anselmo, CA	2019-08-05	"Long overdue."
Judith Lechner	Netherlands	2019-08-05	"I hope the hegemony will be cracked and real change can occur."
Judith Lechner	Netherlands	2019-08-05	"I hope the hegemony of a Tibetan clan can be cracked and held accountable to the standards of good governance in our culture. For the purpose of a flourishing future of buddhism in the West."
natalie mccall	East Kilbride, Scotland, UK	2019-08-05	"I'm signing in the hope that if perpetrators are finally held to account there will be no more victims. I also hope that those who have been damaged by past abuses will find peace and healing."
Tim Coxon	Brighton, England, UK	2019-08-07	"Shambhala is an international organisation that does not appear to be working within the expectations of financial competence, transparency and trust of non-profit, benevolent organisations. This investigation is needed in the US and I would hope will lead to scrutiny in other jurisdictions."
Murat Yasar	Sevrans, France	2019-08-08	"Om ah hung benzar guru pema siddhi hung"
Leslie Hays	Denver, CO	2019-08-08	"I am against abusive, criminal cults"
Laura Byrd	Los Angeles, CA	2019-08-10	"At this point, in order for Shambhala's financial dealings to be less obscured it seems necessary for an outside entity to investigate. I support any efforts to improve openness and transparency."

Name	Location	Date	Comment
Bob Chandler	Maine	2019-08-10	"I am signing this petition because to hold these people accountable for all the harm they have done for forty-five years and still counting."
Maria Grazia Oakley	Clackamas, OR	2019-08-16	"Nobody should be above the law, particularly the so called spiritual or religious people."
Sila Trevor	London, England, UK	2019-08-25	"Because abuse in religions including Buddhism should be investigated and victims deserve justice."
Ute Münchinger	Frankfurt, Germany	2019-09-05	<p>"ich unterschreibe diese Petition, weil es nicht sein darf, daß wir zwar permanent gebeten werden Shambhala finanziell zu unterstützen, gleichzeitig aber nicht wissen , was mit unserem Geld passiert"</p> <p>"I am signing this petition because we can not be constantly asked to financially support Shambhala, but at the same time we do not know what happens to our money" (Translation from the German via Google Translate)</p>

STATE OF COLORADO

DEPARTMENT OF
STATE



NONPROFIT
CERTIFICATE OF
INCORPORATION

J. Byron A. Anderson,

Secretary of State of the State of Colorado, hereby certify that duplicate originals of Articles of Incorporation, duly signed and acknowledged pursuant to the provisions of the Colorado Nonprofit Corporation Act, have been received in this office and are found to conform to law.

Accordingly the undersigned, by virtue of the authority vested in me by law, hereby issues this Certificate of Incorporation of

-----KARMA DZONO-----
(A COLORADO NONPROFIT CORPORATION)

and attaches hereto a duplicate original of the Articles of Incorporation.

Dated this -----Seventh----- *day of* -----January-----, *A. D. 19* 71 ..

Byron A. Anderson
SECRETARY OF STATE
Jeremiah J. Connolly
DEPUTY



ARTICLES OF INCORPORATION

of

KARMA DZONG, A RELIGIOUS

NON-PROFIT CORPORATION

The undersigned natural persons, of the age of twenty-one years or more, acting as incorporators of a corporation (hereinafter referred to as "the corporation") under the provisions of "the Colorado Non-Profit Corporation Act" (hereinafter referred to as "the Act"), adopt the following Articles of Incorporation.

ARTICLE I

NAME: The name of the corporation is KARMA DZONG, a religious non-profit corporation.

ARTICLE II

PERIOD OF DURATION: The period of duration for the corporation shall be perpetual.

ARTICLE III**PURPOSES AND POWERS:**

Section 1. In General. The purposes for which the corporation is organized are as follows:

Clause (a) General Purposes. The teaching of meditation, Tibetan Religious Traditions, Educational handicrafts, and the practice of charity.

Section 2. Statutory Powers. Subject to any specific written limitations or restrictions imposed by the Act, or other law, or by these Articles of Incorporation, the corporation shall have and exercise all the powers granted by the Statutes of the State of Colorado and specifically in C.R.S. (1963) 31-24-5 (as amended 1967).

ARTICLE IV**PROVISIONS FOR REGULATION OF THE INTERNAL AFFAIRS OF THE CORPORATION.**

Section 1. Meetings of Members. Meetings of the members of the corporation may be held at such place, either within or without the State of Colorado, as may be provided in the Code of By-Laws. In the absence of any such provisions, all meetings shall be held at the registered office of the corporation.

Section 2. Meetings of Directors. Meetings of the Board of Directors of the corporation, regular or special, may be held either within or without the State of Colorado.

Section 3. Code of By-Laws. The initial Code of By-Laws of the corporation shall be adopted by its Board of Directors. The power to alter, amend, or repeal the By-Laws or adopt new By-Laws shall be vested in the Board of Directors.

The By-laws may contain any provisions for the regulation and management of the affairs of the corporation not inconsistent with law or the Articles of Incorporation.

Section 4. Interest of Directors in Contracts. Any contract or other transaction between the corporation and one or more of its Directors, or between the corporation and any firm of which one or more of its Directors are members or employees, or in which they are interested, or between the corporation and any corporation or association of which one or more of its Directors are stockholders, members, directors, officers, or employees, or in which they are interested, shall be valid for all purposes, notwithstanding the presence of such Director or Directors at the meeting of the Board of Directors of the corporation which acts upon or in reference to such contract or transactions, and notwithstanding his or their participation in such action, if the fact of such interest shall be disclosed or known to the Board of Directors, and the Board of Directors shall, nevertheless, authorize, approve, and ratify such contract or transaction by a vote of a majority of the Directors present, such interested Director or Directors to be counted in calculating the majority necessary to carry such vote. This section shall not be construed to invalidate any contract or other transaction which would otherwise be valid under the common and statutory law applicable thereto.

Section 5. Amendments of Articles of Incorporation. The corporation reserves the right, from time to time, to amend, alter, or repeal, or to add any provisions to its Articles of Incorporation in the manner provided by the Act.

ARTICLE V

DISTRIBUTION OF ASSETS ON DISSOLUTION OR FINAL LIQUIDATION

Section 1. Assets Requiring Return. Assets held by the corporation on condition requiring return, transfer, or conveyance, which condition occurs by reason of the dissolution, shall be returned, transferred, or conveyed in accordance with such requirement.

Section 2. Assets held for charitable purposes but not requiring return upon dissolution. Assets received and held by the corporation subject to limitations permitting their use only for charitable, religious, benevolent, educational, or similar purposes, but not held upon a condition requiring return, transfer, or conveyance by reason of the dissolution shall be transferred to a non-profit corporation with similar charitable purposes.

ARTICLE VI

ADDRESS OF INITIAL REGISTERED AGENT, AND NAME OF INITIAL REGISTERED AGENT.

Section 1. Registered Office. The address of the initial registered office of the corporation is c/o John Baker, Salina Star Rte., Boulder, Colorado 80302.

Boulder County

Section 2. Registered Agent. The name of the initial registered agent of the corporation is John Baker, Salina Star Rte., Boulder, Colorado 80302.

ARTICLE VII

DATA RESPECTING DIRECTORS.

Section 1. Initial Board of Directors. The initial Board of Directors shall consist of three (3) persons, who shall be residents of the State of Colorado, but need not be members of the corporation.

Section 2. Names and Addresses. The names and addresses of the persons who are to serve as Directors until the first annual meeting of stockholders, or until their successors shall be elected and qualified, follow:

John Baker, Salina Star Rte., Boulder, Colorado 80302
Mayvin Casper, Salina Star Rte., Boulder, Colorado 80302
Chogyam Trungpa Mukpo, Salina Star Route, Boulder, Colo. 80302

Section 3. Increase or Decrease of Directors. The corporation shall have from three (3) to seven (7) Directors, and may be increased or decreased from time to time by amendment of the Code of By-Laws, but no decrease shall have the effect of shortening the term of any incumbent Director. In the absence of a By-Law fixing the number of Directors, the number shall be three (3).

EXECUTED THIS 5th day of January, 1978.

Roger E. Stevens
Roger E. Stevens, Incorporator
Address: Boulder Canyon, P.O. Box 2140
Boulder, Colorado 80302

Fred Clifford
Fred Clifford, Incorporator
Address: Boulder Canyon, P.O. Box 2140
Boulder, Colorado 80302

John Baker
John Baker, Incorporator
Address: Salina Star Route
Boulder, Colorado 80302

STATE OF COLORADO)
) SS
COUNTY OF BOULDER)

I, the undersigned, a Notary Public, duly commissioned to take acknowledgements and administer oaths in the State of Colorado, certify that Roger E. Stevens, Fred Clifford, and John Baker, being all the incorporators referred to in the foregoing Articles of Incorporation, personally appeared before me and swore to the truth of the facts therein stated.

WITNESS my hand and notarial seal this 5th day of January, 1978.

My commission expires June 29, 1978

Carol A. Osborne
Notary Public



225519

ARTICLES OF INCORPORATION

KARMA DZONG

DOMESTIC

NOT FOR PROFIT

Filed in the office of the Secretary of State, of the State of Colorado, on the

7th day of January A. D. 1971

BYRON A. ANDERSON
Secretary of State

Filing Clerk Sage Fees \$10

Old Age Pension Fund _____

This document has been inspected and properly entered on the Records of The Flat tax Department.

Date January 11, 1971.....

OK *vs*

Luistita..... Clerk

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STATE OF COLORADO

DEPARTMENT OF
STATE



NONPROFIT
CERTIFICATE OF
AMENDMENT

I, Byron A. Anderson,

Secretary of State of the State of Colorado, hereby certify that duplicate originals of Articles of Amendment to the Articles of Incorporation of

Karma Dzong

duly signed and acknowledged pursuant to the provisions of the Colorado Nonprofit Corporation Act, have been received in this office and are found to conform to law.

Accordingly the undersigned, as Secretary of State, and by virtue of the authority vested in me by law, hereby issues this Certificate of Amendment and attaches hereto a duplicate original of the Articles of Amendment.

Dated this Twenty-Ninth *day of* April *, A. D. 19* 71

Byron A. Anderson
SECRETARY OF STATE

Jeremiah J. Connolly
DEPUTY



ARTICLES OF AMENDMENT
TO THE
ARTICLES OF INCORPORATION
OF
KARMA DZONG
A Religious Non-Profit Corporation

Pursuant to the provisions of the Colorado Non-Profit Corporation Act, the undersigned corporation adopts the following Articles of Amendment to its Articles of Incorporation:

FIRST: The name of the Corporation is Karma Dzong.

SECOND: The following amendment of the Articles of Incorporation was adopted on the 10th day of April, 1971, by a majority vote of the directors in office, there being no members of the corporation:

ARTICLE III

Section 1. The purposes for which the corporation is organized are the teaching of meditation, Tibetan Religious Traditions, Educational handicrafts, and the practice of charity.

Section 2. The purposes shall be solely educational, charitable, and religious in character within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1954 and its regulations as they now exist or as they may be hereafter amended.

Section 3. As a means of accomplishing the foregoing purposes, the Corporation may exercise such powers which now or hereafter may be conferred by law upon a corporation organized for the purposes outlined herein, or necessary or incidental to the powers so conferred, subject to the further limitations that, notwithstanding any other provisions of these Articles, only such powers shall be exercised, and such activities engaged in, as are in furtherance of the tax exempt purposes of the Corporation and as may be exercised by an organization exempt under Section 501(c)(3) of

the Internal Revenue Code of 1954, and its regulations as they now exist or may hereafter be amended, or by an organization, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code and its regulations as they now exist or as they may hereafter be amended.

ARTICLE V

No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, its directors, 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 set forth in Article III hereof.

ARTICLE VI

The address of the registered office and principal office of the Corporation is Salina Star Route, Boulder County, Colorado 80302 and the registered agent at such address is John Baker.

ARTICLE VII

Upon the dissolution of the Corporation, the Board of Directors shall, after complying with applicable provisions of the Colorado Non-Profit Corporations Act, dispose of all of the assets of the Corporation exclusively for the purposes of the Corporation in such manner, or to such organization or organizations organized and operated exclusively for educational, religious or charitable purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provisions of any future United States Internal Revenue law) as the Board of Directors shall determine. Any assets not so disposed of shall be disposed of by the District Court for the District in which the principal office of the Corporation is then located, exclusively for such purposes or to such organization or organizations, as the Court shall determine, which are organized and operated exclusively for such purposes.

Executed this 14th day of April, 1971.

John J. Baker
John J. Baker - Vice-President/
Treasurer, authorized to sign on
behalf of Chogyam Trungpa Mukpo,
President

Marvin Casper
Secretary

THE FOREGOING instrument was acknowledged before me this 14th
day of April, 1971, by John J. Baker, Vice-President, Treasurer and
Marvin Casper, Secretary of Karma Dzong.

IN WITNESS WHEREOF I have hereunto set my hand and seal.

My commission expires Sept. 9, 1973



Charles B. Hardisty
Notary Public

229101

ARTICLES OF AMENDMENT
TO THE
ARTICLES OF INCORPORATION
OF Karma Dzong

**DOMESTIC
NOT FOR PROFIT**

FILED in the office of the Secretary of
State, of the State of Colorado, on the
29th day of April, A.D. 1971
BYRON A. ANDERSON
Secretary of State
Filing Clerk Sage Fees \$5
Old Age Pension Fund

This document has been inspected
and properly entered on the re-
cords of The Flat Tax Department

Date May 3, 1971 **OK**
M. Deane Clerk

RECORDED

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OFFICE OF THE SECRETARY OF STATE

UNITED STATES OF AMERICA) ss. CERTIFICATE
STATE OF COLORADO.)

I, Byron A. Anderson, Secretary of State

of the State of Colorado, do hereby certify that

duplicate originals of Articles of Consolidation, duly signed and verified pursuant to the provisions of the Colorado Corporation Act, have been received in this office and are found to conform to law.

Accordingly, the undersigned, by virtue of the authority vested in me by law, hereby issues this Certificate of Consolidation of KAPMA DZONG (Colorado Corporation) and TAIL OF THE TIGER (Vermont Corporation - Not Qualified) resulting in a new Colorado corporation (not for profit) known as VAJRADHATSU, and attaches hereto a duplicate original of the Articles of Consolidation.

IN TESTIMONY WHEREOF *I have hereunto*
set my hand and affixed the Great
Seal of the State of Colorado, at the
City of Denver, this --Twenty-Second--
day of --February-- A. D. 1973

Byron A. Anderson
SECRETARY OF STATE
Jeremiah D. [Signature]
CLERK

ARTICLES OF CONSOLIDATION

KARMA DZONG, A COLORADO NONPROFIT CORPORATION,
AND TAIL OF THE TIGER, A VERMONT NONPROFIT COR-
PORATION, CONSOLIDATING TO FORM VAJRADHATU, A NEW
COLORADO NONPROFIT CORPORATION

We, the President and Secretary of Karma Dzong,
a Colorado nonprofit corporation, and the President and
Secretary of Tail of the Tiger, a Vermont nonprofit cor-
poration, state the following Articles of Consolidation:

1. Plan of Consolidation: I

This agreement and plan of consolidation is
dated February 22, 1973, and is made between Karma Dzong,
a Buddhist church and religious organization, and Tail
of the Tiger, a Buddhist church and religious corporation,
hereinafter referred to as the "Consolidating Corporations",
whereby the Consolidating Corporations agree to consolidate
and form a new nonprofit corporation, to be named Vajradhatu,
a Buddhist church and association of Buddhist churches.

Karma Dzong is organized under the laws of the
state of Colorado as a nonprofit corporation, and has its
principal office in Boulder, Colorado. Karma Dzong is a
Buddhist church, which has since its organization conducted
activities of a church and religious organization exclu-
sively.

Tail of the Tiger is a nonprofit corporation
organized under the laws of the state of Vermont, with its

1478

principal office at Barnet, Vermont. Tail of the Tiger is a church of the Buddhist faith, and has since its organization conducted the activities of a church and religious organization exclusively.

The two Consolidating Corporations hereby agree to consolidate and to form Vajradhatu, a church and association of churches of the Buddhist faith, which shall be organized as a Colorado nonprofit corporation governed by the laws of the state of Colorado. Vajradhatu shall have its principal office in Boulder, Colorado. Hereinafter, Vajradhatu shall be designated as the "New Corporation".

This agreement and plan of consolidation is made pursuant to the Colorado Nonprofit Corporation Act, Colorado Revised Statutes (1963) as amended, §§31-24-44, 45, 46, 47 and 48; and is also governed by the Vermont Nonprofit Corporation Act, Vermont Statutes, Title XI, §§2301 et seq, particularly subchapter 5, §§2502-2506.

II

Terms and Conditions

1. On the date this plan becomes effective, as governed by the laws of Colorado and Vermont stated above, the separate existence of Karma Dzong and Tail of the Tiger shall cease.

2. On the effective date, Vajradhatu shall commence its existence as a nonprofit corporation, having

the purposes, powers, duties and liabilities of nonprofit corporations organized under the Colorado and Vermont Nonprofit Corporation Acts, and as provided in and limited by the Articles of Incorporation of Vajradhatu, set forth below.

3. Vajradhatu shall thereupon and thereafter possess all the rights, privileges, immunities, and franchises, of a public or private nature, of Karma Dzong and Tail of the Tiger; and all property, real, personal, and mixed, and all debts due on whatever account, and all other choses in action, and all and every other interest, of or belonging to or due to Karma Dzong or Tail of the Tiger, shall be taken and deemed to be transferred to and vested in Vajradhatu without further act or deed; and the title to any real estate, or any interest therein, vested in Karma Dzong or Tail of the Tiger shall not revert or be in any way impaired by reason of such consolidation.

4. Vajradhatu shall thenceforth be responsible and liable for all the liabilities and obligations of Karma Dzong and Tail of the Tiger, and any claim existing or action or proceeding pending by or against any of such corporations may be prosecuted as if such merger or consolidation had not taken place, or Vajradhatu may be substituted in its place. Neither the rights of creditors nor any liens upon the property of Karma Dzong or Tail

of the Tiger shall be impaired by such consolidation.

III

Articles of Incorporation of Vajradhatu

The undersigned persons, desiring to form a corporation pursuant to the provisions of the Colorado Nonprofit Corporation Act, hereby certify:

1. The name of the corporation is VAJRADHATU.
2. The period of duration of the corporation is perpetual.
3. The purposes for which the corporation is organized are as follows:
 - (a) To establish and operate a church for religious practice and worship in accordance with the precepts of Buddhism.
 - (b) To establish, maintain, and operate an association of Buddhist churches founded to promote the teachings of the Buddhist religion of Tibet and neighboring countries in the Himalayan region such as Bhutan, Sikkim, Nepal, and Northern India.
 - (c) To coordinate, administer and guide the progress and projects of the Buddhist churches associated with Vajradhatu.
 - (d) To aid, assist and encourage the establishment, organization, and administration of new Buddhist churches in North America which may become associated with

the corporation.

(e) To promote, encourage, and advance the teachings of the Hinayana, Mahayana, and Vajrayana schools of Buddhism through lectures, publication of written materials, seminars, development and dissemination of audio visual materials such as tape recordings and motion picture films, and any other forms of communication.

(f) To promote and develop the establishment, operation, and activities of churches of Buddhism through the establishment of religious institutions, including but not limited to Buddhist meditation centers, retreat centers, and study centers.

(g) To promote and encourage the teaching of Hinayana, Mahayana, and Vajrayana Buddhism through the establishment and operation of religious educational institutions, including but not limited to schools, colleges, and seminaries for the training and instruction of ministers of the Buddhist religion and other interested people.

(h) To organize, administer, and guide Buddhist communities whose members are dedicated to integrating their daily lives with their religious practice and study.

(i) To promote and encourage the preservation of Buddhist religious texts, artifacts, and works of re-

religious art presently located in Tibet, Nepal, Bhutan, Sikkim, and Northern India, as well as other parts of the world.

(j) To encourage communication between teachers and students of Buddhism in North America and Buddhists in other parts of the world, by assisting Buddhist teachers and students to come to North America and assisting North American students and teachers to go elsewhere for study and practice of Buddhism, and by the exchange of texts, artworks, books, and other forms of communication between Buddhist centers around the world.

(k) The dissemination of Buddhist teaching and practice as a means to alleviate mental and psychological problems and suffering, including but not limited to the establishment and operation of centers that help mentally disturbed people in a context of Buddhist teaching and practice.

(l) To work cooperatively with individuals, Buddhist churches, educational institutions and other organizations for the advancement of Buddhism.

(m) To conduct the activities of the corporation exclusively for religious purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1954, as the same may be amended from time to time.

(n) In furtherance of the foregoing purposes, the corporation shall have the power, subject to such limitations and conditions as are or may be prescribed by law, to exercise all such other powers as are now, or hereafter may be, conferred by the Colorado Nonprofit Corporation Act upon a corporation organized for the purposes hereinabove set forth or necessary or incidental to the powers so conferred, or conducive to the furtherance thereof, and to conduct and carry on its activities in any state or territory of the United States or in any foreign country in conformity with the laws of such state, territory or foreign country, subject to the further limitation and condition that notwithstanding any other provision of this Article (3), the corporation shall not have the power to carry on any activities not permitted to be carried on by a corporation exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code of 1954 and regulations established thereunder, or by any organization contributions to which are deductible under Section 170(c)(2) of such Code and regulations thereunder (or the corresponding provision of any future United States Internal Revenue Law.)

This corporation is not formed for pecuniary profit or financial gain and no part of its assets, income or profit shall be distributed to or inure to the benefit

of any member, director or officer to the corporation or any other private individual except that the corporation shall be authorized to pay reasonable compensation for services rendered in furtherance of the purposes set forth herein.

No part of the activities of the corporation shall be devoted to carrying on propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate or intervene (including the publishing or distributing of statements) in any political campaign on behalf of any candidate for public office.

4. The assets of the corporation having been dedicated to religious purposes, in the event of the liquidation, dissolution or winding up of the corporation, whether voluntary or by operation of law, disposition of the assets of the corporation shall be such as is designed exclusively to carry out the purposes for which the corporation is formed provided that no assets shall be distributed to any organization whose purposes are not exclusively religious within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1954 and regulations adopted thereunder as at any time amended.

5. The initial registered office of the corporation in the State of Colorado is located at 1111 Pearl Street, Boulder, Colorado, 80302 and the name of its ini-

tial registered agent at such address is Marvin S. Casper.

6. The members of the corporation shall include all of the Board of Directors and such other members as the Board of Directors may from time to time determine, according to the By-Laws of the corporation.

7. The corporation shall have no stock.

8. The initial Board of Directors shall consist of two classes of directors. The first class of Directors shall consist of one director. The second class of directors shall consist of three directors. The names and addresses of the initial directors are as follows:

First Class of Directors:

<u>NAME</u>	<u>ADDRESS</u>
Chogyan Trungpa Mukpo	Salina Star Route Boulder, Colorado 80302

Second Class of Directors:

<u>NAME</u>	<u>ADDRESS</u>
Kenneth Green	Snow Lion Inn Teton Village, Wyoming 83025
Frances Lewis	1111 Pearl Street Boulder, Colorado 80302
Marvin Casper	1111 Pearl Street Boulder, Colorado 80302

9. The names and addresses of the incorporators are as follows:

1486

<u>NAME</u>	<u>ADDRESS</u>
Chogyan Trungpa Mukpo	Salina Star Route Boulder, Colorado 80302
Frances Lewis	1111 Pearl Street Boulder, Colorado 80302
Marvin Casper	1111 Pearl Street Boulder, Colorado 80302

IN WITNESS WHEREOF, this Certificate has been signed this 22 day of February, 1973.

Chogyan Trungpa Mukpo
Frances Lewis
Marvin Casper

STATE OF COLORADO)
) ss.
 CITY AND COUNTY OF DENVER)

The foregoing certificate was acknowledged before me this 22nd day of February, 1973, by Chogyan Trungpa Mukpo, Frances Lewis and Marvin Casper.

IN WITNESS WHEREOF, I have hereunto set my hand and seal.

H. McNeagle Doty, Jr.
 Notary Public

My Commission Expires May 22, 1975

My Commission expires: _____.

1487

IV

Binding Effect

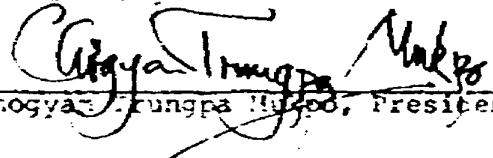
This agreement and plan of consolidation shall be binding upon the Consolidating Corporations from the date on which it is approved and adopted by the board of directors of Karma Dzong, and the board of trustees and members of Tail of the Tiger. Upon adoption, the President and Secretary of the Consolidating Corporations shall prepare and file Articles of Consolidation with the Secretary of State of the States of Colorado and Vermont.

2. Members: Karma Dzong has no members entitled to vote on this plan of consolidation. Tail of the Tiger has members entitled to vote on the plan, and the plan was adopted by a consent in writing signed by all members entitled to vote on the plan, dated February 22, 1973.

3. Directors: The board of directors of Karma Dzong adopted the plan at a special meeting held on February 22, 1973, by an unanimous vote of all directors. The board of trustees of Tail of the Tiger adopted the plan by unanimous consent in writing signed by all trustees dated February 22, 1973.

Dated: - February 22, 1973.

Karma Dzong:


Chogyal Trunpa Mipso, President

1488

Harvin Casper
Harvin Casper, Secretary

Tail of the Tiger:

Chogyan Tsungpa Yukpa
Chogyan Tsungpa Yukpa, President

Tania Leontov
Tania Leontov, Secretary

254258

ARTICLES OF CONSOLIDATION

OF

KARMA DZONG
(Colorado Corporation)

AND

TAIL OF THE TIGER
(Vermont Corporation - Not Qualified)

resulting in a new
corporation

VAJRADHATU
(Colorado Corporation)

**DOMESTIC
NOT FOR PROFIT**

FILED in the office of the Secretary of
State, of the State of Colorado, on the
22nd day of February, A.D. 1973
BYRON A. ANDERSON
Secretary of State

Filing Cert. Sage Fee \$5.00
Ord. Age Payable Fund _____

RECORDED
ROLL 229 PAGE

1476

This document is subject to inspection
by the Secretary of State or any other
person authorized by law.

O.K.M.

Date Feb 22 1973

Clerk

202 26 7361634 300 005 002

FILED
DONETTA DAVIDSON
COLORADO SECRETARY OF STATE

**ARTICLES OF INCORPORATION
OF
ROCKY MOUNTAIN SHAMBHALA CENTER
A Colorado Nonprofit Corporation**

The undersigned Incorporator, acting pursuant to the Colorado Revised Nonprofit Corporation Act, verifies as follows:

FIRST: The name of the Corporation is ROCKY MOUNTAIN SHAMBHALA CENTER.

SECOND: The period of duration of the Corporation shall be perpetual. 20001034773 M
50.00
SECRETARY OF STATE
02-17-2000 15:20:45

THIRD: The purposes for which the Corporation is organized are as follows:

1. The Corporation is organized as a charitable, educational organization as defined in Section 501(c)(3) of the Internal Revenue Code of 1986, as the same may be amended from time to time, or the corresponding provision of any future United States Internal Revenue Law (the "Code"). Notwithstanding any other provision of these Articles, the 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 Code; or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code.

2. The Corporation shall manage and operate Rocky Mountain Shambhala Center, Laramie County, Colorado, as a site for programs of educational, spiritual, cultural, intellectual, scientific, and artistic enrichment.

3. The Corporation shall organize, develop, manage, conduct, sponsor, and present programs, conferences, classes, and related activities at Rocky Mountain Shambhala Center and other sites.

FOURTH: The Corporation shall not have voting members.

FIFTH: The supervision and control of the Corporation shall be vested in its Board of Directors. There shall be two classes of directors of the Corporation. The first class of directors shall include one (1) director. The second class of directors shall consist of at least three (3) directors. All actions of the Board of Directors shall require the consent of the director of the first class and at least a majority of a quorum of the directors of the second class; provided, however, that any amendment to these Articles of Incorporation shall require the unanimous consent of all directors of the Corporation.

SIXTH: The Corporation accepts and shall be governed by the provisions of the Colorado Revised Nonprofit Corporation Act, as they may hereafter be amended.

COMPUTER UPDATE COMPLETE
MJ

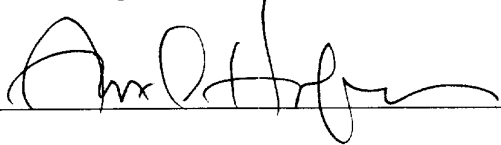
SEVENTH: No director shall be personally liable to the Corporation for monetary damages for breach of fiduciary duty as a director, except for breach of the director's duty of loyalty to the Corporation; acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; statutory liability for loans made by a corporation to its directors or officers; or any transaction from which the director derived an improper personal benefit.

EIGHTH: No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to its directors, 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 set forth in Article THIRD. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of any candidate for public office.

NINTH: Upon the dissolution of the Corporation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the Corporation, dispose of the assets of the Corporation exclusively for the purposes of the Corporation in such manner, or to such organization or organizations organized and operated exclusively for charitable, education, religious, or scientific purposes, as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code as the Board of Directors shall determine. Any such assets not disposed of shall be disposed of by the District Court of the county in which the principal office of the Corporation is located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

TENTH: The address of the registered office of the Corporation in Colorado is 2595 Canyon Boulevard, Suite 400, Boulder, Colorado 80302, and the name of its registered agent at such address is Alexander Halpern.

Signature of registered agent affirming consent to appointment:



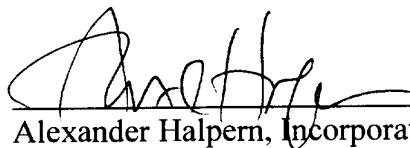
A handwritten signature in cursive script, appearing to read 'Alexander Halpern', is written over a horizontal line.

ELEVENTH: The address of the initial principal office of the Corporation is 1345 Spruce Street, Boulder, Colorado 80302.

TWELFTH: The name and address of the incorporator is as follows:

Alexander Halpern
2595 Canyon Blvd., Suite 400
Boulder, CO 80302

DATED this 15 day of February, 2000.



Alexander Halpern, Incorporator

G:\WP\FRMS\Shamb\articles of incorporation.wpd

FILED
DONETTA DAVIDSON
COLORADO SECRETARY OF STATE

**ARTICLES OF INCORPORATION
OF
ROCKY MOUNTAIN SHAMBHALA CENTER
A Colorado Nonprofit Corporation**

The undersigned Incorporator, acting pursuant to the Colorado Revised Nonprofit Corporation Act, verifies as follows:

FIRST: The name of the Corporation is ROCKY MOUNTAIN SHAMBHALA CENTER.

SECOND: The period of duration of the Corporation shall be perpetual. 20001034773 M
50.00
SECRETARY OF STATE
02-17-2000 15:20:45

THIRD: The purposes for which the Corporation is organized are as follows:

1. The Corporation is organized as a charitable, educational organization as defined in Section 501(c)(3) of the Internal Revenue Code of 1986, as the same may be amended from time to time, or the corresponding provision of any future United States Internal Revenue Law (the "Code"). Notwithstanding any other provision of these Articles, the 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 Code; or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code.

2. The Corporation shall manage and operate Rocky Mountain Shambhala Center, Laramie County, Colorado, as a site for programs of educational, spiritual, cultural, intellectual, scientific, and artistic enrichment.

3. The Corporation shall organize, develop, manage, conduct, sponsor, and present programs, conferences, classes, and related activities at Rocky Mountain Shambhala Center and other sites.

FOURTH: The Corporation shall not have voting members.

FIFTH: The supervision and control of the Corporation shall be vested in its Board of Directors. There shall be two classes of directors of the Corporation. The first class of directors shall include one (1) director. The second class of directors shall consist of at least three (3) directors. All actions of the Board of Directors shall require the consent of the director of the first class and at least a majority of a quorum of the directors of the second class; provided, however, that any amendment to these Articles of Incorporation shall require the unanimous consent of all directors of the Corporation.

SIXTH: The Corporation accepts and shall be governed by the provisions of the Colorado Revised Nonprofit Corporation Act, as they may hereafter be amended.

COMPUTER UPDATE COMPLETE
MJ

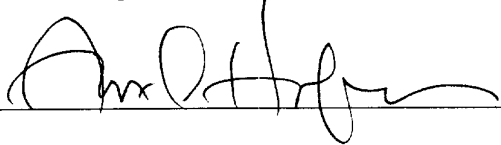
SEVENTH: No director shall be personally liable to the Corporation for monetary damages for breach of fiduciary duty as a director, except for breach of the director's duty of loyalty to the Corporation; acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; statutory liability for loans made by a corporation to its directors or officers; or any transaction from which the director derived an improper personal benefit.

EIGHTH: No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to its directors, 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 set forth in Article THIRD. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of any candidate for public office.

NINTH: Upon the dissolution of the Corporation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the Corporation, dispose of the assets of the Corporation exclusively for the purposes of the Corporation in such manner, or to such organization or organizations organized and operated exclusively for charitable, education, religious, or scientific purposes, as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code as the Board of Directors shall determine. Any such assets not disposed of shall be disposed of by the District Court of the county in which the principal office of the Corporation is located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

TENTH: The address of the registered office of the Corporation in Colorado is 2595 Canyon Boulevard, Suite 400, Boulder, Colorado 80302, and the name of its registered agent at such address is Alexander Halpern.

Signature of registered agent affirming consent to appointment:



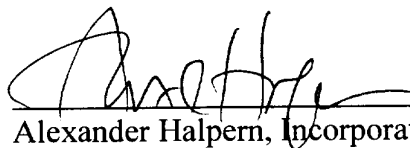
A handwritten signature in cursive script, appearing to read 'Alexander Halpern', is written over a horizontal line.

ELEVENTH: The address of the initial principal office of the Corporation is 1345 Spruce Street, Boulder, Colorado 80302.

TWELFTH: The name and address of the incorporator is as follows:

Alexander Halpern
2595 Canyon Blvd., Suite 400
Boulder, CO 80302

DATED this 15 day of February, 2000.



Alexander Halpern, Incorporator

G:\WP\FRMS\Shamb\articles of incorporation.wpd

CHANGE OF NAME

DNC 19871254258

**AMENDED AND RESTATED
ARTICLES OF INCORPORATION OF
SHAMBHALA INTERNATIONAL (VAJRADHATU)**

Formerly
VAJRADHATU
A Colorado Nonprofit Corporation

FILED
DONETTA DAVIDSON
COLORADO SECRETARY OF STATE

The undersigned officer of Vajradhatu, a Colorado nonprofit corporation, acting pursuant to the Colorado Nonprofit Corporation Act, verifies as follows:

20011045715 C
\$ 60.00
SECRETARY OF STATE
03-02-2001 16:18:17

INTRODUCTION

Vajradhatu was originally incorporated on February 22, 1973. The following Amended and Restated Articles of Incorporation ("Restated Articles") were duly adopted at a meeting of the members on January 12, 2001, at which meeting all of the members were present and unanimously voted in favor of such adoption. These Restated Articles supersede entirely the provisions of the original Articles of Incorporation and all amendments thereto.

AMENDED AND RESTATED ARTICLES OF INCORPORATION

FIRST: The name of the Corporation is SHAMBHALA INTERNATIONAL (VAJRADHATU).

SECOND: The period of duration of the Corporation shall be perpetual.

THIRD: The purposes for which the Corporation is organized are as follows:

1. To conduct the activities of the Corporation exclusively for religious purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as the same may be amended from time to time, or the corresponding provision of any future United States Internal Revenue Law (the "Code"). Notwithstanding any other provision of these Articles, the 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 Code; or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code.
2. To establish and operate a church for religious practice and worship in accordance with the precepts of Buddhism.
3. To establish, maintain, and operate an association of Buddhist churches founded to promote the teachings of the Buddhist religion of Tibet and neighboring countries in the Himalayan region such as Bhutan, Sikkim, Nepal, and Northern India.
4. To coordinate, administer and guide the progress and projects of the Buddhist churches associated with the Corporation.

COMPUTER UPDATE COMPLETE
MJ

5. To aid, assist and encourage the establishment, organization, and administration of new Buddhist churches in North America which may become associated with the Corporation.
6. To promote, encourage, and advance the teachings of the Hinayana, Mahayana, and Vajrayana schools of Buddhism through lectures, publication of written materials, seminars, development and dissemination of audio visual materials such as tape recordings and motion picture films, and any other forms of communication.
7. To promote and develop the establishment, operation, and activities of churches of Buddhism through the establishment of religious institutions, including but not limited to Buddhist meditation centers, retreat centers, and study centers.
8. To promote and encourage the teaching of Hinayana, Mahayana, and Vajrayana Buddhism through the establishment and operation of religious educational institutions, including but not limited to schools, colleges and seminaries for the training and instruction of ministers of the Buddhist religion and other interested people.
9. To organize, administer, and guide Buddhist communities whose members are dedicated to integrating their daily lives with their religious practice and study.
10. To promote and encourage the preservation of Buddhist religious texts, artifacts, and works of religious art presently located in Tibet, Nepal, Bhutan, Sikkim, and Northern India, as well as other parts of the world.
11. To encourage communication between teachers and students of Buddhism in North America and Buddhists in other parts of the world, by assisting Buddhist teachers and students to come to North America and assisting North American students and teachers to go elsewhere for study and practice of Buddhism, and by the exchange of texts, artworks, books, and other forms of communication between Buddhist centers around the world.
12. To disseminate the Buddhist teaching and practice as a means to alleviate mental and psychological problems and suffering, including but not limited to the establishment and operation of centers that help mentally disturbed people in a context of Buddhist teaching and practice.
13. To work cooperatively with individuals Buddhist churches, educational institutions and other organizations for the advancement of Buddhism.
14. In the furtherance of its purposes, the Corporation may establish, maintain, and administer offices throughout the United States; establish convenient,

subordinate boards, committees, and councils; encourage and develop new educational programs; encourage and develop communities of persons inspired by the teachings and practices of the Corporation; and otherwise exercise all lawful powers granted to nonprofit corporations.

FOURTH: The Corporation shall not have members.

FIFTH: The supervision and control of the Corporation shall be vested in its Board of Directors. There shall be two classes of directors of the Corporation. The first class of directors shall include one (1) director. The second class of directors shall consist of at least three (3) directors. All actions of the Board of Directors shall require the consent of the director of the first class and at least a majority of a quorum of the directors of the second class; provided, however, that any amendment to these Articles of Incorporation shall require the unanimous consent of all directors of the Corporation.

SIXTH: The Corporation accepts and shall be governed by the provisions of the Colorado Revised Nonprofit Corporation Act.

SEVENTH: No director shall be personally liable to the Corporation for monetary damages for breach of fiduciary duty as a director, except for breach of the director's duty of loyalty to the Corporation; acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; statutory liability for loans made by a corporation to its directors or officers; or any transaction from which the director derived an improper personal benefit. This provision shall not eliminate or limit the liability of a director to the Corporation for any act or omission occurring before the effective date of these Restated Articles.

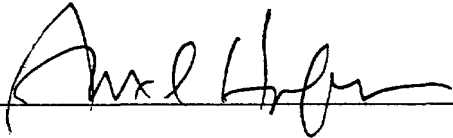
EIGHTH: No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to its directors, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article THIRD. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of any candidate for public office.

NINTH: Upon the dissolution of the Corporation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the Corporation, dispose of the assets of the Corporation exclusively for the purposes of the Corporation in such manner, or to such organization or organizations organized and operated exclusively for charitable, education, religious, or scientific purposes, as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code as the Board of Directors shall determine. Any such assets

not disposed of shall be disposed of by the District Court of the county in which the principal office of the Corporation is located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

TENTH: The address of the registered office of the Corporation in Colorado is 2595 Canyon Boulevard, Suite 400, Boulder, Colorado 80302, and the name of its registered agent at such address is Alexander Halpern.

Signature of registered agent affirming consent to appointment:



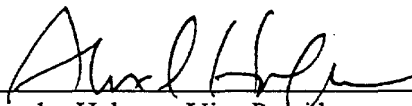
A handwritten signature in cursive script, appearing to read "Alex Halpern", is written over a horizontal line.

ELEVENTH: The principal office of the Corporation is 1345 Spruce Street, Boulder, Colorado 80302.

TWELFTH: These Restated Articles of Incorporation were adopted by the unanimous vote of all of the members of the Corporation, which number of votes was sufficient for approval by each voting group entitled to vote separately on the amendments to the original Articles of Incorporation by each such group, in compliance with the requirements of C.R.S. §§ 7-130-105 (1) (e) and -106 (4) (c).

DATED this 26th day of February, 2000.

**SHAMBHALA INTERNATIONAL,
(VAJRADHATU), formerly Vajradhatu, a
Colorado nonprofit corporation**

By: 
Alexander Halpern, Vice President

FILED
DONETTA DAVIDSON
COLORADO SECRETARY OF STATE

CERTIFICATE OF TRADENAME Form 045

Filing fee: \$10.00 revised 12/31/01

Deliver 2 copies to: Colorado Secretary of State

Business Division

1560 Broadway, Suite 200

Denver, CO 80202-5169

This document must be typed or machine printed.

Please include a self-addressed envelope.

20021193140 M
\$ 10.00
SECRETARY OF STATE
07-16-2002 10:11:20

ABOVE SPACE FOR OFFICE USE ONLY

The undersigned, a corporation, limited liability company, or limited partnership, organized under the laws of COLORADO (state or country) delivers this certificate regarding a tradename pursuant to § 7-71-101(2), Colorado Revised Statutes (C.R.S.), to the Colorado Secretary of State for filing, and states as follows:

1. The entity name is: SHAMBHALA MOUNTAIN CENTER
2. The location of its principal office is: 4921 COUNTY ROAD 68C, RED FEATHER LAKES, CO 80545
3. The name (other than its own entity's name) under which the business is transacted is: ROCKY MOUNTAIN SHAMBHALA CENTER
4. A brief description of the kind of business transacted under the trade name is: MEDITATION AND EDUCATIONAL PROGRAMS
5. The address to which the Secretary of State may send a copy of this document upon completion of filing (or to which the Secretary of State may return this document if filing is refused) is: HALPERN CLANCY LLC, 1881 NINTH STREET, SUITE 315, BOULDER, CO 80302

The Colorado Secretary of State may contact the following authorized person regarding this document: name ALEXANDER HALPERN address 1881 9TH ST., BOULDER, CO 80302

voice 303 449-6180 fax 303 449-6181 e-mail AHALPERN@HALPERNCLANCY.COM

COMPUTER UPDATE COMPLETE
SLC



Document processing fee
If document is filed on paper \$125.00
If document is filed electronically \$ 25.00

Fees & forms/cover sheets are subject to change.

To file electronically, access instructions for this form/cover sheet and other information or print copies of filed documents, visit www.sos.state.co.us and select Business Center.

Paper documents must be typewritten or machine printed.

ABOVE SPACE FOR OFFICE USE ONLY

Articles of Incorporation for a Nonprofit Corporation

filed pursuant to §7-90-301, et seq. and §7-122-101 of the Colorado Revised Statutes (C.R.S)

1. Entity name:

The Sakyong's Foundation

(The name of a nonprofit corporation may, but need not, contain the term or abbreviation "corporation", "incorporated", "company", "limited", "corp.", "inc.", "co." or "ltd." §7-90-601, C.R.S.)

2. Use of Restricted Words (if any of these terms are contained in an entity name, true name of an entity, trade name or trademark stated in this document, mark the applicable box):

- "bank" or "trust" or any derivative thereof
- "credit union" "savings and loan"
- "insurance", "casualty", "mutual", or "surety"

3. Principal office street address:

1426 Pearl Street

(Street name and number)

Suite 201

Boulder

(City)

CO

(State)

80302

(Postal/Zip Code)

United States

(Country – if not US)

(Province – if applicable)

4. Principal office mailing address:
(if different from above)

(Street name and number or Post Office Box information)

(City)

(State)

(Postal/Zip Code)

(Province – if applicable)

(Country – if not US)

5. Registered agent: (if an individual):

Halpern

(Last)

Alexander

(First)

(Middle)

(Suffix)

OR (if a business organization):

6. The person appointed as registered agent in the document has consented to being so appointed.

7. Registered agent street address:

1426 Pearl Street

(Street name and number)

Suite 201

Boulder

(City)

CO

(State)

80302

(Postal/Zip Code)

8. Registered agent mailing address:
(if different from above)

(Street name and number or Post Office Box information)

SHAMBHALA 037

(City) *(State)* *(Postal/Zip Code)*

(Province – if applicable) *(Country – if not US)*

9. If the corporation’s period of duration is less than perpetual, state the date on which the period of duration expires:

(mm/dd/yyyy)

10. (Optional) Delayed effective date:

(mm/dd/yyyy)

11. Name(s) and address(es) of incorporator(s): (if an individual)

Halpern **Alexander**

(Last) *(First)* *(Middle)* *(Suffix)*

OR (if a business organization)

1426 Pearl Street

(Street name and number or Post Office Box information)
Suite 201

Boulder **CO** **80302**

(City) *(State)* *(Postal/Zip Code)*
United States

(Province – if applicable) *(Country – if not US)*

(if an individual)

(Last) *(First)* *(Middle)* *(Suffix)*

OR (if a business organization)

(Street name and number or Post Office Box information)

(City) *(State)* *(Postal/Zip Code)*
United States

(Province – if applicable) *(Country – if not US)*

(if an individual)

(Last) *(First)* *(Middle)* *(Suffix)*

OR (if a business organization)

(Street name and number or Post Office Box information)

(City) *(State)* *(Postal/Zip Code)*
United States

(Province – if applicable) *(Country – if not US)*

(If more than three incorporators, mark this box and include an attachment stating the names and addresses of all incorporators.)

SHAMBHALA 038

- 12. The nonprofit corporation is formed under the Colorado Revised Nonprofit Corporation Act.
- 13. The corporation will **OR** will not have voting members.
- 14. A description of the distribution of assets upon dissolution is attached.
- 15. Additional information may be included pursuant to §7-122-102, C.R.S. and other organic statutes. If applicable, mark this box and include an attachment stating the additional information.

Notice:

Causing this document to be delivered to the secretary of state for filing shall constitute the affirmation or acknowledgment of each individual causing such delivery, under penalties of perjury, that the document is the individual's act and deed, or that the individual in good faith believes the document is the act and deed of the person on whose behalf the individual is causing the document to be delivered for filing, taken in conformity with the requirements of part 3 of article 90 of title 7, C.R.S., the constituent documents, and the organic statutes, and that the individual in good faith believes the facts stated in the document are true and the document complies with the requirements of that Part, the constituent documents, and the organic statutes.

This perjury notice applies to each individual who causes this document to be delivered to the secretary of state, whether or not such individual is named in the document as one who has caused it to be delivered.

16. Name(s) and address(es) of the individual(s) causing the document to be delivered for filing:

Halpern	Alexander		
<i>(Last)</i>	<i>(First)</i>	<i>(Middle)</i>	<i>(Suffix)</i>
1426 Pearl Street			
<i>(Street name and number or Post Office Box information)</i>			
Suite 201			
Boulder	CO	80302	
<i>(City)</i>	<i>(State)</i>	<i>(Postal/Zip Code)</i>	
	United States		
<i>(Province – if applicable)</i>	<i>(Country – if not US)</i>		

(The document need not state the true name and address of more than one individual. However, if you wish to state the name and address of any additional individuals causing the document to be delivered for filing, mark this box and include an attachment stating the name and address of such individuals.)

Disclaimer:

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Attachment to Articles of Incorporation of
THE SAKYONG'S FOUNDATION
A Colorado Nonprofit Corporation

The corporation is organized as a charitable, educational, cultural, and religious organization as defined in Section 501(c)(3) of the Internal Revenue Code of 1986, as the same may be amended from time to time, or the corresponding provision of any future United States Internal Revenue Law (the "Code"). Notwithstanding any other provision of these Articles, the corporation shall not carry on any activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(3) of the Code or by a corporation contributions to which are deductible under Section 170(c)(2) of the Code. In pursuit of its charitable purposes, the corporation may engage in all lawful activities.

The supervision and control of the corporation shall be vested in a Board of Directors which shall include at least one (1) director.

Upon the dissolution of the corporation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the corporation, dispose of the assets of the corporation exclusively for the purposes of the corporation to an organization (or organizations) organized and operated exclusively for charitable, educational, cultural, or religious purposes, which at the time qualifies as an exempt organization (or organizations) under Section 501(c)(3) of the Code. Any such assets not so disposed of shall be disposed of by the District Court of the county in which the principal office of the corporation is located, exclusively for such purposes to an organization (or organizations) which are organized and operated exclusively for such purposes.

No part of the net earnings of the corporation shall inure to the benefit of or be distributable to its directors, officers, or other private persons; except that the corporation is authorized to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Articles 6 and 7, above. No substantial part of the activities of the corporation shall be committed to attempting to influence legislation, and the corporation shall not participate or intervene in any political campaign on behalf of any candidate for public office.

The corporation accepts and shall be governed by the provisions of the Colorado Revised Nonprofit Corporation Act, as they may hereafter be amended.

No director shall be personally liable to the corporation for monetary damages for breach of fiduciary duty as a director, except for breach of the director's duty of loyalty to the corporation; acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; statutory liability for loans made by a corporation to its directors or officers; or any transaction from which the director derived an improper personal benefit.



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Articles of Amendment

filed pursuant to [§7-90-301](#), et seq. and [§7-130-105](#) of the Colorado Revised Statutes (C.R.S.)

ID number 20061185211

1. Entity name The Sakyong's Foundation
(If changing the name of the corporation, indicate name BEFORE the name change)

2. New Entity name
(if applicable) The Sakyong Foundation

3. *(If the following statement applies, adopt the statement by marking the box and include an attachment.)*
 Other amendments are attached.

4. If the nonprofit corporation's period
of duration as amended is less than
perpetual, state the date on which the
period of duration expires _____
(mm/dd/yyyy)

OR

If the nonprofit corporation's period of duration as amended is perpetual, mark this box

5. *(Optional)* Delayed effective date _____
(mm/dd/yyyy)

6. Additional information may be included pursuant to other organic statutes such as title 12, C.R.S. If
applicable, mark this box and include an attachment stating the additional information.

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SHAMBHALA 042

7. Name(s) and address(es) of the individual(s) causing the document to be delivered for filing

Halpern Alexander
(Last) (First) (Middle) (Suffix)
1426 Pearl Street
(Street name and number or Post Office Box information)
Suite 201
Boulder CO 80302
(City) (State) (Postal/Zip Code)
United States
(Province – if applicable) (Country – if not US)

(The document need not state the true name and address of more than one individual. However, if you wish to state the name and address of any additional individuals causing the document to be delivered for filing, mark this box and include an attachment stating the name and address of such individuals.)

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Articles of Incorporation for a Nonprofit Corporation

filed pursuant to § 7-122-101 and § 7-122-102 of the Colorado Revised Statutes (C.R.S.)

1. The domestic entity name for the nonprofit corporation is

The Sakyong Ladrang

(Caution: The use of certain terms or abbreviations are restricted by law. Read instructions for more information.)

2. The principal office address of the nonprofit corporation's initial principal office is

Street address

1426 Pearl Street

(Street number and name)

Suite 420

Boulder

(City)

CO

(State)

80302

(ZIP/Postal Code)

United States

(Province – if applicable)

(Country)

Mailing address

(leave blank if same as street address)

(Street number and name or Post Office Box information)

(City)

(State)

(ZIP/Postal Code)

(Province – if applicable)

(Country)

3. The registered agent name and registered agent address of the nonprofit corporation's initial registered agent are

Name

(if an individual)

(Last)

(First)

(Middle)

(Suffix)

OR

(if an entity)

(Caution: Do not provide both an individual and an entity name.)

Alexander Halpern LLC

Street address

1426 Pearl Street

(Street number and name)

Suite 420

Boulder

(City)

CO

(State)

80302

(ZIP Code)

SHAMBHALA 044

Mailing address (leave blank if same as street address) (Street number and name or Post Office Box information) (City) CO (State) (ZIP Code)

(The following statement is adopted by marking the box.)

[X] The person appointed as registered agent above has consented to being so appointed.

4. The true name and mailing address of the incorporator are

Name (if an individual) (Last) (First) (Middle) (Suffix)

OR

(if an entity) Alexander Halpern LLC (Caution: Do not provide both an individual and an entity name.)

Mailing address 1426 Pearl Street Suite 420 (Street number and name or Post Office Box information) Boulder CO 80302 (City) (State) (ZIP/Postal Code) United States (Province - if applicable) (Country)

(If the following statement applies, adopt the statement by marking the box and include an attachment.)

[] The corporation has one or more additional incorporators and the name and mailing address of each additional incorporator are stated in an attachment.

5. (If the following statement applies, adopt the statement by marking the box.)

[] The nonprofit corporation will have voting members.

6. (The following statement is adopted by marking the box.)

[X] Provisions regarding the distribution of assets on dissolution are included in an attachment.

7. (If the following statement applies, adopt the statement by marking the box and include an attachment.)

[X] This document contains additional information as provided by law.

8. (Caution: Leave blank if the document does not have a delayed effective date. Stating a delayed effective date has significant legal consequences. Read instructions before entering a date.)

(If the following statement applies, adopt the statement by entering a date and, if applicable, time using the required format.)

The delayed effective date and, if applicable, time of this document is/are (mm/dd/yyyy hour:minute am/pm)

Notice:

Causing this document to be delivered to the Secretary of State for filing shall constitute the affirmation or acknowledgment of each individual causing such delivery, under penalties of perjury, that the document is the individual's act and deed, or that the individual in good faith believes the document is the act and deed of the person on whose behalf the individual is causing the document to be delivered for filing, taken in conformity with the requirements of part 3 of article 90 of title 7, C.R.S., the constituent documents, and the organic statutes, and that the individual in good faith believes the facts stated in the document are true and the document complies with the requirements of that Part, the constituent documents, and the organic statutes.

SHAMBHALA 045

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9. The true name and mailing address of the individual causing the document to be delivered for filing are

<u>Halpern</u>	<u>Alexander</u>	<u></u>	<u></u>
<small>(Last)</small>	<small>(First)</small>	<small>(Middle)</small>	<small>(Suffix)</small>
<u>1426 Pearl Street</u>			
<small>(Street number and name or Post Office Box information)</small>			
<u>Suite 420</u>			
<small>(Street number and name or Post Office Box information)</small>			
<u>Boulder</u>	<u>CO</u>	<u>80302</u>	<u></u>
<small>(City)</small>	<small>(State)</small>	<small>(ZIP/Postal Code)</small>	
<u></u>	<u>United States</u>		<u></u>
<small>(Province – if applicable)</small>	<small>(Country)</small>		

(If the following statement applies, adopt the statement by marking the box and include an attachment.)

- This document contains the true name and mailing address of one or more additional individuals causing the document to be delivered for filing.

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Attachment to Articles of Incorporation of
THE SAKYONG LADRANG
A Colorado Nonprofit Corporation

1.The corporation is organized as a church of the Sakyong lineage of Shambhala and a charitable organization as defined in Section 501(c)(3) of the Internal Revenue Code of 1986, as the same may be amended from time to time, or the corresponding provision of any future United States Internal Revenue law (the Code). Notwithstanding any other provision of these Articles, the corporation shall not carry on any activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(3) of the Code or by a corporation contributions to which are deductible under Section 170(c)(2) of the Code. In pursuit of its charitable purposes, the corporation may engage in all lawful activities.

2.The supervision and control of the corporation shall be vested in a Board of Directors which shall include at least one (1) director.

3.Upon the dissolution of the corporation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the corporation, dispose of the assets of the corporation exclusively for the purposes of the corporation to an organization (or organizations) organized and operated exclusively for charitable purposes which at the time qualifies as an exempt organization (or organizations) under Section 501(c)(3) of the Code. Any such assets not so disposed of shall be disposed of by the District Court of the county in which the principal office of the corporation is located to an organization (or organizations) organized and operated exclusively for such purposes.

4.No part of the net earnings of the corporation shall inure to the benefit of or be distributable to its directors, officers, or other private persons; except that the corporation is authorized to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the corporations charitable purposes. No substantial part of the activities of the corporation shall be committed to attempting to influence legislation, and the corporation shall not participate or intervene in any political campaign on behalf of any candidate for public office.

5.The corporation accepts and shall be governed by the provisions of the Colorado

Revised Nonprofit Corporation Act, as they may hereafter be amended.

6.No director shall be personally liable to the corporation for monetary damages for breach of fiduciary duty as a director, except for breach of the directors duty of loyalty to the corporation; acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; statutory liability for loans made by a corporation to its directors or officers; or any transaction from which the director derived an improper personal benefit.



Colorado Secretary of State
 Date and Time: 04/04/2013 02:20 PM
 ID Number: 20131218870
 Document number: 20131218870
 Amount Paid: \$20.00

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Statement of Trade Name of a Reporting Entity

filed pursuant to §7-71-103 and §7-71-107 of the Colorado Revised Statutes (C.R.S)

1. For the reporting entity delivering this statement, its ID number, true name, form of entity and the jurisdiction under the law of which it is formed are

ID Number	<u>19871254258</u> <i>(Colorado Secretary of State ID number)</i>
True name	<u>Shambhala USA</u>
Form of entity	<u>Nonprofit Corporation</u>
Jurisdiction	<u>Colorado</u>

2. The trade name under which such entity transacts business or conducts activities or contemplates transacting business or conducting activities in this state is

Shambhala International (Vajradhatu)

3. A brief description of the kind of business transacted or activities conducted or contemplated to be transacted or conducted in this state under such trade name is

Association of churches

4. *(If the following statement applies, adopt the statement by marking the box and include an attachment.)*

This document contains additional information as provided by law.

5. *(Caution: Leave blank if the document does not have a delayed effective date. Stating a delayed effective date has significant legal consequences. Read instructions before entering a date.)*

(If the following statement applies, adopt the statement by entering a date and, if applicable, time using the required format.)

The delayed effective date and, if applicable, time of this document are _____
(mm/dd/yyyy hour:minute am/pm)

Notice:

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This perjury notice applies to each individual who causes this document to be delivered to the Secretary of State, whether or not such individual is identified in this document as one who has caused it to be delivered.

SHAMBHALA 049

6. The true name and mailing address of the individual causing this document to be delivered for filing are

Halpern	Alexander		
<small>(Last)</small>	<small>(First)</small>	<small>(Middle)</small>	<small>(Suffix)</small>
1790 30th Street			
<small>(Street number and name or Post Office Box information)</small>			
Suite 280			
<hr/>			
Boulder	CO	80301	
<small>(City)</small>	<small>(State)</small>	<small>(Postal/Zip Code)</small>	
United States			
<small>(Province – if applicable)</small>	<small>(Country – if not US)</small>		

(If the following statement applies, adopt the statement by marking the box and include an attachment.)

This document contains the true name and mailing address of one or more additional individuals causing the document to be delivered for filing.

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Document number: 20131218860
Amount Paid: \$25.00

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Amended and Restated Articles of Incorporation

filed pursuant to §7-90-301, et seq. and §7-130-106 and §7-90-304.5 of the Colorado Revised Statutes (C.R.S.)

ID number: 19871254258

1. Entity name: SHAMBHALA INTERNATIONAL (VAJRADHATU)
(If changing the name of the corporation, indicate name before the name change)

2. New Entity name: Shambhala USA
(if applicable)

3. Use of Restricted Words *(if any of these terms are contained in an entity name, true name of an entity, trade name or trademark stated in this document, mark the applicable box):*

- "bank" or "trust" or any derivative thereof
- "credit union" "savings and loan"
- "insurance", "casualty", "mutual", or "surety"

4. If the corporation's period of duration as amended is less than perpetual, state the date on which the period of duration expires: _____
(mm/dd/yyyy)

or

If the corporation's period of duration as amended is perpetual, mark this box:

5. The amended and restated constituent filed document is attached.

6. The amendment to the articles of incorporation was in the manner indicated below:
(make the applicable selection)

- The amendment and restatement was adopted by the board of directors or incorporators without member action and member action was not required.
- The amendment and restatement was adopted by the members AND the number of votes cast for the amendment by each voting group entitled to vote separately on the amendment was sufficient for approval by that voting group.

(If the amended and restated articles of incorporation include amendments adopted on a different date or in a different manner, mark this box and include an attachment stating the date and manner of adoption.)

7. *(Optional)* Delayed effective date: _____
(mm/dd/yyyy)

Notice:

Causing this document to be delivered to the secretary of state for filing shall constitute the affirmation or acknowledgment of each individual causing such delivery, under penalties of perjury, that the document is the individual's act and deed, or that the individual in good faith believes the document is the act and deed of the person on whose behalf the individual is causing the document to be delivered for filing, taken in conformity with the requirements of part 3 of article 90 of title 7, C.R.S., the constituent documents, and the organic

SHAMBHALA 051

statutes, and that the individual in good faith believes the facts stated in the document are true and the document complies with the requirements of that Part, the constituent documents, and the organic statutes.

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8. Name(s) and address(es) of the individual(s) causing the document to be delivered for filing:

<u>Halpern</u>	<u>Alexander</u>		
<i>(Last)</i>	<i>(First)</i>	<i>(Middle)</i>	<i>(Suffix)</i>
<u>Suite 280</u>			
<i>(Street name and number or Post Office Box number)</i>			
<u>1790 30th Street</u>			
<u>Boulder</u>	<u>CO</u>	<u>80301</u>	
<i>(City)</i>	<i>(State)</i>	<i>(Postal/Zip Code)</i>	
<u></u>	<u>United States</u>		
<i>(Province – if applicable)</i>	<i>(Country – if not US)</i>		

(The document need not state the true name and address of more than one individual. However, if you wish to state the name and address of any additional individuals causing the document to be delivered for filing, mark this box and include an attachment stating the name and address of such individuals.)

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**SECOND AMENDED AND RESTATED
ARTICLES OF INCORPORATION OF
SHAMBHALA USA
formerly
SHAMBHALA INTERNATIONAL (VAJRADHATU)
A Colorado Nonprofit Corporation**

INTRODUCTION

The corporation was originally incorporated on February 22, 1973, under the name “Vajradhatu”. The corporation’s Amended and Restated Articles of Incorporation were filed with the Colorado Secretary of State on March 2, 2001. Among other things, the Amended and Restated Articles of Incorporation changed the corporate name to “Shambhala International (Vajradhatu)”. These Second Amended and Restated Articles of Incorporation supersede entirely the provisions of the original Articles of Incorporation and all amendments thereto, specifically including the Amended and Restated Articles of Incorporation.

SECOND AMENDED AND RESTATED ARTICLES OF INCORPORATION

FIRST: The name of the Corporation is SHAMBHALA USA.

SECOND: The period of duration of the Corporation shall be perpetual.

THIRD: The purposes for which the Corporation is organized are as follows:

1. To conduct the activities of the Corporation exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as the same may be amended from time to time, or the corresponding provision of any future United States Internal Revenue Law (the "Code"). The 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 Code; or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code.

2. To establish, maintain, and administer a church and an association of churches for religious practice and worship in accordance with the teachings and practices of the Shambhala and Buddhist traditions under the leadership of the Sakyong Lineage of Shambhala;

3. To serve as the central, governing body of Shambhala in the United States and as such to establish, maintain, and administer an association (“Mandala”) of Shambhala churches, communities, meditation centers, cultural centers, retreat centers, and related organizations throughout the United States.

4. To participate as an integrated member of the International Shambhala Mandala and a part of its association of churches and organizations throughout the world, and in that role to present, propagate, and support the teachings of the Sakyong lineage of Shambhala;

5. In the furtherance of its purposes, the Corporation may establish, maintain, and administer offices and divisions throughout the United States and the world; establish convenient, subordinate boards, committees, and councils; encourage and develop new cultural, religious, and educational programs; encourage and develop communities of persons inspired by the teachings and practices of Shambhala and Buddhism; and otherwise exercise all lawful powers granted to nonprofit corporations.

FOURTH: The Corporation shall not have members.

FIFTH: The supervision and control of the Corporation shall be vested in its Board of Directors. **There shall be two classes of directors of the Corporation. The first class of directors shall include one (1) director.** The second (common) class of directors shall consist of at least three (3) directors.

SIXTH: The Corporation accepts and shall be governed by the provisions of the Colorado Revised Nonprofit Corporation Act.

SEVENTH: No director shall be personally liable to the Corporation for monetary damages for breach of fiduciary duty as a director, except for breach of the director's duty of loyalty to the Corporation; acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; statutory liability for loans made by a corporation to its directors or officers; or any transaction from which the director derived an improper personal benefit. This provision shall not eliminate or limit the liability of a director to the Corporation for any act or omission occurring before the effective date of these Second Amended and Restated Articles of Incorporation.

EIGHTH: No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to its directors, 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 set forth in Article THIRD. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of any candidate for public office.

NINTH: Upon the dissolution of the corporation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the corporation, dispose of the assets of the corporation exclusively for the purposes of the corporation to an organization (or organizations) organized and operated exclusively for charitable purposes which at the time

qualifies as an exempt organization (or organizations) under Section 501(c)(3) of the Code. Any such assets not so disposed of shall be disposed of by the District Court of the county in which the principal office of the corporation is located to an organization (or organizations) organized and operated exclusively for such purposes.

TENTH: The address of the registered office of the Corporation in Colorado is 1790 30th Street, Suite 280, Boulder, Colorado 80301, and the name of its registered agent at such address is Alexander Halpern.

ELEVENTH: The principal office of the Corporation is 1345 Spruce Street, Boulder, Colorado 80302.



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Statement of Trade Name of a Reporting Entity

filed pursuant to §7-71-103 and §7-71-107 of the Colorado Revised Statutes (C.R.S)

1. For the reporting entity delivering this statement, its ID number, true name, form of entity and the jurisdiction under the law of which it is formed are

ID Number	<u>19871254258</u> <i>(Colorado Secretary of State ID number)</i>
True name	<u>Shambhala USA</u>
Form of entity	<u>Nonprofit Corporation</u>
Jurisdiction	<u>Colorado</u>

2. The trade name under which such entity transacts business or conducts activities or contemplates transacting business or conducting activities in this state is

Shambhala International (Vajradhatu)

3. A brief description of the kind of business transacted or activities conducted or contemplated to be transacted or conducted in this state under such trade name is

Association of churches

4. *(If the following statement applies, adopt the statement by marking the box and include an attachment.)*

This document contains additional information as provided by law.

5. *(Caution: Leave blank if the document does not have a delayed effective date. Stating a delayed effective date has significant legal consequences. Read instructions before entering a date.)*

(If the following statement applies, adopt the statement by entering a date and, if applicable, time using the required format.)

The delayed effective date and, if applicable, time of this document are _____
(mm/dd/yyyy hour:minute am/pm)

Notice:

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SHAMBHALA 056

6. The true name and mailing address of the individual causing this document to be delivered for filing are

Halpern	Alexander		
<small>(Last)</small>	<small>(First)</small>	<small>(Middle)</small>	<small>(Suffix)</small>
1790 30th Street			
<small>(Street number and name or Post Office Box information)</small>			
Suite 280			
<hr/>			
Boulder	CO	80301	
<small>(City)</small>	<small>(State)</small>	<small>(Postal/Zip Code)</small>	
United States			
<small>(Province – if applicable)</small>	<small>(Country – if not US)</small>		

(If the following statement applies, adopt the statement by marking the box and include an attachment.)

- This document contains the true name and mailing address of one or more additional individuals causing the document to be delivered for filing.

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Articles of Amendment

filed pursuant to §7-90-301, et seq. and §7-130-105 of the Colorado Revised Statutes (C.R.S.)

ID number 20091017042

1. Entity name The Sakyong Ladrang
(If changing the name of the corporation, indicate name before the name change)

2. New Entity name (if applicable) The Sakyong Potrang

3. *(If the following statement applies, adopt the statement by marking the box and include an attachment.)*
 Other amendments are attached.

4. If the nonprofit corporation's period of duration as amended is less than perpetual, state the date on which the period of duration expires _____
(mm/dd/yyyy)

or

If the nonprofit corporation's period of duration as amended is perpetual, mark this box

5. *(Optional)* Delayed effective date _____
(mm/dd/yyyy)

6. Additional information may be included pursuant to other organic statutes such as title 12, C.R.S. If applicable, mark this box and include an attachment stating the additional information.

Notice:

Causing this document to be delivered to the secretary of state for filing shall constitute the affirmation or acknowledgment of each individual causing such delivery, under penalties of perjury, that the document is the individual's act and deed, or that the individual in good faith believes the document is the act and deed of the person on whose behalf the individual is causing the document to be delivered for filing, taken in conformity with the requirements of part 3 of article 90 of title 7, C.R.S., the constituent documents, and the organic statutes, and that the individual in good faith believes the facts stated in the document are true and the document complies with the requirements of that Part, the constituent documents, and the organic statutes.

This perjury notice applies to each individual who causes this document to be delivered to the secretary of state, whether or not such individual is named in the document as one who has caused it to be delivered.

7. Name(s) and address(es) of the individual(s) causing the document to be delivered for filing
Halpern Alex _____
(Last) (First) (Middle) (Suffix)
1790 30th Street
(Street name and number or Post Office Box information)
Suite 280

SHAMBHALA 058

Boulder CO 80301
(City) *(State)* *(Postal/Zip Code)*
United States
(Province – if applicable) *(Country – if not US)*

(The document need not state the true name and address of more than one individual. However, if you wish to state the name and address of any additional individuals causing the document to be delivered for filing, mark this box and include an attachment stating the name and address of such individuals.)

Disclaimer:

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ABOVE SPACE FOR OFFICE USE ONLY

Articles of Incorporation for a Nonprofit Corporation

filed pursuant to § 7-122-101 and § 7-122-102 of the Colorado Revised Statutes (C.R.S.)

1. The domestic entity name for
the nonprofit corporation is

Front Range Shambhala

(Caution: The use of certain terms or abbreviations are restricted by law. Read instructions for more information.)

2. The principal office address of the nonprofit corporation's initial principal office is

Street address

1345 Spruce Street

(Street number and name)

Boulder

(City)

CO

(State)

80302

(ZIP/Postal Code)

United States

(Country)

(Province – if applicable)

Mailing address

(leave blank if same as street address)

(Street number and name or Post Office Box information)

(City)

(State)

(ZIP/Postal Code)

(Province – if applicable)

(Country)

3. The registered agent name and registered agent address of the nonprofit corporation's initial registered agent are

Name

(if an individual)

(Last)

(First)

(Middle)

(Suffix)

OR

(if an entity)

(Caution: Do not provide both an individual and an entity name.)

Halpern Meacham LLC

Street address

1790 30th Street

(Street number and name)

Suite 280

Boulder

(City)

CO

(State)

80301

(ZIP Code)

SHAMBHALA 060

Mailing address
(leave blank if same as street address)

1790 30th Street
(Street number and name or Post Office Box information)
Suite 280
Boulder CO 80301
(City) (State) (ZIP Code)

(The following statement is adopted by marking the box.)

The person appointed as registered agent above has consented to being so appointed.

4. The true name and mailing address of the incorporator are

Name
(if an individual) Halpern Alexander
(Last) (First) (Middle) (Suffix)

OR

(if an entity)
(Caution: Do not provide both an individual and an entity name.)

Mailing address
1790 30th Street
(Street number and name or Post Office Box information)
Suite 280
Boulder CO 80301
(City) (State) (ZIP/Postal Code)
United States
(Province – if applicable) (Country)

(If the following statement applies, adopt the statement by marking the box and include an attachment.)

The corporation has one or more additional incorporators and the name and mailing address of each additional incorporator are stated in an attachment.

5. *(If the following statement applies, adopt the statement by marking the box.)*

The nonprofit corporation will have voting members.

6. Provisions regarding the distribution of assets on dissolution:

See Attachment

SHAMBHALA 061

7. (If the following statement applies, adopt the statement by marking the box and include an attachment.)

This document contains additional information as provided by law.

8. (**Caution:** *Leave blank if the document does not have a delayed effective date. Stating a delayed effective date has significant legal consequences. Read instructions before entering a date.*)

(If the following statement applies, adopt the statement by entering a date and, if applicable, time using the required format.)

The delayed effective date and, if applicable, time of this document is/are _____.
(mm/dd/yyyy hour:minute am/pm)

Notice:

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9. The true name and mailing address of the individual causing the document to be delivered for filing are

Halpern	Alexander		
(Last)	(First)	(Middle)	(Suffix)
1790 30th Street			
(Street number and name or Post Office Box information)			
Suite 280			
(Street number and name or Post Office Box information)			
Boulder	CO	80301	
(City)	(State)	(ZIP/Postal Code)	
	United States		
(Province – if applicable)	(Country)		

(If the following statement applies, adopt the statement by marking the box and include an attachment.)

This document contains the true name and mailing address of one or more additional individuals causing the document to be delivered for filing.

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SHAMBHALA 062

Attachment to Articles of Incorporation of Front Range Shambhala A Colorado Nonprofit Corporation

1. The corporation is organized as a charitable religious, cultural, and educational organization as defined in Section 501(c)(3) of the Internal Revenue Code of 1986, as the same may be amended from time to time, or the corresponding provision of any future United States Internal Revenue law (the “Code”).

2. The corporation is a lineage institution of the Shambhala Mandala, a global community devoted to presenting, establishing, and advancing the wisdom, compassion, and skillful means of the lineage of the Sakyongs of Shambhala.

3. The corporation is a local subordinate organization within the group ruling of exemption from federal income tax of Shambhala USA, a Colorado nonprofit corporation and a tax exempt organization within the meaning of §501(c)(3) of the Internal Revenue Code. The Corporation is created under the authority of and pursuant to a charter issued by Shambhala USA.

4. The corporation shall fulfill the purposes and exercise the powers of Shambhala USA, as set forth in its Articles of Incorporation, and shall promote and encourage cooperation and communication between the corporation and the other member centers and organizations of Shambhala USA.

5. The corporation shall establish, maintain and operate a church and associated activities for religious practice and worship in accordance with the precepts and teachings of the Shambhala and Buddhist lineages of the Sakyongs of Shambhala, as taught and practiced within the Shambhala USA association. The corporation may establish, maintain, and administer offices and divisions; establish convenient, subordinate boards, committees, and councils; encourage and develop new cultural, religious, and educational programs; and encourage and develop communities of persons inspired by the teachings and practices of Shambhala and Buddhism.

6. In pursuit of its charitable purposes, the corporation may engage in all lawful activities. Notwithstanding any other provision of these Articles, the corporation shall not carry on any activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(3) of the Code or by a corporation contributions to which are deductible under Section 170(c)(2) of the Code

7. The corporation shall have a single voting member. The voting member shall be Shambhala USA.

8. The supervision and control of the corporation shall be vested in a board of directors which shall consist of at least three (3) directors. All actions of the board of directors shall require at least a majority of a quorum of the directors unless a larger majority is required by law or the bylaws of the corporation; provided, however, that any

amendment to these articles of incorporation and any amendment to the bylaws of the corporation shall require the consent of the voting member of the corporation.

9. No director shall be personally liable to the corporation for monetary damages for breach of fiduciary duty as a director, except for breach of the director's duty of loyalty to the corporation; acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; statutory liability for loans made by a corporation to its directors or officers; or any transaction from which the director derived an improper personal benefit.

10. Upon the dissolution of the corporation, the board of directors shall, after paying or making provision for the payment of all of the liabilities of the corporation, dispose of the assets of the corporation exclusively for the purposes of the corporation to an organization (or organizations) organized and operated exclusively for charitable purposes which at the time qualifies as an exempt organization (or organizations) under Section 501(c)(3) of the Code. Any such assets not so disposed of shall be disposed of by the District Court of the county in which the principal office of the corporation is located to an organization (or organizations) organized and operated exclusively for such purposes.

11. No part of the net earnings of the corporation shall inure to the benefit of or be distributable to its directors, officers, or other private persons; except that the corporation is authorized to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the corporation's charitable purposes. No substantial part of the activities of the corporation shall be committed to attempting to influence legislation, and the corporation shall not participate or intervene in any political campaign on behalf of any candidate for public office.

12. The corporation accepts and shall be governed by the provisions of the Colorado Revised Nonprofit Corporation Act, as they may hereafter be amended.



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Amount Paid: \$50.00

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Articles of Organization

filed pursuant to § 7-80-203 and § 7-80-204 of the Colorado Revised Statutes (C.R.S.)

1. The domestic entity name of the limited liability company is

Shambhala Mountain Online LLC

(The name of a limited liability company must contain the term or abbreviation "limited liability company", "ltd. liability company", "limited liability co.", "ltd. liability co.", "limited", "l.l.c.", "llc", or "ltd.". See §7-90-601, C.R.S.)

(Caution: The use of certain terms or abbreviations are restricted by law. Read instructions for more information.)

2. The principal office address of the limited liability company's initial principal office is

Street address

151 Shambhala Way

(Street number and name)

Red Feather Lakes

(City)

CO

(State)

80545

(ZIP/Postal Code)

United States

(Country)

(Province – if applicable)

Mailing address

(leave blank if same as street address)

(Street number and name or Post Office Box information)

(City)

(State)

(ZIP/Postal Code)

(Province – if applicable)

(Country)

3. The registered agent name and registered agent address of the limited liability company's initial registered agent are

Name

(if an individual)

(Last)

(First)

(Middle)

(Suffix)

or

(if an entity)

Halpern Meacham LLC

(Caution: Do not provide both an individual and an entity name.)

Street address

1790 30th Street

(Street number and name)

Suite 280

Boulder

(City)

CO

(State)

80301

(ZIP Code)

Mailing address

(leave blank if same as street address)

1790 30th Street

(Street number and name or Post Office Box information)

Suite 280

SHAMBHALA 065

Boulder CO 80301
(City) (State) (ZIP Code)

(The following statement is adopted by marking the box.)

[X] The person appointed as registered agent has consented to being so appointed.

4. The true name and mailing address of the person forming the limited liability company are

Name (if an individual) Halpern Alexander
(Last) (First) (Middle) (Suffix)

or

(if an entity)

(Caution: Do not provide both an individual and an entity name.)

Mailing address 1790 30th Street Suite 280 Boulder CO 80301
(Street number and name or Post Office Box information) (City) (State) (ZIP/Postal Code) United States
(Province - if applicable) (Country)

(If the following statement applies, adopt the statement by marking the box and include an attachment.)

[] The limited liability company has one or more additional persons forming the limited liability company and the name and mailing address of each such person are stated in an attachment.

5. The management of the limited liability company is vested in

(Mark the applicable box.)

[X] one or more managers.

or

[] the members.

6. (The following statement is adopted by marking the box.)

[X] There is at least one member of the limited liability company.

7. (If the following statement applies, adopt the statement by marking the box and include an attachment.)

[] This document contains additional information as provided by law.

8. (Caution: Leave blank if the document does not have a delayed effective date. Stating a delayed effective date has significant legal consequences. Read instructions before entering a date.)

(If the following statement applies, adopt the statement by entering a date and, if applicable, time using the required format.)

The delayed effective date and, if applicable, time of this document is/are (mm/dd/yyyy hour:minute am/pm)

Notice:

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SHAMBHALA 066

This perjury notice applies to each individual who causes this document to be delivered to the Secretary of State, whether or not such individual is named in the document as one who has caused it to be delivered.

9. The true name and mailing address of the individual causing the document to be delivered for filing are

<u>Halpern</u>	<u>Alexander</u>		
<small>(Last)</small>	<small>(First)</small>	<small>(Middle)</small>	<small>(Suffix)</small>
<u>1790 30th Street</u>			
<small>(Street number and name or Post Office Box information)</small>			
<u>Suite 280</u>			
<u>Boulder</u>	<u>CO</u>	<u>80301</u>	
<small>(City)</small>	<small>(State)</small>	<small>(ZIP/Postal Code)</small>	
<u>United States</u>			
<small>(Province – if applicable)</small>	<small>(Country)</small>		

(If the following statement applies, adopt the statement by marking the box and include an attachment.)

- This document contains the true name and mailing address of one or more additional individuals causing the document to be delivered for filing.

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The principal office of the Corporation shall be located in the County of Boulder, State of Colorado. The Corporation may have other offices, either within or outside the State of Colorado, as the Board of Directors may designate or as the business of the Corporation may require. The registered office of the Corporation required by the Colorado Nonprofit Corporation Act to be maintained in the State of Colorado may be, but need not be, identical with the principal office. The address of the registered office may be changed from time to time by the Board of Directors.

**BYLAWS
OF
SHAMBHALA USA**

**a Corporation organized under the
Colorado Nonprofit Corporation Act**

**ARTICLE I
General**

Section 1. Implementation of Articles of Incorporation. These Bylaws are adopted by the Sole Member and the Board of Directors of the Corporation in order to implement the provisions of the Third Amended and Restated Articles of Incorporation of the Corporation, which were filed in the offices of the Secretary of State of Colorado, on February 19, 2015. All references hereafter to the Articles of Incorporation refer to the Amended and Restated Articles of Incorporation, as amended. The Articles of Incorporation, as amended, of the Corporation are incorporated herein by reference as if fully and completely set forth.

These Bylaws are subordinate to the Articles of Incorporation and the Colorado Revised Nonprofit Corporation Act, C.R.S. §§7-121-101, *et seq.*, as it may be hereafter amended (the Act). In the event of any conflict in interpretation between these Bylaws and the Articles of Incorporation or the Act, the Articles of Incorporation or Act shall be given prevailing effect.

Section 2. Purpose of Bylaws. Subject to Section 1 of this Article, these Bylaws are adopted to regulate the internal affairs of the Corporation as provided by the Act and shall be considered to be in furtherance of and not in limitation or exclusion of the powers conferred upon the Corporation by law.

Section 3. Shambhala Mandala. Corporation is a member of the international Shambhala mandala, an association of corporations, associations, and other organizations throughout the world whose purpose is to further the vision and propagate the teachings of the lineage of the Kongma Sakyongs of Shambhala.

Section 4. Non-Discrimination. In conducting its activities, pursuant to these Bylaws and otherwise, the Corporation shall not discriminate on the basis of race, color, national origin, ethnicity, gender, religion, sexual preference, age, or disability. In all of its activities, the Corporation is committed to the principles of religious and philosophical freedom, and no Director, officer, or employee of the Corporation shall be discriminated against, or adversely affected, due to that person's articulation or espousal of any particular religious or philosophical view.

ARTICLE II
Offices

The principal office of the Corporation shall be located in the County of Boulder, State of Colorado. The Corporation may have other offices, either within or outside the State of Colorado, as the Board of Directors may designate or as the business of the Corporation may require. The registered office of the Corporation required by the Colorado Nonprofit Corporation Act to be maintained in the State of Colorado may be, but need not be, identical with the principal office. The address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE III
Sole Member and Board of Directors

Section 1. General Powers. Subject to the Articles of Incorporation and to the provisions of these Bylaws, the affairs of the Corporation shall be managed by its Board of Directors.

Section 2. Sole Member. The Corporation shall have a single member, referred to as the Sole Member. The Sole Member is The Sakyong Potrang, a Colorado nonprofit corporation and a tax-exempt, charitable organization. The Sakyong Potrang shall designate a representative to act on its behalf in all matters affecting the Corporation. Such designation shall be made in writing delivered to the Secretary of the Board of Directors; shall be effective upon delivery; and shall remain in effect until changed in writing by the Sole Member. The Sole Member shall have the powers set forth in these Bylaws.

Section 3. Number and Tenure of Directors. The number of Directors shall not be less than three (3), as determined from time to time by the Sole Member. Each Director shall hold office for a term of three (3) years commencing on the date of the annual meeting, or other meeting of the Board of Directors at which he or she is elected, and continuing until his or her successor shall have been elected and qualified. From time to time, certain Directors may be elected to initial terms of less than three (3) years for the purpose of staggering the terms of the entire Board into three (3), as nearly as possible, equal groups. There is no limitation on the number of terms a person may serve.

Section 4. Appointment of Directors. All members of the Board of Directors shall be appointed by the Sole Member. The Board of Directors may make advisory recommendations for appointments to the Sole Member.

Section 5. Resignation. Any Director may resign by giving written notice to the Chairman of the Board of Directors. The resignation of any Director shall take effect at the time specified in his or her written notice of resignation, but not retroactively. Unless otherwise specified in the written notice, the acceptance of the resignation shall not be necessary to make it effective.

Section 6. Attendance at Meetings Required. Directors are required to attend all meetings of the Board of Directors. Any Director who wishes to be excused from attending any meeting shall communicate with the Chairman of the Board of Directors, who may excuse such Director from attending a meeting.

Section 7. Vacancies. Any vacancy occurring in the Board of Directors may be filled by appointment by the Sole Member. A Director appointed to fill a vacancy shall serve for the unexpired term of his or her predecessor in office, unless otherwise determined by the Sole Member. Any Directorship to be filled by reason of an increase in the number of members of the Board of Directors shall be filled by appointment by the Sole Member.

Section 8. Annual Meetings. The Board of Directors shall meet annually within ninety (90) days after the close of the Corporation's fiscal year to review the activities of the Corporation, the acts of the Corporation's officers, employees and agents during the preceding year, to review such financial statements and budgets as the Board of Directors may deem appropriate, and to conduct such other business as may come before the meeting.

Section 9. Regular Meetings. The Board of Directors may provide by resolution for the holding of additional regular meetings, which resolution may specify the time and place for such regular meetings, without other notice than such resolution.

Section 10. Special Meetings. Special meetings of the Board of Directors may be called by the Chairman of the Board of Directors or any three (3) members of the Board of Directors. The person or persons calling any such special meeting shall designate the time and place at which such a special meeting shall be held, unless such time and place shall be agreed to be modified by such persons at the request of other persons whose attendance at such meeting shall be called.

Section 11. Place of Meeting. Regular and special meetings may be held within or without the State of Colorado. Unless otherwise designated in the notice of meeting, any regular or special meeting shall be held at the Corporation's principal offices in Boulder County, Colorado.

Section 12. Notice. Reasonable notice of any regular or special meeting of the Board of Directors shall be given by personal communication, electronic mail, hand delivery, mail, overnight courier, telephone or other forms of communication to the Director at his or her last known business or residence address appearing in the records of the Corporation. The notice shall be deemed to have been given at the time when the personal or telephone conversation occurs, when an electronic message is sent, or when the mail, overnight courier, or other form of notice is deposited prepaid in the United States mail or prepaid to any overnight courier service, or when it is personally delivered to a Director or delivered to the last known address of said Director appearing in the records of the Corporation. Reasonable notice of the annual meeting or any regular or special meeting shall be given not less than two (2) nor more than sixty (60) days prior to the meeting. Any Director may waive notice of any meeting. The attendance of a Director at a meeting shall constitute a waiver of notice of the meeting, unless the Director attends such a meeting for the express purpose of objecting to the transaction of business at a meeting because the meeting is not lawfully called or convened.

Section 13. Quorum Requirements. A majority of the Directors shall constitute a quorum, except as otherwise provided herein. The presence of the representative of the Sole Member shall not be necessary to establish a quorum. If less than a majority of the Directors is present, a majority of the Directors present at such a meeting may adjourn the meeting.

Section 14. Manner of Acting. The affirmative approval of an action by two-thirds of the Directors present at a meeting at which there is a quorum shall be the act or approval of action of the Corporation by the Board of Directors. The following actions are reserved exclusively to the Sole Member:

- (a) Amendment to the Articles of Incorporation;
- (b) Amendment to the Bylaws;
- (c) Appointment or removal of a Director of the Corporation; and
- (d) Sale of substantially all of the assets or the liquidation or dissolution of the Corporation.

Section 15. Compensation. By resolution of the Board of Directors, any Director may be paid his or her expenses, if any, of attendance at meetings. By resolution of the Board of Directors, a Director may be compensated for services performed for the Corporation in a capacity other than as a Director.

Section 16. Presumption of Assent. A Director who is present at any meeting of the Board of Directors at which any action on any corporate matter is taken shall be presumed to have assented to the action taken unless his or her dissent is entered in the minutes of the meeting; or unless he or she files a written dissent to the action with the person acting as the secretary of the meeting before its adjournment; or unless he or she forwards a written dissent to the secretary of the Corporation immediately after the adjournment of the meeting. This right to dissent shall not be available to a Director who voted in favor of any such action.

Section 17. Committees. The Board of Directors may from time to time by resolution designate and appoint an Executive Committee, which shall include at least three (3) members of the Board of Directors. Such Executive Committee may exercise any power of the Board of Directors, and it shall be composed exclusively of members of the Board of Directors. The Board of Directors may by resolution designate and appoint a Nominating Committee, which shall include at least three (3) members of the Board of Directors and shall be composed exclusively of members of the Board of Directors. The Nominating Committee shall be responsible for providing recommendations to the Board of Directors and the Sole Member to fill vacancies occurring in the Board of Directors and to fill or renew the terms of Directors whose terms have expired. The Board of Directors may from time to time form other committees for other purposes, which committees may have members who are not members of the Board of Directors. Any committee except the Executive Committee and the Nominating Committee may have *ex officio* members or invitees or observers, without vote. All committees shall be given an explicit designation of purpose and function by and shall serve at the pleasure of the Board of Directors.

A committee composed exclusively of members of the Board of Directors may, to the extent provided in the resolution authorizing said committee, the Articles of Incorporation, or these Bylaws, have any of the authorities, powers and duties of the Board of Directors, except that no such committee shall have the authority to appoint or remove any member of any such committee or any officer of the Corporation; repeal any resolution of the Board of Directors; or take any other action which contravenes the power(s) of the Sole Member or the Board of Directors or which may hereafter be prohibited to committees of members of the Board of Directors by these Bylaws or by law. The designation and appointment of any 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 him or her by law. Subject to the foregoing, the Board of Directors may provide by resolution for such powers, limitations and procedures for any such committees as the Board deems advisable. To the extent the Board of Directors does not establish other procedures for such a committee, each committee shall be governed by the procedures established in these Bylaws as if the committee were the Board of Directors.

Section 18. Meetings by Telephone and Electronic Media. Members of the Board of Directors or any committee thereof may participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all Directors participating may hear each other and be heard during the meeting. A Director participating in a meeting by this means is deemed to be present in person at the meeting.

Section 19. Action Without a Meeting. Any action required or permitted to be taken at a meeting of the Board of Directors, or any committee thereof, may be taken without a meeting if taken in accordance with this paragraph. Any action taken without a meeting shall have the same effect as action taken with a meeting. All signed written instruments necessary for any action taken without a meeting shall be filed with the minutes of the meetings of the Board of Directors.

(a) Action may be taken without a meeting if each and every member of the Board of Directors in writing votes for, votes against or abstains from voting on such action and the affirmative vote for such action equals or exceeds the minimum number of votes that would be necessary to take such action at a meeting at which all of the Directors then in office were present and voted.

(b) Action may be taken without a meeting pursuant to C.R.S. §7-128-202 as follows:

(i) Required Notice to Directors. An action without a meeting may only be taken if the Corporation transmits notice in writing to each Director stating the action to be taken, the time within which a Director must respond, and that failure to respond by the time stated in the notice will have the same effect as abstaining in writing by the time required in the notice and failing to demand in writing by the time stated in the notice that action not be taken without a meeting. The notice may also include any other matters the Corporation determines to include.

(ii) Action by Directors. Action may be taken without a meeting only if required notice is transmitted in writing to each Director, and each Director, by the time stated in the notice (i) votes in writing for such action, or (ii) votes in writing against, abstains from voting on such action, or fails to respond or vote, and fails to demand in writing that such action only be taken with a meeting. The vote, abstention or demand that such action not be taken without a meeting by a Director may be revoked in writing by that Director if received by the Corporation by the time stated in the notice.

(iii) Contents and Form of Writing. The writing required by Directors under this section must inform the Corporation of the identity of the Director, the vote, abstention, demand or revocation of that Director, and the proposed action to which such vote, abstention, demand or revocation relates. Such writing may be transmitted to or received by the Corporation by electronically transmitted facsimile, email, or other form of wire or wireless communication, or by hand delivery or U.S. mail, and shall be effective upon receipt by the Corporation.

(iv) Vote Required and Effective Date. Action without a meeting under this section may only be taken if, at the end of the time stated in the notice, the affirmative votes for such action received in writing and not revoked equals or exceeds the minimum number of votes that would be necessary to take such action at a meeting at which all of the Directors then in office were present and voted, and the Corporation has not received an unrevoked written demand by a Director, within the time stated in the notice, that such action not be taken without a meeting. Action taken without a meeting under this section shall be effective on the date by which the Directors must respond as stated in the notice.

Section 20. Removal. Any member of the Board of Directors may be removed by action of the Sole Member, with or without cause.

Section 21. Ex Officio Members of the Board of Directors. The Sole Member may designate persons to be *ex officio* members of the Board of Directors. *Ex officio* Directors may attend and participate in meetings of the Board of Directors but shall not have a formal vote as Directors. *Ex officio* Directors shall not be subject to the attendance requirement applicable to Directors in Article III, Section 6. *Ex officio* Directors shall not be subject to any limitation on their term of office unless otherwise designated by the members of the Corporation. *Ex officio* Directors shall receive all notices, all written documents and information, and all other communications provided to Directors.

ARTICLE IV Officers and Agents

Section 1. General. The officers of the Corporation may include a Chair of the Board, an Executive Director, a Vice President, a Chief Financial Officer, and a Secretary. The Board of Directors may recommend the election or appointment of such other officers or assistant officers as it may consider necessary, and may appoint such other officers. All other officers shall be chosen and will hold their offices for the terms determined by the Board of Directors. One person may hold any two (2) offices, except that no person may simultaneously hold the offices of Executive Director and Secretary. In all cases where the duties of any officer, agent or employee are not prescribed by the Bylaws or by the Board of Directors, such officer, agent or employee shall follow the directions and instructions of the Executive Director.

Section 2. Election and Term of Office. The Chair of the Board and the Executive Director, if any, shall be appointed by the Sole Member and shall serve at the discretion of the Sole Member. All other officers of the Corporation may be elected or appointed by the Board of Directors from time to time at meetings of the Board of Directors. Each officer shall hold office for such period of time as determined by the Board of Directors, and until the first of the following are to occur: his or her successor is duly elected or appointed and qualified; his or her death; his or her resignation; or his or her removal from office.

Section 3. Officers of Divisions and Associated Organizations. Officers of divisions within the Corporation and associated organizations of the Corporation shall be appointed by an authorized officer of the Corporation. Such officers shall be designated as, for example, "Vice-President of Karne-Choling, a division of Shambhala USA" or "Executive Director of the Shambhala Meditation Center of New York, a division (or an associated organization) of Shambhala USA." Officers of divisions and associated organizations shall have only such

authority as is expressly granted by the International Charter and Bylaws or by resolution of the Board of Directors.

Section 4.Removal. Any officer or agent other than the Chair of the Board and the Executive Director may be removed by the Board of Directors whenever in the judgment of the Board of Directors this removal will serve the best interests of the Corporation. The removal shall be without prejudice to any contract rights of any such officer. Election or appointment of any officer or agent shall not in itself create contract rights.

Section 5.Vacancies. A vacancy in any office of the Corporation other than the Chair of the Board or Executive Director, however occurring, may be filled by the election or appointment of a new officer to fill such vacancy by the Board of Directors.

Section 6.Powers and Duties. The officers of the Corporation shall have the powers and duties as usually pertain to their offices, unless modified by the Board of Directors, and shall also have powers and duties conferred upon them by the Board of Directors.

ARTICLE V Fiduciary Matters

Section 1. Indemnification.

(a) Scope of Indemnification. The Corporation shall indemnify each Director, officer, employee and volunteer of the Corporation to the fullest extent permissible under the laws of the State of Colorado, and may in its discretion purchase insurance insuring its obligations hereunder or otherwise protecting the persons intended to be protected by this Section. The Corporation shall have the right, but shall not be obligated, to indemnify any agent of the Corporation not otherwise covered by this Section to the fullest extent permissible under the laws of the State of Colorado.

(b) Savings Clause; Limitation. If any provision of the Act or these Bylaws dealing with indemnification shall be invalidated by any court on any ground, then the Corporation shall nevertheless indemnify each party otherwise entitled to indemnification hereunder to the fullest extent permitted by law or any applicable provision of the Act or these Bylaws that shall not have been invalidated. Notwithstanding any other provision of these Bylaws, the Corporation shall neither indemnify any person nor purchase any insurance in any manner or to any extent that would jeopardize or be inconsistent with the qualification of the Corporation as an organization described in section 501(c)(3) of the Internal Revenue Code, or that would result in the imposition of any liability under either section 4941 or section 4958 of the Internal Revenue Code.

Section 2. General Standards of Conduct for Directors and Officers.

(a) Discharge of Duties. Each Director shall discharge the Director's duties as a Director, including the Director's duties as a member of a committee of the Board, and each officer with discretionary authority shall discharge the officer's duties under that authority (i) in good faith; (ii) with the care an ordinarily prudent person in a like position would exercise under

similar circumstances; and (iii) in a manner the director or officer reasonably believes to be in the best interests of the corporation.

(b) Reliance on Information, Reports, etc. In discharging duties, a Director or officer is entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, if prepared or presented by: (i) one or more officers or employees of the corporation whom the Director or officer reasonably believes to be reliable and competent in the matters presented; (ii) legal counsel, a public accountant or another person as to matters the director or officer reasonably believes are within such person's professional or expert competence; or (iii) in the case of a Director, a committee of the Board of Directors of which the Director is not a member if the Director reasonably believes the committee merits confidence. A Director or officer is not acting in good faith if the Director or officer has knowledge concerning the matter in question that makes reliance otherwise permitted by this section unwarranted.

(c) Liability to Corporation. A Director or officer shall not be liable as such to the Corporation for any action taken or omitted to be taken as a Director or officer, as the case may be, if, in connection with such action or omission, the Director or officer performed the duties of the position in compliance with this section.

(d) Director Not Deemed to Be a "Trustee." A Director, regardless of title, shall not be deemed to be a "trustee" within the meaning given that term by trust law with respect to the corporation or with respect to any property held or administered by the corporation including, without limitation, property that may be subject to restrictions imposed by the donor or transferor of such property.

Section 3. Conflicts of Interest.

(a) Definition. A conflict of interest arises when any "responsible person" or any "party related to a responsible person" has an "interest adverse to the corporation." A "responsible person" is any individual in a position to exercise substantial influence over the affairs of the corporation, and specifically includes, without limitation, directors and officers of the corporation. A "party related to a responsible person" includes his or her extended family (including spouse, ancestors, descendants and siblings, and their respective spouses and descendants), an estate or trust in which the responsible person or any member of his or her extended family has a beneficial interest or a fiduciary responsibility, or an entity in which the responsible person or any member of his or her extended family is a director, trustee or officer or has a financial interest. "An interest adverse to the corporation" includes any interest in any contract, transaction or other financial relationship with the corporation, and any interest in an entity whose best interests may be impaired by the best interests of the corporation including, without limitation, an entity providing any goods or services to or receiving any goods or services from the corporation, an entity in which the corporation has any business or financial interest, and an entity providing goods or services or performing activities similar to the goods or services or activities of the corporation.

(b) Disclosure. If a responsible person is aware that the Corporation is about to enter into any transaction or make any decision involving a conflict of interest, (a "conflicting interest transaction"), such person shall: (i) immediately inform those charged with approving the

conflicting interest transaction on behalf of the Corporation of the interest or position of such person or any party related to such person; (ii) aid the persons charged with making the decision by disclosing any material facts within the responsible person's knowledge that bear on the advisability of the Corporation entering into the conflicting interest transaction; and (iii) not be entitled to vote on the decision to enter into such transaction.

(c) Approval of Conflicting Interest Transactions. The Corporation may enter into a conflicting interest transaction provided either:

(i) The material facts as to the responsible person's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the Board of Directors or to a committee of the Board of Directors that authorizes, approves or ratifies the conflicting interest transaction, and the Board or committee in good faith authorizes, approves or ratifies the conflicting interest transaction by the affirmative vote of a majority of the disinterested Directors on the Board or committee, even though the disinterested Directors are less than a quorum; or

(ii) The material facts as to the responsible person's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the members, and the conflicting interest transaction is specifically authorized, approved, or ratified in good faith by a vote of the members entitled to vote thereon; or

(iii) The conflicting interest transaction is fair as to the Corporation.

Section 3. Liability of Directors for Unlawful Distributions.

(a) Liability to Corporation. A Director who votes for or assents to a distribution made in violation of the Act or the Articles of Incorporation shall be personally liable to the Corporation for the amount of the distribution that exceeds what could have been distributed without violating the Act or the Articles of Incorporation if it is established that the Director did not perform the Director's duties in compliance with the general standards of conduct for directors set forth in these Bylaws.

(b) Contribution. A Director who is liable for an unlawful distribution is entitled to contribution: (i) from every other Director who could be liable for the unlawful distribution; and (ii) from each person who accepted the distribution knowing the distribution was made in violation of the Act or the Articles of Incorporation, to the extent the distribution to that person exceeds what could have been distributed to that person without violating the Act or the Articles of Incorporation.

Section 4. Loans to Directors and Officers Prohibited. No loans shall be made by the Corporation to any of its Directors or officers. Any Director or officer who assents to or participates in the making of any such loan shall be liable to the Corporation for the amount of such loan until the repayment thereof.

ARTICLE VI Divisions and Subordinate Organizations

Designation of Divisions and Subordinate Organizations. The Board of Directors shall adopt standards for designation of local and other organizations as divisions and subordinate organizations of the Corporation, which standards shall require the acceptance of the International Charter and Bylaws recognizing the governance authority of the Board of Directors and officers of the Corporation. Formal designation as a division or subordinate organization of the Corporation shall be evidenced by an International Charter and Bylaws duly executed by an authorized officer of the Corporation and of the division or subordinate organization. The Board of Directors shall have the authority by resolution to approve, suspend, and revoke designation as a division or subordinate organization and to impose such terms and conditions on designation as it deems necessary or appropriate to accomplish the purposes of the Corporation. Recognition as a division or subordinate organization shall be a prerequisite to participation in the Corporation's group exemption from federal income taxation.

ARTICLE VII

Procedures for Grants, Contributions, and Financial Assistance

Section 1. Procedures. The Corporation may provide grants, contributions, and financial assistance (collectively, "grants") for the support of institutions, projects, publications, teachers, students, practitioners, and so on that advance the purposes expressed in the Articles of Incorporation. In fulfilling this purpose, the Corporation shall comply strictly with the following procedures:

(a) All grants shall be made solely for the purposes expressed in the Articles of Incorporation and shall be within the exclusive power of the Board of Directors.

(b) The Board of Directors shall have the authority to make grants only to individuals who have met qualifications based on need and other standards set by the Board and to organizations organized and operated exclusively for religious, charitable, or educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code (IRC), or, with respect to organizations organized outside of the United States, which would be within the meaning of Section 501(c)(3) of the IRC if organized and operated in the United States.

(c) The Board of Directors shall review all requests for funds and shall require that such requests specify the use to which the funds will be put and, if the Board of Directors approves the request, shall authorize payment of such funds to the approved grantee by resolution.

(d) The Board of Directors shall require that all grantees furnish a periodic accounting to show that the funds were expended for the purposes which were approved by the Board of Directors.

(e) The Board of Directors may, in its absolute discretion, refuse to make any grants or otherwise render financial assistance to or for any or all of the projects or purposes for which funds are requested.

(f) After the Board of Directors has approved a grant a specific project or purpose, the Corporation may solicit funds for such grant; provided, however, that the Board of Directors shall at all times have the right to withdraw approval of the grant and use the funds for any other purpose within the purposes of the Corporation and approved in accordance with the provisions

of this Article. The final allocation of funds received is subject to the discretion of the Board of Directors based on its priorities.

Section 2. Designated Contributions. The Corporation may accept any designated contribution, grant, bequest or devise consistent with its general tax-exempt purposes, as set forth in the Articles of Incorporation. As so limited, donor-designated contributions will be accepted for special funds, purposes or uses, and such designations generally will be honored. However, the Board of Directors shall reserve all right, title and interest in and to and control of such contributions, as well as full discretion as to the ultimate expenditure or distribution thereof in connection with any special fund, purpose or use. Further, the Corporation shall retain sufficient control over all donated funds (including designated contributions) to assure that such funds will be used exclusively to carry out the corporation's tax-exempt purposes.

ARTICLE VI
Miscellaneous

Section 1. Fiscal Year. The fiscal year of the Corporation shall be the calendar year unless otherwise determined by the Board of Directors.

Section 2. Conveyances and Encumbrances. Property of the Corporation may be assigned, conveyed or encumbered by such Directors or officers of the Corporation as may be authorized to do so by the Board of Directors, and such authorized persons shall have power to execute and deliver any and all instruments of assignment, conveyance and encumbrance; however, the sale, exchange, lease or other disposition of all or substantially all of the property and assets of the Corporation shall be authorized only in the manner prescribed by applicable statute.

Section 3. References to Internal Revenue Code. All references in these Bylaws to provisions of the Internal Revenue Code are to the provisions of the Internal Revenue Code of 1986, as amended, and to the corresponding provisions of any subsequent federal tax laws.

Section 4. Principles of Construction. Words in any gender shall be deemed to include the other gender; the singular shall be deemed to include the plural and vice versa; the words “pay” and “distribute” shall also mean assign, convey and deliver; and the headings and paragraph titles are for guidance only and shall have no significance in the interpretation of these Bylaws.

Section 5. Severability. The invalidity of any provision of these Bylaws shall not affect the other provisions hereof, and in such event these bylaws shall be construed in all respects as if such invalid provision were omitted.

BYLAWS CERTIFICATE

The undersigned certifies that he or she is the Secretary of Shambhala USA, a Colorado nonprofit corporation, and that, as such, the undersigned is authorized to execute this certificate on behalf of said Corporation, and further certifies that attached hereto is a complete and correct copy of the presently effective Bylaws of said Corporation.

Dated: _____, 2017.

Secretary

Sole Member by Authorized Representative

**BYLAWS
OF
SHAMBHALA USA**

**a Corporation organized under the
Colorado Nonprofit Corporation Act**

**ARTICLE I
General**

Section 1. Implementation of Articles of Incorporation. These Bylaws are adopted by the Sole Member and the Board of Directors of the Corporation in order to implement the provisions of the Third Amended and Restated Articles of Incorporation of the Corporation, which were filed in the offices of the Secretary of State of Colorado, on February 19, 2015. All references hereafter to the Articles of Incorporation refer to the Amended and Restated Articles of Incorporation, as amended. The Articles of Incorporation, as amended, of the Corporation are incorporated herein by reference as if fully and completely set forth.

These Bylaws are subordinate to the Articles of Incorporation and the Colorado Revised Nonprofit Corporation Act, C.R.S. §§7-121-101, *et seq.*, as it may be hereafter amended (the Act). In the event of any conflict in interpretation between these Bylaws and the Articles of Incorporation or the Act, the Articles of Incorporation or Act shall be given prevailing effect.

Section 2. Purpose of Bylaws. Subject to Section 1 of this Article, these Bylaws are adopted to regulate the internal affairs of the Corporation as provided by the Act and shall be considered to be in furtherance of and not in limitation or exclusion of the powers conferred upon the Corporation by law.

Section 3. Shambhala Mandala. Corporation is a member of the international Shambhala mandala, an association of corporations, associations, and other organizations throughout the world whose purpose is to further the vision and propagate the teachings of the lineage of the Kongma Sakyongs of Shambhala.

Section 4. Non-Discrimination. In conducting its activities, pursuant to these Bylaws and otherwise, the Corporation shall not discriminate on the basis of race, color, national origin, ethnicity, gender, religion, sexual preference, age, or disability. In all of its activities, the Corporation is committed to the principles of religious and philosophical freedom, and no Director, officer, or employee of the Corporation shall be discriminated against, or adversely affected, due to that person's articulation or espousal of any particular religious or philosophical view.

**ARTICLE II
Offices**

The principal office of the Corporation shall be located in the County of Boulder, State of Colorado. The Corporation may have other offices, either within or outside the State of Colorado, as the Board of Directors may designate or as the business of the Corporation may require. The registered office of the Corporation required by the Colorado Nonprofit Corporation Act to be maintained in the State of Colorado may be, but need not be, identical with the principal office. The address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE III
Sole Member and Board of Directors

Section 1. General Powers. Subject to the Articles of Incorporation and to the provisions of these Bylaws, the affairs of the Corporation shall be managed by its Board of Directors.

Section 2. Sole Member. The Corporation shall have a single member, referred to as the Sole Member. The Sole Member is The Sakyong Potrang, a Colorado nonprofit corporation and a tax-exempt, charitable organization. The Sakyong Potrang shall designate a representative to act on its behalf in all matters affecting the Corporation. Such designation shall be made in writing delivered to the Secretary of the Board of Directors; shall be effective upon delivery; and shall remain in effect until changed in writing by the Sole Member. The Sole Member shall have the powers set forth in these Bylaws.

Section 3. Number and Tenure of Directors. The number of Directors shall not be less than three (3), as determined from time to time by the Sole Member. Each Director shall hold office for a term of three (3) years commencing on the date of the annual meeting, or other meeting of the Board of Directors at which he or she is elected, and continuing until his or her successor shall have been elected and qualified. From time to time, certain Directors may be elected to initial terms of less than three (3) years for the purpose of staggering the terms of the entire Board into three (3), as nearly as possible, equal groups. There is no limitation on the number of terms a person may serve.

Section 4. Appointment of Directors. All members of the Board of Directors shall be appointed by the Sole Member. The Board of Directors may make advisory recommendations for appointments to the Sole Member.

Section 5. Resignation. Any Director may resign by giving written notice to the Chairman of the Board of Directors. The resignation of any Director shall take effect at the time specified in his or her written notice of resignation, but not retroactively. Unless otherwise specified in the written notice, the acceptance of the resignation shall not be necessary to make it effective.

Section 6. Attendance at Meetings Required. Directors are required to attend all meetings of the Board of Directors. Any Director who wishes to be excused from attending any meeting shall communicate with the Chairman of the Board of Directors, who may excuse such Director from attending a meeting.

Section 7. Vacancies. Any vacancy occurring in the Board of Directors may be filled by appointment by the Sole Member. A Director appointed to fill a vacancy shall serve for the unexpired term of his or her predecessor in office, unless otherwise determined by the Sole Member. Any Directorship to be filled by reason of an increase in the number of members of the Board of Directors shall be filled by appointment by the Sole Member.

Section 8. Annual Meetings. The Board of Directors shall meet annually within ninety (90) days after the close of the Corporation's fiscal year to review the activities of the Corporation, the acts of the Corporation's officers, employees and agents during the preceding year, to review such financial statements and budgets as the Board of Directors may deem appropriate, and to conduct such other business as may come before the meeting.

Section 9. Regular Meetings. The Board of Directors may provide by resolution for the holding of additional regular meetings, which resolution may specify the time and place for such regular meetings, without other notice than such resolution.

Section 10. Special Meetings. Special meetings of the Board of Directors may be called by the Chairman of the Board of Directors or any three (3) members of the Board of Directors. The person or persons calling any such special meeting shall designate the time and place at which such a special meeting shall be held, unless such time and place shall be agreed to be modified by such persons at the request of other persons whose attendance at such meeting shall be called.

Section 11. Place of Meeting. Regular and special meetings may be held within or without the State of Colorado. Unless otherwise designated in the notice of meeting, any regular or special meeting shall be held at the Corporation's principal offices in Boulder County, Colorado.

Section 12. Notice. Reasonable notice of any regular or special meeting of the Board of Directors shall be given by personal communication, electronic mail, hand delivery, mail, overnight courier, telephone or other forms of communication to the Director at his or her last known business or residence address appearing in the records of the Corporation. The notice shall be deemed to have been given at the time when the personal or telephone conversation occurs, when an electronic message is sent, or when the mail, overnight courier, or other form of notice is deposited prepaid in the United States mail or prepaid to any overnight courier service, or when it is personally delivered to a Director or delivered to the last known address of said Director appearing in the records of the Corporation. Reasonable notice of the annual meeting or any regular or special meeting shall be given not less than two (2) nor more than sixty (60) days prior to the meeting. Any Director may waive notice of any meeting. The attendance of a Director at a meeting shall constitute a waiver of notice of the meeting, unless the Director attends such a meeting for the express purpose of objecting to the transaction of business at a meeting because the meeting is not lawfully called or convened.

Section 13. Quorum Requirements. A majority of the Directors shall constitute a quorum, except as otherwise provided herein. The presence of the representative of the Sole Member shall not be necessary to establish a quorum. If less than a majority of the Directors is present, a majority of the Directors present at such a meeting may adjourn the meeting.

Section 14. Manner of Acting. The affirmative approval of an action by two-thirds of the Directors present at a meeting at which there is a quorum shall be the act or approval of action of the Corporation by the Board of Directors. The following actions are reserved exclusively to the Sole Member:

- (a) Amendment to the Articles of Incorporation;
- (b) Amendment to the Bylaws;
- (c) Appointment or removal of a Director of the Corporation; and
- (d) Sale of substantially all of the assets or the liquidation or dissolution of the Corporation.

Section 15. Compensation. By resolution of the Board of Directors, any Director may be paid his or her expenses, if any, of attendance at meetings. By resolution of the Board of Directors, a Director may be compensated for services performed for the Corporation in a capacity other than as a Director.

Section 16. Presumption of Assent. A Director who is present at any meeting of the Board of Directors at which any action on any corporate matter is taken shall be presumed to have assented to the action taken unless his or her dissent is entered in the minutes of the meeting; or unless he or she files a written dissent to the action with the person acting as the secretary of the meeting before its adjournment; or unless he or she forwards a written dissent to the secretary of the Corporation immediately after the adjournment of the meeting. This right to dissent shall not be available to a Director who voted in favor of any such action.

Section 17. Committees. The Board of Directors may from time to time by resolution designate and appoint an Executive Committee, which shall include at least three (3) members of the Board of Directors. Such Executive Committee may exercise any power of the Board of Directors, and it shall be composed exclusively of members of the Board of Directors. The Board of Directors may by resolution designate and appoint a Nominating Committee, which shall include at least three (3) members of the Board of Directors and shall be composed exclusively of members of the Board of Directors. The Nominating Committee shall be responsible for providing recommendations to the Board of Directors and the Sole Member to fill vacancies occurring in the Board of Directors and to fill or renew the terms of Directors whose terms have expired. The Board of Directors may from time to time form other committees for other purposes, which committees may have members who are not members of the Board of Directors. Any committee except the Executive Committee and the Nominating Committee may have *ex officio* members or invitees or observers, without vote. All committees shall be given an explicit designation of purpose and function by and shall serve at the pleasure of the Board of Directors.

A committee composed exclusively of members of the Board of Directors may, to the extent provided in the resolution authorizing said committee, the Articles of Incorporation, or these Bylaws, have any of the authorities, powers and duties of the Board of Directors, except that no such committee shall have the authority to appoint or remove any member of any such committee or any officer of the Corporation; repeal any resolution of the Board of Directors; or take any other action which contravenes the power(s) of the Sole Member or the Board of Directors or which may hereafter be prohibited to committees of members of the Board of Directors by these Bylaws or by law. The designation and appointment of any 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 him or her by law. Subject to the foregoing, the Board of Directors may provide by resolution for such powers, limitations and procedures for any such committees as the Board deems advisable. To the extent the Board of Directors does not establish other procedures for such a committee, each committee shall be governed by the procedures established in these Bylaws as if the committee were the Board of Directors.

Section 18. Meetings by Telephone and Electronic Media. Members of the Board of Directors or any committee thereof may participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all Directors participating

may hear each other and be heard during the meeting. A Director participating in a meeting by this means is deemed to be present in person at the meeting.

Section 19. Action Without a Meeting. Any action required or permitted to be taken at a meeting of the Board of Directors, or any committee thereof, may be taken without a meeting if taken in accordance with this paragraph. Any action taken without a meeting shall have the same effect as action taken with a meeting. All signed written instruments necessary for any action taken without a meeting shall be filed with the minutes of the meetings of the Board of Directors.

(a) Action may be taken without a meeting if each and every member of the Board of Directors in writing votes for, votes against or abstains from voting on such action and the affirmative vote for such action equals or exceeds the minimum number of votes that would be necessary to take such action at a meeting at which all of the Directors then in office were present and voted.

(b) Action may be taken without a meeting pursuant to C.R.S. §7-128-202 as follows:

(i) Required Notice to Directors. An action without a meeting may only be taken if the Corporation transmits notice in writing to each Director stating the action to be taken, the time within which a Director must respond, and that failure to respond by the time stated in the notice will have the same effect as abstaining in writing by the time required in the notice and failing to demand in writing by the time stated in the notice that action not be taken without a meeting. The notice may also include any other matters the Corporation determines to include.

(ii) Action by Directors. Action may be taken without a meeting only if required notice is transmitted in writing to each Director, and each Director, by the time stated in the notice (i) votes in writing for such action, or (ii) votes in writing against, abstains from voting on such action, or fails to respond or vote, and fails to demand in writing that such action only be taken with a meeting. The vote, abstention or demand that such action not be taken without a meeting by a Director may be revoked in writing by that Director if received by the Corporation by the time stated in the notice.

(iii) Contents and Form of Writing. The writing required by Directors under this section must inform the Corporation of the identity of the Director, the vote, abstention, demand or revocation of that Director, and the proposed action to which such vote, abstention, demand or revocation relates. Such writing may be transmitted to or received by the Corporation by electronically transmitted facsimile, email, or other form of wire or wireless communication, or by hand delivery or U.S. mail, and shall be effective upon receipt by the Corporation.

(iv) Vote Required and Effective Date. Action without a meeting under this section may only be taken if, at the end of the time stated in the notice, the affirmative votes for such action received in writing and not revoked equals or exceeds the minimum number of votes that would be necessary to take such action at a meeting at which all of the Directors then in office were present and voted, and the Corporation has not received an unrevoked written demand by a Director, within the time stated in the notice, that such action not be taken without a meeting. Action taken without a meeting under this section shall be effective on the date by which the Directors must respond as stated in the notice.

Section 20. Removal. Any member of the Board of Directors may be removed by action of the Sole Member, with or without cause.

Section 21. Ex Officio Members of the Board of Directors. The Sole Member may designate persons to be *ex officio* members of the Board of Directors. *Ex officio* Directors may attend and participate in meetings of the Board of Directors but shall not have a formal vote as Directors. *Ex officio* Directors shall not be subject to the attendance requirement applicable to Directors in Article III, Section 6. *Ex officio* Directors shall not be subject to any limitation on their term of office unless otherwise designated by the members of the Corporation. *Ex officio* Directors shall receive all notices, all written documents and information, and all other communications provided to Directors.

ARTICLE IV Officers and Agents

Section 1. General. The officers of the Corporation may include a Chair of the Board, an Executive Director, a Vice President, a Chief Financial Officer, and a Secretary. The Board of Directors may recommend the election or appointment of such other officers or assistant officers as it may consider necessary, and may appoint such other officers. All other officers shall be chosen and will hold their offices for the terms determined by the Board of Directors. One person may hold any two (2) offices, except that no person may simultaneously hold the offices of Executive Director and Secretary. In all cases where the duties of any officer, agent or employee are not prescribed by the Bylaws or by the Board of Directors, such officer, agent or employee shall follow the directions and instructions of the Executive Director.

Section 2. Election and Term of Office. The Chair of the Board and the Executive Director, if any, shall be appointed by the Sole Member and shall serve at the discretion of the Sole Member. All other officers of the Corporation may be elected or appointed by the Board of Directors from time to time at meetings of the Board of Directors. Each officer shall hold office for such period of time as determined by the Board of Directors, and until the first of the following are to occur: his or her successor is duly elected or appointed and qualified; his or her death; his or her resignation; or his or her removal from office.

Section 3. Officers of Divisions and Associated Organizations. Officers of divisions within the Corporation and associated organizations of the Corporation shall be appointed by an authorized officer of the Corporation. Such officers shall be designated as, for example, "Vice-President of Karne-Choling, a division of Shambhala USA" or "Executive Director of the Shambhala Meditation Center of New York, a division (or an associated organization) of Shambhala USA." Officers of divisions and associated organizations shall have only such authority as is expressly granted by the International Charter and Bylaws or by resolution of the Board of Directors.

Section 4. Removal. Any officer or agent other than the Chair of the Board and the Executive Director may be removed by the Board of Directors whenever in the judgment of the Board of Directors this removal will serve the best interests of the Corporation. The removal shall be without prejudice to any contract rights of any such officer. Election or appointment of any officer or agent shall not in itself create contract rights.

Section 5.Vacancies. A vacancy in any office of the Corporation other than the Chair of the Board or Executive Director, however occurring, may be filled by the election or appointment of a new officer to fill such vacancy by the Board of Directors.

Section 6.Powers and Duties. The officers of the Corporation shall have the powers and duties as usually pertain to their offices, unless modified by the Board of Directors, and shall also have powers and duties conferred upon them by the Board of Directors.

ARTICLE V
Fiduciary Matters

Section 1. Indemnification.

(a) Scope of Indemnification. The Corporation shall indemnify each Director, officer, employee and volunteer of the Corporation to the fullest extent permissible under the laws of the State of Colorado, and may in its discretion purchase insurance insuring its obligations hereunder or otherwise protecting the persons intended to be protected by this Section. The Corporation shall have the right, but shall not be obligated, to indemnify any agent of the Corporation not otherwise covered by this Section to the fullest extent permissible under the laws of the State of Colorado.

(b) Savings Clause; Limitation. If any provision of the Act or these Bylaws dealing with indemnification shall be invalidated by any court on any ground, then the Corporation shall nevertheless indemnify each party otherwise entitled to indemnification hereunder to the fullest extent permitted by law or any applicable provision of the Act or these Bylaws that shall not have been invalidated. Notwithstanding any other provision of these Bylaws, the Corporation shall neither indemnify any person nor purchase any insurance in any manner or to any extent that would jeopardize or be inconsistent with the qualification of the Corporation as an organization described in section 501(c)(3) of the Internal Revenue Code, or that would result in the imposition of any liability under either section 4941 or section 4958 of the Internal Revenue Code.

Section 2. General Standards of Conduct for Directors and Officers.

(a) Discharge of Duties. Each Director shall discharge the Director's duties as a Director, including the Director's duties as a member of a committee of the Board, and each officer with discretionary authority shall discharge the officer's duties under that authority (i) in good faith; (ii) with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and (iii) in a manner the director or officer reasonably believes to be in the best interests of the corporation.

(b) Reliance on Information, Reports, etc.. In discharging duties, a Director or officer is entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, if prepared or presented by: (i) one or more officers or employees of the corporation whom the Director or officer reasonably believes to be reliable and competent in the matters presented; (ii) legal counsel, a public accountant or another person as to matters the director or officer reasonably believes are within such person's professional or expert competence; or (iii) in the case of a Director, a committee of the Board of Directors of which the

Director is not a member if the Director reasonably believes the committee merits confidence. A Director or officer is not acting in good faith if the Director or officer has knowledge concerning the matter in question that makes reliance otherwise permitted by this section unwarranted.

(c) Liability to Corporation. A Director or officer shall not be liable as such to the Corporation for any action taken or omitted to be taken as a Director or officer, as the case may be, if, in connection with such action or omission, the Director or officer performed the duties of the position in compliance with this section.

(d) Director Not Deemed to Be a “Trustee.” A Director, regardless of title, shall not be deemed to be a “trustee” within the meaning given that term by trust law with respect to the corporation or with respect to any property held or administered by the corporation including, without limitation, property that may be subject to restrictions imposed by the donor or transferor of such property.

Section 3. Conflicts of Interest.

(a) Definition. A conflict of interest arises when any “responsible person” or any “party related to a responsible person” has an “interest adverse to the corporation.” A “responsible person” is any individual in a position to exercise substantial influence over the affairs of the corporation, and specifically includes, without limitation, directors and officers of the corporation. A “party related to a responsible person” includes his or her extended family (including spouse, ancestors, descendants and siblings, and their respective spouses and descendants), an estate or trust in which the responsible person or any member of his or her extended family has a beneficial interest or a fiduciary responsibility, or an entity in which the responsible person or any member of his or her extended family is a director, trustee or officer or has a financial interest. “An interest adverse to the corporation” includes any interest in any contract, transaction or other financial relationship with the corporation, and any interest in an entity whose best interests may be impaired by the best interests of the corporation including, without limitation, an entity providing any goods or services to or receiving any goods or services from the corporation, an entity in which the corporation has any business or financial interest, and an entity providing goods or services or performing activities similar to the goods or services or activities of the corporation.

(b) Disclosure. If a responsible person is aware that the Corporation is about to enter into any transaction or make any decision involving a conflict of interest, (a “conflicting interest transaction”), such person shall: (i) immediately inform those charged with approving the conflicting interest transaction on behalf of the Corporation of the interest or position of such person or any party related to such person; (ii) aid the persons charged with making the decision by disclosing any material facts within the responsible person’s knowledge that bear on the advisability of the Corporation entering into the conflicting interest transaction; and (iii) not be entitled to vote on the decision to enter into such transaction.

(c) Approval of Conflicting Interest Transactions. The Corporation may enter into a conflicting interest transaction provided either:

(i) The material facts as to the responsible person's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the Board of Directors or to a committee of the Board of Directors that authorizes, approves or ratifies the conflicting interest transaction, and the Board or committee in good faith authorizes, approves or ratifies the conflicting interest transaction by the affirmative vote of a majority of the disinterested Directors on the Board or committee, even though the disinterested Directors are less than a quorum; or

(ii) The material facts as to the responsible person's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the members, and the conflicting interest transaction is specifically authorized, approved, or ratified in good faith by a vote of the members entitled to vote thereon; or

(iii) The conflicting interest transaction is fair as to the Corporation.

Section 3. Liability of Directors for Unlawful Distributions.

(a) Liability to Corporation. A Director who votes for or assents to a distribution made in violation of the Act or the Articles of Incorporation shall be personally liable to the Corporation for the amount of the distribution that exceeds what could have been distributed without violating the Act or the Articles of Incorporation if it is established that the Director did not perform the Director's duties in compliance with the general standards of conduct for directors set forth in these Bylaws.

(b) Contribution. A Director who is liable for an unlawful distribution is entitled to contribution: (i) from every other Director who could be liable for the unlawful distribution; and (ii) from each person who accepted the distribution knowing the distribution was made in violation of the Act or the Articles of Incorporation, to the extent the distribution to that person exceeds what could have been distributed to that person without violating the Act or the Articles of Incorporation.

Section 4. Loans to Directors and Officers Prohibited. No loans shall be made by the Corporation to any of its Directors or officers. Any Director or officer who assents to or participates in the making of any such loan shall be liable to the Corporation for the amount of such loan until the repayment thereof.

ARTICLE VI
Divisions and Subordinate Organizations

Designation of Divisions and Subordinate Organizations. The Board of Directors shall adopt standards for designation of local and other organizations as divisions and subordinate organizations of the Corporation, which standards shall require the acceptance of the International Charter and Bylaws recognizing the governance authority of the Board of Directors and officers of the Corporation. Formal designation as a division or subordinate organization of the Corporation shall be evidenced by an International Charter and Bylaws duly executed by an authorized officer of the Corporation and of the division or subordinate organization. The Board of Directors shall have the authority by resolution to approve, suspend, and revoke designation as a division or subordinate organization and to impose such terms and conditions on designation as it deems necessary or appropriate to accomplish the purposes of the Corporation. Recognition as

a division or subordinate organization shall be a prerequisite to participation in the Corporation's group exemption from federal income taxation.

ARTICLE VII
Procedures for Grants, Contributions, and Financial Assistance

Section 1. Procedures. The Corporation may provide grants, contributions, and financial assistance (collectively, "grants") for the support of institutions, projects, publications, teachers, students, practitioners, and so on that advance the purposes expressed in the Articles of Incorporation. In fulfilling this purpose, the Corporation shall comply strictly with the following procedures:

(a) All grants shall be made solely for the purposes expressed in the Articles of Incorporation and shall be within the exclusive power of the Board of Directors.

(b) The Board of Directors shall have the authority to make grants only to individuals who have met qualifications based on need and other standards set by the Board and to organizations organized and operated exclusively for religious, charitable, or educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code (IRC), or, with respect to organizations organized outside of the United States, which would be within the meaning of Section 501(c)(3) of the IRC if organized and operated in the United States.

(c) The Board of Directors shall review all requests for funds and shall require that such requests specify the use to which the funds will be put and, if the Board of Directors approves the request, shall authorize payment of such funds to the approved grantee by resolution.

(d) The Board of Directors shall require that all grantees furnish a periodic accounting to show that the funds were expended for the purposes which were approved by the Board of Directors.

(e) The Board of Directors may, in its absolute discretion, refuse to make any grants or otherwise render financial assistance to or for any or all of the projects or purposes for which funds are requested.

(f) After the Board of Directors has approved a grant a specific project or purpose, the Corporation may solicit funds for such grant; provided, however, that the Board of Directors shall at all times have the right to withdraw approval of the grant and use the funds for any other purpose within the purposes of the Corporation and approved in accordance with the provisions of this Article. The final allocation of funds received is subject to the discretion of the Board of Directors based on its priorities.

Section 2. Designated Contributions. The Corporation may accept any designated contribution, grant, bequest or devise consistent with its general tax-exempt purposes, as set forth in the Articles of Incorporation. As so limited, donor-designated contributions will be accepted for special funds, purposes or uses, and such designations generally will be honored. However, the Board of Directors shall reserve all right, title and interest in and to and control of such contributions, as well as full discretion as to the ultimate expenditure or distribution thereof in connection with any special fund, purpose or use. Further, the Corporation shall retain sufficient

control over all donated funds (including designated contributions) to assure that such funds will be used exclusively to carry out the corporation's tax-exempt purposes.

ARTICLE VI
Miscellaneous

Section 1. Fiscal Year. The fiscal year of the Corporation shall be the calendar year unless otherwise determined by the Board of Directors.

Section 2. Conveyances and Encumbrances. Property of the Corporation may be assigned, conveyed or encumbered by such Directors or officers of the Corporation as may be authorized to do so by the Board of Directors, and such authorized persons shall have power to execute and deliver any and all instruments of assignment, conveyance and encumbrance; however, the sale, exchange, lease or other disposition of all or substantially all of the property and assets of the Corporation shall be authorized only in the manner prescribed by applicable statute.

Section 3. References to Internal Revenue Code. All references in these Bylaws to provisions of the Internal Revenue Code are to the provisions of the Internal Revenue Code of 1986, as amended, and to the corresponding provisions of any subsequent federal tax laws.

Section 4. Principles of Construction. Words in any gender shall be deemed to include the other gender; the singular shall be deemed to include the plural and vice versa; the words “pay” and “distribute” shall also mean assign, convey and deliver; and the headings and paragraph titles are for guidance only and shall have no significance in the interpretation of these Bylaws.

Section 5. Severability. The invalidity of any provision of these Bylaws shall not affect the other provisions hereof, and in such event these bylaws shall be construed in all respects as if such invalid provision were omitted.

BYLAWS CERTIFICATE

The undersigned certifies that he or she is the Secretary of Shambhala USA, a Colorado nonprofit corporation, and that, as such, the undersigned is authorized to execute this certificate on behalf of said Corporation, and further certifies that attached hereto is a complete and correct copy of the presently effective Bylaws of said Corporation.

Dated: _____, 2017.

Secretary

Sole Member by Authorized Representative

An Open Letter to the Shambhala Community from Long-Serving Kusung

To the Shambhala community:

This letter is in regards to Mipham J. Mukpo, also known as Sakyong Mipham Rinpoche. For the purposes of this letter, we will refer to him as Mr. Mukpo.

In light of the recently concluded investigations and subsequent communications from the Shambhala leadership, a group of former Kusung decided to come forward and highlight areas we do not feel were fully or properly addressed.

By way of background, the Dorje Kasung is the quasi-military group in Shambhala tasked with protecting the teachings and the community. The Kusung, meaning “body protectors,” are a subset of the Dorje Kasung who are tasked with the direct care of Mr. Mukpo’s body, on all levels. Accordingly, the Kusung are witness to Mr. Mukpo’s private life.

Becoming a Kusung is only by invitation of Mr. Mukpo. He requires loyalty, confidentiality, and allegiance to his view. More often than not he also requires Vajrayana samaya vows. Within the Dorje Kusung there are Continuity Kusung who travel and live with Mr. Mukpo for about a year, serving him 24/7. There are very few people in Shambhala who spend as much time with Mr. Mukpo.

We are all former Kusung who have held multiple leadership roles in the Shambhala community some of which we have listed below our names. Although we are a small contingent of former servants, our collective direct experience with Mr. Mukpo spans from 1994 to 2018.

Serving in these capacities has afforded us both intimate exposure to Mr. Mukpo’s conduct and ongoing access to those who’ve continued to serve or served after our duties concluded. Each of us has gradually distanced ourselves from the inner circle for a variety of reasons, primarily an overwhelming need for self-care. Most of us have left the community entirely.

In conversation with each other, and with many other former Court (personal household) staff, we’ve concluded that Mr. Mukpo has consistently shown a disturbing pattern of behavior.

Given Mr. Mukpo’s position as sole authority of Shambhala, we feel a moral obligation to alert others in order to avoid further harm and provide direct unfiltered feedback to Mr. Mukpo. The following summary highlights key observations and represents our own collective opinion. Attached to the end of this letter are six individual accounts that contributed to our general assessment.

Ms. Bath from Wickwire Holm had a very narrow mandate for her investigation. However, we know that abuse is generally underreported which speaks to a much wider epidemic in the Shambhala community. This seeming effort to downplay the number and severity of incidents is corroborated by Ms. Merchasin's investigation.

We can confirm that Mr. Mukpo has a long history of sexual misconduct including those Claimants in the final Wickwire Holm report. While some of us did talk to the investigators about these allegations we feel that much was not fully addressed.

Mr. Mukpo has a long-standing history of questionable behavior towards his students, ranging from crude harmful speech to physical and psychological abuse. This has occurred both while he was drinking heavily and in the absence of alcohol. He has also consistently propagated misuse of organizational funds. In our opinion, his abuse of power goes far beyond the limited scope of the Wickwire Holm investigation.

We know Mr. Mukpo received feedback about his behavior from various key people at different times. He either dismissed or was unable to heed the warnings and continued to engage in these activities. We are concerned that Mr. Mukpo is unlikely to change.

Most of us have been subjected to his abuse. At times we have also been inadvertent enablers of Mr. Mukpo's behavior. We have each struggled to understand our blind spots. It is a bitter pill to swallow that we were enablers of this man. The more we ignored our own intuition, the more people were harmed, and the more damage was propagated. As was true for us, many other Shambhala leaders may not recognize their role in the propagation of these harms. Indeed many are victims themselves.

While we cannot undo the damage, hopefully we can speak to the truth of how his behavior has hurt many of his students. We seek to further validate those who have bravely named this pattern and who likely were subjected to gaslighting or minimization. We hope our personal statements will encourage others to speak and keep speaking.

Although the Shambhala community is making changes in some areas of leadership, as well as reviewing finances, ethical conduct, and reporting policies, we doubt that these changes will be enough. Our concern is that these efforts may only act as a mere gesture of change if the center of the community cannot face the deep discomfort of its own culpability.

Currently, Mr. Mukpo is still the monarch and lineage guru in Shambhala. This is why we felt it necessary for us to be open about what we have witnessed. He is not solely defined by the terrible things – if he was this would all be much simpler. Nonetheless, we feel compelled to draw the line here – where the disparity gap between what he, as a spiritual leader, says to do and what he himself does, is so wide as to appear immeasurable.

We have been told (and have told ourselves) in many different ways how to obscure this line. Often there is a theme of imploring us to believe that Mr. Mukpo's behavior is beyond our understanding. We are asked to regard such activity as the guru's method of waking us up. But, looking around the world, there's nothing so prosaic as a leader using his power and position to take advantage of people under his care.

By endorsing this letter we are both affirming these words and standing in support of those who've been exploited or harmed.

The forthcoming statements from six of the undersigned are intensely personal accounts from people who were trained to focus on Mr. Mukpo's needs above all else, even if it meant burying what we saw or felt. It has taken this long for us to come forward because the journey was replete with self-doubt, shame, and grief.

This group as a whole has no affiliation with any particular movement, support group, or any other organization. Although there are other Kusung staff who were interested in endorsing this letter, we do not claim to represent or speak for all other Kusung.

Sincerely,

Craig Morman

Kusung (1997-2015)

Continuity Kusung (2002-2003)

Ben Medrano, MD

Former Continuity Kusung and practicing board certified Psychiatrist

Laura Leslie

(2002-2016) Kusung-in-Training, Shabchi (Attendant to Mr. Mukpo's wife), staff member at Shambhala New York City and Dorje Denma Ling, Aide to the Council of the Makkyi Rabjam (Leaders of the Dorje Kasung), Meditation Instructor and Shambhala Guide, Rusung at the Boulder Shambhala Center, Board Member at Shambhala Mountain Center.

Louis Fitch

(2000-2016) Kasung, Desung, Kusung-in-Training, Boulder Rusung, Kasung Regimental Commander, Sun Camp Leadership Group, Colorado Sun Camp Admin, Personal Attendant to Lady Konchok, Co-Team Leader for Lady Konchok.

David Ellerton

Environment staff, Shambhala Mountain Center (2000-2001)

Continuity Kusung (2001-2002)

SHAMBHALA 094

Resident Director of Shambhala Training, Shambhala Meditation Center of Denver (2003-2004)

Dragon Region Kusung Officer (2006-2008)

Allya Canepa

(1994-2018) Kusung, Camp Commander, Head of Household - Vermont, Boulder, Shambhala Mountain, Chile; and briefly, at the end, Dragon Region Kusung Commander; Karmê Chöling Accounting Office (1993-1999), Windhorse Dressage Academy (1999-2002), Marpa House Director (2003-2006) Privy Purse (2006-2010), Ashoka Credit Union CEO (2012-2016).

Ben Medrano
February 2019

My name is Dr. Ben Medrano and I was a Continuity Kusung to Mr. Mukpo from December 2002 to October 2004. I was one of 2 such attendants and we were almost always steps away from him offering services including personal security, workout partner, butler, secretary and counselor. Prior to this, my sporadic Kusung training occurred at various programs starting at the 2000 Vajradhatu seminary where I was recruited and trained. Before that I had never met or studied with him. In fact, I knew very little about any aspect of his personal life other than he wore robes instead of the suits of his father. It's worth noting that I was not born into this community and my participation started around the age of 19. Following my 2-year tour as his Continuity Kusung, I moved to Boulder to begin my own path towards becoming a physician specialized in psychiatry. I continued to be intimately involved in Mr. Mukpo's household as a Kusung staff supervisor (Kusung commander) for many land center programs on an annual basis for the years following until the summer of 2011. From about 2005 to 2007 I was a regional Kusung commander for programs mostly in the Colorado area. During that time I was involved in recruitment and training of many other Kusung, some of which are still serving to this day. Upon acceptance to medical school in the summer of 2010, my service and contact with him became limited to only a couple of campaigns in total, each a month in duration with the last being at his Boulder household around December 2013 to January 2014. For those who care, my vajrayana path included traditional Kagyu Ngondro by numbers, Shambhala Ngondro, Vajrayogini and multiple Scorpion Seal Assemblies. Following my acceptance into psychiatric residency training I've had no direct involvement in his administrative or personal spheres. However, I did maintain my strong friendships and frequent communication with many who continued to serve him and his family. I've been a trusted confidant about their experiences, which allowed me a limited vantage point to continue to stay tuned-in. Prior to the release of Buddhist Project Sunshine I was not aware of the extent of harm experienced by these women and many of my former colleagues.

My retirement from service was a result of years of contemplation from which I'd concluded that it was necessary for me to no longer have direct contact with Mr. Mukpo and much of his inner circle. This period of time away from the community while training in psychiatry allowed me a unique perspective of Shambhala and its leader's inner world. In light of the Project Sunshine and Wickwire Holm reports, and after reading Mr. Mukpo's and other's statements, I came to realize that sharing my experience was necessary in this process of reconciliation. The primary catalyst for me was knowing that others have suffered for years and many more are suffering as important questions remain unanswered. I was concerned by the fact that many key close personal staff, prior to Mr. Mukpo's marriage, had remained silent. Furthermore, a substantial portion of the Kusung were born and raised into Shambhala, attending numerous annual military-style summer camps during their vulnerable developmental years.

The following is an account of what I observed during my time in direct service to Mr. Mukpo from 2000 to 2014 with particular focus on my time as a Continuity Kusung. Please note that any period outside of my 2-year traveling tour consisted of varied week to month long campaigns where contact with him was far more limited, as I was doing occasional service shifts or supervising other Kusung. I will try to give an honest account of my observations and context, while reserving the bulk of my personal interpretations for the latter portion of this report. Its important for me to disclose that I was socialized within this spiritual institution for over 20 years and this definitely contributes to bias. For the last 5 years, I also have had no direct contact with Mr. Mukpo or members of the Kalapa Council and they have not attempted to reach out to me.

From the summer of 2000 to late 2002 I'm guessing I'd accrued a total of approximately 2 months of direct service time to Mr. Mukpo. Much of this training occurred at Shambhala Mountain Center, Dorje Denma Ling and Karme Choling. During those periods I do remember seeing him consume copious amounts of alcohol at occasional social events. When I say occasional, there were a few for every month of service I did. At these events I also witnessed dancing, singing, poetry, toasts and one-on-one close conversation between teacher and student. I clearly recall seeing young attractive women being invited to social events and I remember witnessing him flirting with them in the manner of placing his hand on thighs or shoulders. I don't remember seeing any groping of buttocks, breasts or vaginas. I was aware of women being invited to his private quarters and had on occasion seen them leave the morning thereafter. If now asked to describe their facial expressions on these occasions I would list a whole range of affects from elation and anxiety to sadness and shame. Rarely did I see women arise from his bedroom looking calm, happy and refreshed. This pretty much sums up all of my observations of women departing after nights spent for the years thereafter.

Prior to starting my tour as a Continuity Kusung, I had a surprise visit from Mr. Mukpo and entourage. This was the first time I was fully able to appreciate his voluminous consumption of alcohol during a binge (easily above 10 drinks). He drank from sunset to sunrise, as he would behave in a provocative manner ranging from being gentle and vulnerable to being threatening and insecure. I will elaborate more on these observations later. I don't remember him physically harming people at this time. His behavior included demanding others to drink more and coercing some participants to take off their clothes. His behavior towards me during this time was inviting and flattering. From what I could tell he did his best to make me feel welcome. Not long after, I received an invitation to travel with him full time.

Just before my 24th birthday on my first day of tour I remember being greeted at Mr. Mukpo's household service entry door in the midst of a closed personal retreat by a rowdy and overly casual team of Kusung. I was surprised and somewhat disheartened by their conduct as it reminded me of locker room behavior which I loathed. Much of the 3-man team appeared to be poorly groomed and in general

looked emotionally worn. They had been serving extensively for many months and appeared to be at the end of their tether. This image really stuck with me and I will remark on why later. Prior to the end of this retreat, most were replaced by fresh-faced devotees.

Within a month of starting these intensive duties we embarked on Mr. Mukpo's first ever book tour for "Turning the Mind into an Ally" visiting around 20 international locations. This was when I began to see the nature of his social engagement that anchored my allegiance further. He slept very little, was constantly teaching and interacting with students. These experiences were very inspiring for me and gave an example of my own potential to extend my capabilities further than I'd ever imagined. However, the partying continued. At some point in this early period is when my experience of service started to take a turn.

One morning Mr. Mukpo invited me to his room looking worried. He stated that he had a private task for me. He stated that he could no longer be allowed to drink more than "2 wines or 3 beers" and that I should, without question, cut his drink service off at that point. At first I felt honored that he would share such an intimate moment with me. Following this I was informed in a vague manner that something very concerning had recently happened in Chile. Until recently I had been shielded from the details of this event. Evidently his conduct was so infuriating that one of his most senior staff members had threatened to resign. I was given an official letter that basically said I was empowered by Mr. Mukpo to review and regulate all social events involving alcohol. This letter stated that I was to surpass all other authority on the course of celebrations, control alcohol consumption, and dismiss guests if need be. Little did I know, this would be the beginning of a challenging period for me in my relationship with him... ultimately resulting in a protracted phase of decaying trust between us.

As my traveling tour continued, the nature of Mr. Mukpo's intimate relationships with female students were superficially revealed to me. I use the word superficial because I had little to no idea what occurred behind closed doors. I assumed that some had sex with him, but I did not know the nature of these acts. I learned that he had a number of longstanding girlfriends, many of whom were married. There were times on our tour where they would visit him and vice versa. Having been socialized by Shambhala starting in my teens, I was initially excited to see that my teacher was continuing his father's "crazy wisdom". Trungpa's teachings had already changed my life in a very positive way. I remember thinking how conceptually profound it was that these relationships existed. At the same time I toiled with what it must have felt like for these students, always feeling pushed to rationalize this as a generous offering to their revered teacher. One time we stayed at a couple's home, whose kid I frequently interacted with. I remember feeling such empathy, realizing that he/she was probably far more preoccupied with the nature of this relationship than I was. Maybe the child was too young, maybe caught up in other things, but part of me could not shake that maybe it was just as disturbing for the kid as it is to me now.

Over time, many of those affairs with married women ended... and to my knowledge at least one marriage did as well. There's no way for me to know what impact, positive or negative, Mr. Mukpo's relationships with these women had on their marriage. Needless to say, to my limited knowledge, all such relationships with him had ended prior to his own marriage... some against his will. One night, just past the midpoint of my tour, I was planning a brief hiatus as things had become particularly stressful. I was sitting at a computer when I heard Mr. Mukpo come up behind me with one of these married women who had evidentially broke up with him. To my surprise he began to massage the back of my neck with one hand. This quickly turned into an uncomfortably tight clamping static grip. At first I attempted to ignore it while continuing to appear focused on typing until I could not tolerate the pain and calmly stated "Yes Rinpoche?" He then snickered and stated to the lady "See?! He can withstand the grip!" I must admit, I had forgotten this story until very recently. Oddly I did not consider it a big deal, but after giving this man countless massages to help him relax I realized this was one of the few moments of physical contact that he initiated outside of using my arm as a banister.

Around the same time of this incident Mr. Mukpo's drinking escalated. This resulted in one of the few times that I showed the letter in order to intervene. We were at a bar and I noticed that 3 drinks seemed like too much. As per tradition he would dictate the seating arrangement and I would find myself placed at a distance that seemed strategic on his behalf. Many times this made it difficult for me to intercept guests' offers resulting in an experience reminiscent of the childhood game of Whack-a-Mole. Only this time the moles were drinks being handed to him, much of the time these offerings were instigated by him. I would do my best to be as inconspicuous as possible and replace them with water, as Kusung take great pride in being invisible. Many uninformed senior students would get annoyed with me and some would just ignore me regardless of mentioning the letter. However, on this very rare occasion one senior student actually listened.

During our time at the bar I observed Mr. Mukpo flirting with a student's long-term girlfriend. I could tell that the situation was uncomfortable for him. That said, for some reason, I couldn't get a clear read what her comfort level was. This raised further alarm as I had been told that I shouldn't allow him to make advances on less senior or experienced students... a distant rationale that I now find very troubling. As we were leaving the bar I did my usual escorting of Mr. Mukpo into the bathroom. I informed him that he had reached his limit and with a twinkle in his eye he indicated that he couldn't care less. I was not invited to his car so I instructed the driver that he must proceed directly back to the residence. I rushed home to hide all alcoholic beverages. His arrival was marked by stomps and slamming doors. I spoke with the driver to ask what had happened and was told that Mr. Mukpo had ordered him to go to another bar and was frustrated by their not having done so. Following this, my pager rang summoning me to his room. I opened his bedroom door to find darkness and quietly asked, "May I get you anything?" A sharp and booming reply: "WATER!" Upon my return I entered the pitch-black bedroom in fear. I had heard

stories of Mr. Mukpo striking other Kusung and was wary of my currently invisible distance from him while he lay in bed. Fortunately he did not hit me as I somehow managed to place the glass in the void. I left feeling somewhat relieved that a potential crisis had been averted.

The following morning I was summoned to his room and to my surprise he was awake and ready for a planned excursion. He verbalized confirmation that it was good that he didn't drink more last night since he didn't feel too hung-over to stick to his established schedule. As an aside, this begs mention of memories about several past events that he canceled due to hangovers. Given that positive feedback and reinforcement were rare experiences for most Kusung, I took his acknowledgement as confirmation that I was doing a good job and this encouraged me to continue serving in this way.

This event was around the time that I had completed my initial commitment of a year. Of note, during this era we were paid a modest monthly stipend of around \$750 dollars for our 24/7 duties. Although this low wage was concerning to most, we felt fortunate to be able to serve in this way since Shambhala International was in a major financial crisis and running on a skeleton staff after multiple layoffs. As I understand it, Mr. Mukpo's "support" income was priority as I hear it continues to be. This alludes to a broader topic on Mr. Mukpo and family's relationship to money, which many find disturbing. Repeatedly I was amazed by the opulence, frequency, and duration of his luxury vacations. Long after my Continuity Kusung term I gathered that he and his wife's toiletry/cosmetic budget rivaled my own annual salary as a resident physician. For as long as I have known him, this standard of living has never been enough. I recall a sober midday call demanding me to push for the unfeasible purchase of an Audi A8. I vividly remember his infuriated words being: "I want my FUCKING Audi!"

Returning to my original train of thought: our meager Kusung earnings were barely sufficient to maintain our daily expenditures and I found myself depleting my 401k by the end of my tour in order keep up with his social spending. At the time, his personal accountant had instructed us that we were to avoid using his funds while going out to his numerous expensive dining events. To put it simply, I was beginning to feel that terminating my service at a year would be wise. Soon after, he requested me to renew my commitment for another year. As said in our tantric vows, "Whatever the leader commands, all that I will do."

As I progressed through my final year of traveling there were multiple instances of Mr. Mukpo's binge drinking that I was unable to control. All of them were marked by tense confrontations between us. One such occasion, attended by many senior staff, was at a restaurant dinner. As usual I had attempted to follow his established instructions and limit the drinking. As expected he would retract those instructions once the celebrating ensued and do everything in his power to sabotage my efforts. What made this event different was the frank verbal abuse. At one point I escorted him to the bathroom and he proceeded to verbally berate me, calling me an "asshole"

amongst other things. Upon our return to the dinner table audience, he proceeded to compose an insulting poem titled “Stupid People” which was clearly dedicated to me. On speaking with others who had witnessed this event I found that hardly anyone considered this a stellar teaching moment. In fact, his seasoned scribe later told me that the poem was immediately discarded, as it was one of his “worst” literary works. After hearing the poem I made a public reply for all to hear stating “I’m just the bullet in your own gun, shooting yourself in the foot Your Majesty.” To this he smiled and cleverly stated “Yes, but I have the bottle.”

During this dinner there was a novice female student whom it was common knowledge that I was dating. At various points Mr. Mukpo made advances towards her. As I was so preoccupied with cutting off his alcohol service, I cannot remember the specifics of those advances. All I knew was that she was uncomfortable. As per my instructions, I was to remove new students on such an occasion. So I passed my duties to my teammate and made plans to escort her elsewhere as the party continued back at our residence. When I stopped in his living room I found most of our guests standing in a circle exposed. Mr. Mukpo was marching around and ordering each of them to do various things. Evidently he had demanded that everyone get completely naked, all but one woman halted this task at underwear. Some were crying and many appeared to be nervous. At this point, I imagine senior students reading this might feel encouraged, as it is again reminiscent of his father’s “crazy wisdom” behavior. When we hear accounts of such stories from that era, I think it’s worth reflecting on which participants remain in our community. Of those who have left, what are their experiences? In my experience, and others who I know well, these moments did not feel all that “enlightened”. In this particular instance, I heard that after my departure one guest took it upon himself/herself to dispose of all alcohol. This was after Mr. Mukpo began forcefully biting people, as he was known to do in the past. Those who likely consented to such assaults remarked to me that he had left bruises, which had been documented in photos. I vaguely recall seeing them. However, my memory is quite muddled with anxiety as I attempt to remember and much of this feels unreal as I put it onto paper.

To continue on this story, it was reported to me that Mr. Mukpo re-targeted his sexual advances to another woman. She was married with husband present and other staff noted a general feeling of discomfort. It’s worth noting that he seemed to prefer to target unavailable women, usually while the significant other was present. This instance led to a redirection of Mr. Mukpo’s focus on another single female who consented to entertain him and I know little of what followed.

Later that night I ruminated in frustration, sadness and anger. I could not reconcile the helplessness I felt in trying to assist Mr. Mukpo. I felt trapped and seriously considered leaving immediately. I inquired about changing my flight, but found it to be impossible. I called one of my seniors and recounted the story while emphasizing that I intended to leave as soon as possible. He encouraged me to give it some time. As I lay in the Kusung staff bedroom I looked over at my associate who was sleeping. I realized how this teammate had become like family to me and I feared the stress he

would face without my support. Upon reflection of this moment I realize that it wasn't my devotion to Mr. Mukpo that led me to continue, but my allegiance to those who struggled to make use of these experiences. At the time I recounted a story from veteran Kusung who was violently assaulted by Chogyam Trungpa. Knocked to the ground and kicked multiple times with boots on. In that instance he considered leaving as well. His point, that echoed in my mind, was "sometimes being a Kusung is just about showing up." For those familiar with the stories of the Karma Kagyu Buddhist lineage tracing back hundreds of years, these kinds of assaults are considered brilliant moments of teaching: a complex philosophical rationale of making lemonade out of lemons. I truly believe this veteran accomplished his reframing of this assault in a way that allowed him to cope and gain further insight to Buddhist teachings. Similarly, I also wonder about other senior staff who eventually shared with me their experiences of Mipham Mukpo throwing drinks in their face or slapping them. However, I still struggled and even as I write this I feel guilt for not having the resilience to accomplish such a transmutation. At the same time I forgive myself for this and acknowledge that my socialization into this tradition is the illogical root of this guilt.

The following morning I "showed up" for my duties to find that Mr. Mukpo was amidst a major hangover. He guided me through a soup recipe passed on from his father as a hangover cure and he slept through the day with the help of pharmaceuticals. Once he regained his energy I decided it was necessary to inquire about his memories of the previous night. He indicated that he remembered little and I proceeded to recount most of the details with focus on the biting. I do not recall telling him the details of his treatment towards me. He was remorseful and asked "Should I stop drinking?" and I stated that it was not for me to decide. Seeing him in this vulnerable state of not remembering, feeling upset, and asking for help gave me hope that he could change. I continued to serve for the following months.

During the remainder of my traveling duties and beyond, I did not witness events that were as noteworthy. This is likely due to my deliberate efforts to distance myself once the bottles began to open. His drinking binges and provocative behavior did continue with a mild taper. Time and time again I would butt heads with senior staff and other Kusung about cutting off alcohol service. On most of these instances my efforts resulted in suboptimal results. Regardless, it appeared to me that his drinking was getting a little better. Similarly I noticed, at that time, that his relations to women improved as well. Many veteran Kusung would remark to me that my presence was having a positive influence on his conduct. This made me wonder how much worse things must have been before I came along.

Throughout this period, my duty to regulate his drinking was not my only task. It was also common for me to be his emissary in delivering invitations to romantic interests. This unconventional experience may be hard for others to fathom, but the reality of his role made it difficult at times to convey such communications on his own. It was not uncommon at retreat centers and in Boulder or Halifax for him to be stopped by people in devotional conversation that required his full and at times

prolonged attention. Having witnessed this I empathized with him and obliged in the awkward transaction with women. Acknowledging the power differential, I would usually emphasize to invitees that there was no pressure and that they should not feel obligated to entertain his invitation. I did not indicate that there would be negative repercussions of their saying “no.” I do not remember stating that he wished to participate in sexual activity with them. Nor did he request me to say so. However, I assume that most people knew that some form of physical intimacy was likely the case.

Acknowledging that it is hard to tease out the affects of devotion from sexual desire, the majority of these communications were with women who seemed to express romantic interest as well. There were a couple of instances where women had declined and I did not observe direct repercussions for their decision. For those who did accept, many were led to Mr. Mukpo’s abode and I know nothing of what occurred thereafter. These women were sometimes one-time guests and others would frequent for the period of weeks depending on the duration of our visit calendar. Marking yet another aspect of complexity in his being able to maintain a stable consistent relationship: our travel itinerary was quite busy. Much like a spiritual rock and roll lifestyle. Please know that these statements are in no way an excuse for an abuse of his position of power. These are simply my observations and personal rationale at the time.

After my review of Project Sunshine, I tried to recall if there were instances where I witnessed acts of frank sexual assault. I’m aware of the definition of such a thing and I admit that I have no obvious memory of such. That said, over the years I did see and hear of many women who felt disheartened, hurt and confused by their intimate experiences with Mr. Mukpo. I’ve seen a number of them leave the community and a few terminate communication altogether. I know of others who shared these observations and dealt with it in the same way that I did: avoidance. I feel ashamed as I read my own words, wishing that I had provided support for them. With certainty I know that their pain and confusion is vastly more severe than my own.

At this point I feel it’s important to mention that over the course of the second half of my travels, Mr. Mukpo indicated that it was his wish to have more integrity in his “relationships” with women. It appeared to me that he was finally considering settling down. This was marked with the termination of most if not all of his standing relationships. He seemed determined to find some stability. Not long after my tour, I found out about his engagement with his wife. To my limited knowledge, the bulk of his known experiences with female students ended with their engagement. Currently, I can’t help but wonder about the timing of the abovementioned letter and his efforts to improve his drinking and intimate relationships. What was/were this disturbing event(s) that happened before my tour that I was shielded from?

As an aside, during my final year as a Continuity Kusung I experienced multiple other instances of what most outside of this tradition would consider psychological

abuse. To start, a Continuity Kusung receiving compliments from Mr. Mukpo was generally very rare. Conversely, he occasionally reminded me that I was unimportant without him. On a couple of occasions he made jokes about how unattractive I was and that he didn't understand how women were drawn to me. I distinctly remember him boasting that "Continuity Kusung only attract women because of me." I only share these as an example of how this preacher of kindness would treat his most devoted servants. Sure they were likely said in jest, but these words hurt me in a way that I've struggled to make use of. In this spiritual dynamic, a teacher's words carried weight and he was well aware of that. Keep in mind we were all complicit in countless flattery sessions that we felt to be our duty in order to counter his frequent episodes of obvious insecurity. It appeared he just couldn't get enough compliments.

Near the end of my travels with him, there had been conversation of my continuing for an indefinite amount of time with the title of Attaché. The mere thought of this exhausted me. Much like those previous staff members I had seen on my first day, I was nearing the end of my tether. Others noticed my burned out conduct and this was upsetting to me as I felt I was becoming a blemish on Mr. Mukpo's representation. I began to scramble to find a replacement to fill the role and finessed this agenda into Mr. Mukpo's purview. Eventually I succeeded and this eager new recruit was ready to jump in following our return from an exhausting trip to Tibet. My final moments in this capacity were bittersweet and I remember Mr. Mukpo telling me for the first and last time "I love you" just prior to heading to the airport.

For the years following I'd struggled with trying to find balance between my service to Mr. Mukpo while traversing my medical training. I took every opportunity to offer my experience to his household and beyond. All the while I felt haunted by these memories that did not coincide with what had initially inspired me to become Buddhist. I found myself coping in unhealthy manners and in unstable relationships. This led to a painful divorce involving some of the closest members of Mr. Mukpo's staff. During this time I had the chance to discuss this experience with him and he was far from sympathetic. In fact, he voiced his irritation and blame for bringing drama into his home. He followed this with an insult far too personal and complex to mention here. Again, many students of vajrayana Buddhism would consider this a form of teaching. Sadly, to this day I have not been able to make such reconciliation without dismissing my own true feelings and the feelings of others who have felt harmed. As a Buddhist I believe that feelings are devoid of any real existence while, at the same time, highly informative and not to be discarded.

Soon after my graduation from medical school I decided it best to take a distant stance from Shambhala and simply focus on my career. I was matched to residency training in New York City where I hunkered down in my work. This marked the beginning of a rocky period of healing of which I feel is nearing its end. During my residency I had extensive exposure to trauma patients. Listening to these patients and providing them with support became one of my primary avenues for understanding my past. I continued to practice meditation and also engaged in

therapy for myself. All of these, coupled with the generous and ongoing support of my friends and family, have culminated in my ability to elaborate on these experiences that I'm sharing with you now.

Since my departure from Colorado in 2014, I've had the opportunity to hear many other stories such as my own. I've seen numerous close Sakyong staff move on. As there is a trend of high staff turnover that is well known in Shambhala, I've wondered about the experiences that other, far removed, former devotees have had. For myself, I'm still in a process of integrating my thoughts and feelings about all of this. In fact, having the opportunity to share them has been surprisingly helpful.

I feel its important to take a moment to honor those who have similarly served Mr. Mukpo who may wish to share, but for whatever reason, are unable to do so. I know of many more beyond the group endorsing this statement. The decision to release this statement was very difficult for me, for obvious reasons. Because of that, I respect those who have decided to not speak or remain anonymous. These relationship dynamics are highly complex. It takes time to process. Not to mention the proposed spiritual and social consequences of betraying your teacher and friend. Knowing all the trials and tribulations Mr. Mukpo's experienced, I still feel genuine concern for him and his family. BUT people are suffering because of his actions and it's possible that those closest to him are currently being duped by his superficial gestures of restitution, while playing the victim to those who will have it. Yes, I'm very familiar with his use of this tactic. I think it's only fair that I not propagate this idea of his role being above the ethics that apply to us all, as doing so could have tremendous painful ramifications for this community. We already have undeniable examples of how others have suffered under this spiritual model.

To conclude, I have countless thoughts around the ethical, psychological, and sociological issues that have led to this current predicament. I find I'm repeatedly saying to myself "Do not throw the baby out with the bathwater." At times who or what the "baby" is confuses me. I've veered into the narrow-sighted logic of trying to simplify this man's conduct as someone who has a problem with alcohol and women. Fortunately for me, I now have enough understanding of the human psyche to know that these issues are far more complex and malignant. Despite his voiced intention of creating a "culture of kindness", my current observation is that we are still in the midst of a culture of fear and abuse of power influenced by longstanding beliefs that need to be further called into question. For those following spiritual leaders who justify this kind of behavior, keep in mind the blinders they might wear while explaining their rationale. Much like many other religions, this particular tradition still has generations of work to do before it fully addresses the entrenched cultural patriarchy from which it has flourished. I wish you all clarity in this process and thank you for your patience in tolerating my lengthy monologue.

David Ellerton
February 2019

My name is David Ellerton and I have been involved in the Shambhala Community since 1995. I have served as a Kusung in various capacities from 1999 until 2013 (when my last formal shift occurred). This service varied in terms of length and responsibility, ranging from single, daily shifts—either at various residences or events—to "campaigns," which involved week(s) or month(s) long stretches at the community's retreat centers. I also travelled as a Continuity Kusung from July 2001 until September of 2002 and served as Regional Kusung Officer from late 2006 to early 2008, the latter of which involved the scheduling, training and supervising of all aspects related to Kusung for the Rocky Mountain region. In addition to my work in the capacity as Kusung, I held other paid and unpaid positions in the community, including environment staff at one of the community's retreat centers, Resident Director of Shambhala Training, Meditation Instructor, and Coordinator of programs.

I am heartbroken. I sign this letter in solidarity with those who have experienced harm in this community.

Craig Morman
February 2019

I was participant in Shambhala from 1995 until around 2015. I served in a variety of roles throughout the years. I was the Rusung of Shambhala Mountain Center, a Sergeant in the Dorje Kasung, a meditation instructor, and the Director of Casa Werma in Mexico. I also served as a Kusung in a number of capacities from 1997-2015, including serving as Continuity Kusung from early 2002 to early 2003 approximately. I have been keeping secrets for many years, I won't do it anymore.

There is no way that I could possibly describe the entirety of Shambhala's culture of exploitation and abuse in a short statement. I will limit my comments primarily to my experience with the Kusung. Before proceeding I need to say that many of the worst examples of abuse and exploitation that I have witnessed and experienced happened far away from the Court and often had nothing to do with sexuality, but that is for another time.

My first experience of Shambhala was as a member of the summer staff at Shambhala Mountain Center in 1995. It was the first year that it was called RMSC, about 4 months after the "enthronement".

I very quickly found the meditation practice to be both challenging and helpful and developed a daily practice. The next summer I joined the Kasung out of a mixture of curiosity and fear. I was accepted to the 1997 Vajryana seminary. It was there that I was invited to join the Kusung.

My exposure to the Court gradually increased for a couple of years. It started as a Kasung sitting outside of the house, or driving the car. Then mornings and afternoons serving tea and food, learning how to iron and things of that sort. Exposure to the reality of things was incremental based on how much one could handle: is he or she going to "get it"?

In late 2000 or early 2001 Mr. Mukpo invited a bunch of young men out for drinks to a bar in Boulder. He proclaimed it the first meeting of the YMBA, the Young Men's Buddhist Association. A number of current Shambhala leaders were present that night. Some way through the evening he called me over and told me that I should continue to train as his traveling Kusung. We agreed that I would serve for a year when I graduated from Naropa, yeah I did that too.

The YMBA evening went on until well after the bars had closed. A group of us ended up in the living room of a small Boulder apartment drinking heavily. At one point Mr. Mukpo started screaming dharma questions at us and pointing, demanding an answer. His response to each answer was to scream "WEAK VIEW!". This was one of my first tastes of the good stuff. The crazy stuff.

It was really fun, to be honest. I was just happy to be there as we sat in a circle around him and jumped up screaming our refuge names as he pointed to us. I talked to one participant about it a day or so later. He asked what I had thought of the night. When I naively told him that I had had a great time, he intimated that one guest in particular had found it disturbing, and that the "teaching" hadn't been all that helpful. They are both Acharyas now. I'd be curious to hear their current views.

My tour started in Halifax. It was the first time Mr. Mukpo had stayed in the Northwest Arm house. I met him there as he was returning from India, he had lost a lot of weight on a low carb diet.

The first two weeks in the house were a cycle of party/recover/shop-to-stock-new-home/party- repeat. There were some meetings and teaching mixed in, but that period was focused on celebrating.

It wasn't long after starting the tour that we traveled to Chile for a teaching visit. Most of the visit was unremarkable. Near the end of the teaching cycle there was a final dinner at the home of a sangha member. This is the night that was detailed in the Buddhist Project Sunshine (BPS) reports. I will present my recollection to the best of my ability.

The dinner started off quite politely, conversation, thank you's, and so on. As I recall, local people had taken over the bulk of the service, so I spent most of the early part of the night helping in the kitchen. At some point the serving staff were invited to come to the front. I believe it was the host who stood and opened a fairly impressive liquor cabinet. The cook and I shared a look, concerned.

The night wore on and the crazy wisdom came back out. Writing about this part of it just kind of bores me. I had only been on the road for three or four weeks and I was already getting tired of that crap. It didn't happen all the time, but I was already wondering why it happened at all.

At some point I had had enough and checked out. I went and sat in a chair in a nearby room, an office. I hadn't yet learned that my primary job was to protect Mr. Mukpo from himself. To this day I feel shame.

My memory of what happened next differs very slightly from what was reported by BPS. I feel it is my obligation to tell things as I remember them. It was 15 years ago, so I can only say what I remember.

I was sitting in the chair stewing. I looked up and saw Mr. Mukpo and the young woman from the report walking into what I believed to be a bedroom. Another guest closed the door behind them. That guest is currently an Acharya. My anger toward him in that moment was physical. I couldn't believe he would do that. I was just learning that it was normal.

I had met this woman earlier and I did not think she would find it appropriate. I felt that the Acharya was encouraging her to sleep with him by closing the door. I cannot say for certain what happened behind closed doors so I defer to the account given by the victim. I have no reason to doubt.

After some time, I don't remember how long, the Kasung on duty, a local woman, came and told me that she was tired, and that the host would drive us home. She forgot to give me the keys to the apartment. Over the same time span most or all of the guests left.

The woman came out of the room very upset. Somehow I wound up talking to her for a while on a balcony. She told me some of what had happened. I got the impression that Mr. Mukpo had forcefully tried to get her to have sex with him. I was not told that she had been locked-in, or that he had forced her to touch him. What she told me was bad enough, but she did not tell me that part.

I only remember pieces of the conversation, mostly of me trying to rationalize the behavior in some tantric sense while still trying to be supportive. Again, I feel shame.

The rest of the story is much as told by others. I kept his secret for 15 years. I smiled and said that I had a great time in Chile. I dodged questions and avoided people who had heard rumors about "something happening". I had passed on the information to my superiors and just blocked the whole experience out the best I could. After a year or so the interest died down and I just kind of carried it, never speaking to anyone, and I mean anyone, about that night.

That's how it works. We didn't even talk to each other. If we had, we would have understood just how widespread it was. We need more Kusung to talk. Then we can see what enlightened society is really built on.

Mr. Mukpo was both abusive and tender. He seemed really lonely. He shut everyone out. Sometimes he would briefly show vulnerability only to cover it up again.

After a long day in Fort Collins we went to some bars. 2 Kusung, Mr. Mukpo and one guest, a man. As the night wore on Mr. Mukpo started flirting with a local Ft. Collins woman who was not connected with Shambhala, this made me nervous. He was already very drunk. I was sober while my fellow Kusung was also drinking, he was the good cop that night.

As they sat at the bar as Mr. Mukpo slurred come-ons such as "are you a sexual person?" to the young woman. At one point she asked me if I was okay.

She asked because I was standing with my body touching Mr. Mukpo at the midline of the two of them, just looking straight forward. I needed to be close in case he did something. He kept telling the other Kusung, "tell her who I am".

After the bar closed we went back to SMC. As I drove up the mountain road, Mr. Mukpo sat with his feet out the windows and talked to my companion about how wonderful the woman from the bar was. My companion made a joke that I seconded. Mr. Mukpo leapt from the back seat, screamed "who's talking to you asshole?!" and bit me so hard that I lost clarity in my vision for a moment due to the pain. I could have killed us all. He bit me two or three times more.

As we arrived at SMC Mr. Mukpo ordered my companion to call the SMC rusung on the 2 way radio. Mr. Mukpo made him say ridiculous things. Because there are many people with those radios at SMC word got out very quickly. This upset members of the Court and, to their credit, some threatened to leave that year.

When confronted about that night by the Kusung leadership, Mr Mukpo's response was "The Kusung need to be better trained" That is how the King receives feedback.

After my tour I fell into a serious crisis that lasted around two years. Hardly anyone from Shambhala talked to me during that period. After I had dragged myself out of it I started to reappear a little bit within the community. A friend told me "we were all pretty worried about you." No one said it when it would have mattered.

I did Kusung shifts sporadically over the years since, but never felt comfortable getting close again. I would later turn my attention to the Kasung and land centers as I tried to maintain a connection. Those experiences are what finally drove me to leave the community.

I enabled Mr Mukpo's abuse as he abused me. He thinks he can clear things up by writing letters. In his most recent he says "I am beginning to understand how the power dynamics between myself as a teacher and my students could cause pain and confusion in certain situations." First of all, why would it take so long? More importantly, it seems that he has known all along that he is causing pain. He isn't likely to change now. He does seem to want to keep getting paid.

This statement is jumbled and incomplete, it is the best presentation I could muster of the most pertinent details. I feel sadness and regret on behalf of the people who were harmed by Mr. Mukpo. I feel shame that I inspired so many others to follow him and possibly lead them into harm's way. I feel like a fool that I could have been so deceived for so long. To be fair to all of us, it is a clever deception.

Laura Leslie
February 2019

I am angry.

I am angry with Shambhala. A community I came to that seemed warm and understanding and offered the promise of a healthy culture. As I moved closer and closer to the leadership and Mr. Mukpo himself, it became clear that instead a culture of abuse and rampant sexism trickles down from Mr. Mukpo to all below him. Along the way I expressed concerns to my peers and the leadership and was dismissed, insulted or placated every time. Dismissing me as an angry, hysterical person, who doesn't see clearly, is a time-honored way to silence a woman. From much of my previous leaders and peers, I expect that I will get the same reactions now. But, I hope that some of you out there may hear this and find, reflected in my stories, truths long silenced in Shambhala.

I am also angry and devastated at many of the choices I made that lured and kept me in what I knew was an unhealthy environment. My own desire to fit in, my own ambitions to get the next pin, my own moments of feeling special or powerful- I let these dictate my choices and override my intuition and morals. As I did, I became part of the problem.

The world outside of Shambhala is waking up to the insidious nature of sexism and assault. 'Small' comments in locker rooms can lead directly to rape and worse. Leaders create cultures where everyday sexism condones rape. Shambhala likes to pretend that they are the most 'awake'- the most enlightened – but Shambhala is falling behind. With its continued defensiveness and victim blaming our 'King' in his robes becomes the worst example of hypocrisy.

Abuse occurs at every level of the mandala and Mr. Mukpo is the reference point that both implicitly and explicitly fosters it. I trace my experience of the abuse climbing to the top here. While I was never personally assaulted by Mr. Mukpo, there is no doubt in my mind that many were.

I was 20 years old when I found Shambhala in New York City. I was excited to find new friends and a safe spiritual community where I could learn and grow, so I dove in headfirst – taking all the classes and quickly becoming a volunteer for numerous hours each week.

I soon organized a large fundraising event and was honored that the President of Shambhala himself would be there. Excited to meet the President, a man in his 60's, I approached him to serve drinks and snacks. He took hold of my arm, pulled me close, grabbed a strawberry, and while staring at my breasts, told me I was just as luscious as the fruit and how lucky were they that I was there to serve them. He stood with a male Acharya and the male leader of NYC Shambhala, all three laughed.

The President, the 'civilian' leader of Shambhala had just turned me into a sexual object and a joke. I was humiliated. Over the years I learned from other women that he frequently used his position of power to seduce and harass them.

I was office staff in New York and helping a woman volunteer. A male colleague verbally attacked her for her gender and sexual orientation. I stepped in and told him to stop. He got in my face, pushing me back while yelling at me. The volunteer left and never returned. My boss offered to mediate between this colleague and myself. In the meeting he once again proceeded to yell at me until I was in tears. My boss deemed it a successful mediation and sent us both back to work. I was scared of him every day that we worked in that office together.

I learned later that this male colleague regularly hurt other women. His male superior deemed his actions acceptable; why would he try to be different?

On retreat, in a tiny meditation room, my much older male meditation instructor leaned forward, put both hands on my knees and whispered that there were many ways he could teach me. (AKA, wink-wink, he could teach me to fuck.) He was meant to help me with my mindfulness and instead he tried to meet his own sexual agenda. I left the room shaking. I asked for a new instructor and after being told that I was causing trouble and being annoying in this request, was given one.

He stayed at the retreat and worked with multiple other young women. I have no idea how many he may have touched against their will, but I do know he received no feedback for what he did to me.

Retreat after retreat, deeper in and with each new layer more insults. But, I was hooked so I stayed and I began to push back. I began to ask everyone how and when it would change. I asked every female Acharya and Shastri why there was such sexism. Almost as if trained in their responses, they all told me that in Vajrayana Buddhism male and female did not exist, therefore every day sexism was empty and if I practiced more I would see this.

I was asked to be a Kusung-in-Training (KIT). I was thrilled. I was honored to be in the heart of Enlightened Society and serve Mr. Mukpo directly. On my first shift at the Court I was approached and told that I could not be a KIT. Mr. Mukpo's wife needed attendants, and her attendants (Shabchi) had to be women. I was politely told that this would be my only way to serve in the Court, but that this was true service. That by following Mr. Mukpo's wishes and serving Mrs. Mukpo it was the greatest offering I could make to him. But, I was pissed. So, I kept fighting to be a KIT.

Meanwhile, I was made Aide to the Council of the Makkyi Rabjam (CMR). The CMR determines all Kasung activities and practices, but they are also men who hold leadership in multiple other areas of Shambhala. While in a meeting, where I was silently taking notes on how to protect the Sangha, a member of the CMR told me I looked like a sexy teacher and that if he were younger he would want me to scold

him. The other men in the room laughed then went back to making policy about community protection and Dharma practice.

Turning a female subordinate into a sexual joke is not a laughing matter. All the men in the room thought it was. The joke is that a man who claims to be the ultimate protector abuses a woman under his protection.

While fighting to be a KIT, I spent hours as a Shabchi directly serving Mrs. Mukpo, helping with the children and cleaning and cleaning. The more time I spent at the Court the realization seeped in that the problems I saw in the wider community stemmed from the Court itself. In almost every moment I could observe forms of sexism and power plays. Delusional, I thought that if I were a KIT instead of a Shabchi this would be better.

I pleaded with every man I could think of to become a Kusung and was told to wait. While I was shuttled to the side all my male peers became Kusung and were much closer to Mr. Mukpo. In the Court the Shabchi were treated like they were less valuable than the Kusung. While the male Kusung preened, stood around and did all-important duties for Mr. Mukpo, we cleaned toilets and kept house in addition to serving Mrs. Mukpo and their children. I once asked a Kusung of the Day to help me with laundry and ironing, for the household, and I was told he could not help, as he had to be available just in case Mr. Mukpo needed tea. The general atmosphere in the Court was one soaked in ancient patriarchy.

At a party with my peers I complained to Mr. Mukpo's most senior staff person in Boulder about the problems of equality at the Court. He told me that if "you were less of a bitch and asked for things in a less angry manner", then maybe things could change. He helped set the tone for everyone at the Court and in his opinion; a calm woman with a valid opinion was a bitch. He spent countless hours with Mr. Mukpo, I imagine learning these valuable lessons.

I told the head of the Kusung that I would quit all my volunteer time at the Court if I were not made a KIT. The next day, I was invited to be a KIT as long as I continued my Shabchi shifts in equal amounts.

I did my first shift as a KIT. I was so proud to be there wearing my best suit. At the end of a 12-hour shift, feeling elated, Mr. Mukpo walked by me, patted me on the stomach and told me I was fat. His male Continuity Kusung, my peer, laughed at me. I have rarely felt more humiliated.

In that moment something inside me died – my fight and my anger. Now, all I felt was sadness. Now I knew for sure that Mr. Mukpo did indeed set the tone. I had tried to blame it on his wife. I had tried to blame it on the men surrounding him. But, ultimately as the 'King' he sets the precedent.

I had had enough. I felt like no matter how much I fought it would never change. That the sexism was so ingrained it would not move. Part of it was a larger sense of depression in how community members treat each other. Shambhala, as far as I could tell, was not in any way a culture of kindness. All the energy, effort and certainly money, went to the Mukpos, while community members were neglected. The constant pressure, the games between peers and the lack of honesty made me see that each person had to change, beginning with Mr. Mukpo.

And, I became disgusted with myself and ashamed that the wool had been pulled over my eyes – that I too had silenced people and put position over care of others. That women had told me of their hurts and that I had placated. I had become part of the machinery of normalizing abuse, slowly growing blinder to all the ‘isms’ playing out. Doing so, I hurt people, and for this I am sorry.

I left the Shambhala community in 2016 because Mr. Mukpo was abusive and I no longer thought that the community could change. Most of the men surrounding him knew it. Most of the men in leadership roles were either abusers themselves or witnessed it and silently endorsed it. I left because I knew unless something radical happened it would never change.

Then, something radical did happen and it still is not changing. When the Wickwire Holm Report was released, in the next paragraph the Interim Board asked for money. They always ask for money, but the accusations against Mr. Mukpo of clergy sexual misconduct and an abuse of power had just been confirmed. I was deeply offended that the immediate concern was not the victims but the financial health of Shambhala and Mr. Mukpo himself. How about instead a fund to help victims heal? I then received an email to all Kusung asking me to practice for Mr. Mukpo’s long life. No mention of people being harmed by him – just long life for the abuser. When Mr. Mukpo apologized, there was no real claim of culpability or true remorse. As far as I can see it’s business as usual: The victims will be placated, then pushed out, then silenced or discredited and the ‘King’ will shine hypocrisy from the throne.

While some men in power have made symbolic retirements, much of the leadership has not changed. These men are still internal leaders and they are still Mr. Mukpo’s enablers, now it’s behind a curtain. These are the men who laugh at harassment and allow a culture of rape to flourish.

My experiences are the tip of the iceberg. There is no such thing as ‘small’ abuse. There has to be an entire overhaul of how people treat each other. Change has to happen from all sides and by all members and in this insulated, abusive hierarchy it has to happen from the top as well. As long as people keep funding and supporting this power structure, there is no true motivation to change.

We all made oaths of loyalty and secrecy and Mr. Mukpo broke those oaths when he abused his power. I hope that the community can confront him and themselves directly and that the foundations of his throne crumble so true healing can emerge.

Allya F. Canepa
February 2019

“As it has been said: The lion’s corpse will not be eaten by other wild animals; rather it will be consumed by worms from within.”

~ Dorje Dradul of Mukpo, The Court Vision & Practice, Chapter 10 - Corruption

I have many stories and much to share but I am afraid to say too much. So I thought it would be best to start with myself.

Although I had lived only 7 miles from Karmê Chöling in Vermont since 1984, and attended Trungpa’s cremation at the invitation of a childhood friend, I did not enter Shambhala until 1992 when I came to help with marketing. I had been “discovered” as a possible liaison to the local community. Vermonters are standoff-ish at best and Karmê Chöling was viewed as a source of great entertainment. So I understood the problem Shambhala faced.

My colleague, and one of my first Shambhala friends, was Mr. Mukpo’s then current “girlfriend”. I remember how I perceived their relationship, noted it several times, and commented on it at least once. I attended Pema Chodron’s famous “When Things Fall Apart” dathun, a month long meditation practice program at Karmê Chöling in 1993, finished the Sacred Path of Warriorship and other requisite studies in time to partake of Mr. Mukpo’s 2nd 3-month seminary, one of the last long summer programs to be held at Shambhala Mountain, the summer of 1994.

I was an instantaneous true believer.

That fall I was invited to do my first KIT (Kusung-in-training) shift. One afternoon I was handed a bottle of lotion and was told that Mr. Mukpo wanted his feet and legs massaged. Easy enough. I went into his room where he sat in his wing-backed chair. I’m quite sure he wore only his bathrobe as it was easy to massage his feet and lower legs. I doubt that he had anything else on. I don’t remember exactly what he asked me, something along the lines of, “what do you think of my feet?” What I do remember clearly is looking up at him and asking, “is that vanity, sir?” and he said, “Yes, I’m afraid it is.” After I left the room, his travelling Kusung said, “ah, the scent of the lineage”. I still remember the smell of the pear lotion he used for years. I was disappointed when he changed brands. I no longer knew what the lineage smelled like.

I saw so many versions of that scene throughout my 25 years in Mr. Mukpo’s entourage. I am hard-pressed to count them. This flash of beginning devotion, the way he used his personal power, a foreshadowing of his downfall.

Over the years I have often thought about what I might write. At one point I briefly aspired to be the Kalapa Court historian. Even now it is much too big of a story to unveil alone and clearly too terrifying for me personally. I sob, shake, something like a muffled scream wants to come out. Or I simply freeze. I am told that is the nature of trauma. Although I have been actively engaged in trauma resolution and integration (psychiatry, psychotherapy, AA and Al-Anon, bodywork, creative group therapy etc.) for 2.5 years, when I hear the word trauma, I still believe that must be about someone else. In a way, I suppose it's both.

Recently I woke up from a dream where I'm standing in a field of dead bodies. The "forgotten warriors of Shambhala" is how we refer to them in our liturgy. The unknown victims of abuse within the confines of an eroding fortress is how I see them. The many of us that gave our whole selves in service of a vision that we believed was good, and who are now devastated to feel that our gift was hardly appreciated. A sad realization compounded by the sensation that "we" are the ones who helped transform this ordinary person into an insatiable king.

It is impossible for me to summarize my 25 years of experience and observation in a short document. If the community wants to know more, then more will come from all of us. Based on my accumulated memories and perceptions, I can say that I unconditionally support the survivors and those who have tried to bring forth stories that run contrary to the public face presented by Shambhala and our would-be king. We might not always get our facts straight, it might come out crazy and jumbled, but we, the survivors, are onto something, whatever we as individuals would like to call it. I personally like to think that I am witnessing the death of patriarchal rule altogether.

At 36 I had convinced myself that I was out of harm's reach because I managed to steer mostly clear of malignant personalities who seem to enjoy bad sex and late night drinking. Because both sides of my family had normalized and codified sexual, physical, and substance abuse for generations, I was an expert at reading between the lines. The context, the allowing blind eye, the inter-generational grooming, the abuse - it was all there. I came to Shambhala pre-groomed to see my brilliance as a gift for other and to fall into a kind of blank self-less persona when asked to serve. The only thing I was pretty clear about is that I thought alcohol was a problem. And I thought sex was a problem.

The next thing I knew I had sold my beloved home in northern Vermont and was working as a groom for Lady Diana's Windhorse Dressage Academy in Rhode Island. I can't remember why I ever thought that was a good idea. I had everything in Vermont that I wanted to enjoy a rich productive creative life. And then I sold it.

I found it impossible to understand, except when forced to look, why I increasingly felt, and at times acted, like a feral, cornered animal. I was "handled" over and over during the course of my 25 years of service because I was perceived as both

compliant and dangerous, both a jewel and a threat. When I was good, I received treats. When I was bad, I was punished.

I didn't exactly behave submissively. I asked too many questions. I might have on occasion even growled. To the credit of the courtiers' twisted intelligence, I did "save the kingdom" in several instances. A natural born fixer, I don't know how to not go in and just start fixing broken things. Gifted with a robust constitution, no matter how bad it got, how tired or used I felt, I couldn't be broken. I kept coming back.

When they invited me to be the Dragon Region Kusung Commander, I asked, "Why now, why after 25 years am I being given a command post?" I was told, "you're the right person for this time". When I asked, "and what time is that?" I received back what I characterized as nervous laughter. That was in the fall of 2017. When the allegations hit our screens, I was in the Canyonlands with my brother and his daughters. In reading the Buddhist Sunshine Reports I came to realize that I could identify every woman from their stories except one. When I returned home I resigned my post. I had heard about the Chile incident over a decade ago. I have heard faint murmurings about other possible rape scenarios. In the distance I noted hushed voices intent on making the stories go away.

I had my own experiences. I kept remembering a quiet night at Prajna. Perhaps the program had the evening off, or there was a banquet for participants only. I remember sitting around the Prajna staff campfire chatting with 3 or 4 other Kasung. I remember the identity of the Kusung on-duty. I believe I was Camp Commander because that would be the only reason Mr. Mukpo would invite me to his bedroom. He liked to receive summary reports about what people were up to. Nonetheless I was surprised as he and I were not in the habit of meeting this way. Being a Kusung I went immediately to kneel at his side of the bed and waited for his question or command. I was surprised when instead he put his hand down my shirt and fondled my breasts and said, "please I just want to sleep," firmly directing my head to his cock. I obliged and shook it off. I buried and minimized my own experiences for over 20 years.

Mostly I didn't tell anyone. Or I curtly summarized my experience as having been blessed enough to receive a "quarter cup of bindus" from my guru. I don't know why I described it that way. It was the best I could do as my mind scrambled to relieve pressure from the melodic dissonance. In the Vajrayana we are taught that all body fluids, or pieces of clothing, tufts of hair, or leftover food from the guru's plate are blessings gifted directly from the body of enlightenment. In the end, although I used those words to keep me from imploding, I was never able to discard my basic sense that this man had no idea, nor did he seem to care to have an idea, about how to create a shared space for intimacy. At least not with me. In short, I thought to myself, "well, he's not a very good lover, I won't do that again."

It was late when I stepped over the body of the sleeping on-duty Kusung who, if he was awake, didn't peep. The next morning I asked him, "so you didn't do a final check? To see if Mr. Mukpo or I needed water?" He replied, "No, in those circumstances, I don't go back in." Those circumstances. As a Kusung during Mr. Mukpo's bachelor days I would go in to make sure the female guest had water. Regardless of whatever else was going on, I felt it was common courtesy to offer water. A strange fog of not wanting to experience or witness my own life settled into my being. Periodically I would find someone willing to chat about the bizarre fairytale we were co-creating.

I finally said, "enough".

Shambhala has been the entirety of my adult life. My so-called productive years. The years during which I should have built a career and developed lifelong friendships, the fruits of which I would be enjoying now. I've held almost every service post available in Shambhala. I accomplished the highest practices available to me. If I still believed in formal practice, I would be preparing for Scorpion Seal 6 and mixing in sessions of the revered Six Yogas of Naropa practices. I went on long retreats. Sometimes I was in. Sometimes I was out. Always I was in relationship to a phenomenon that I was both attracted to and repulsed by. I had friends as long as I was good. They disappeared when I was "bad". Occasionally I was not allowed to serve. I was afraid of what I might see. At the same time I had a clear sense that the king and his courtiers were equally afraid of what I might see. Various powerful men at various times took me on as a challenge to see if they could put me under their thumb. I was often punished for my good deeds.

At the end of my time serving as "privy purse" or the king's personal finance manager (2006-2010), in what I can only describe as an act of cruelty, Mr. Mukpo sent one of the few people he knew I would listen to as the messenger to dispose of me. I vehemently disagreed with the choices that were being made. I did not trust either of the financiers who had sidled up to the king, feeding his grandiose magical thinking, buying his favor with flattery. I had learned what Mr. Mukpo had wanted his "privy purse" to learn – how to model the finance structure to be as lucrative as the ancient system still practiced in currently existing monasteries. I had run a successful beta-test and raised enough money to pay for the better part of the Rinchen Terdzo, the first major retreat held in Orissa. I had created a system designed to help travelling household staff track the money flow. As I rode the crest from bachelor days to the era of our married king, I worked 24/7 to keep up with his activity. I went above the call of duty to protect Mr. Mukpo from being associated with a dubious financier. And then I was summarily dismissed.

A short time later I was asked to meet with five of Mr. Mukpo's closest advisors, all male. I was very uncomfortable. That feeling of being a caged animal. But I also thought it was humorous – that it took 5 men to ... do what I don't know. They really wanted me to continue doing the work. I declined. I liked working alone without a boss. I certainly wasn't going to trade that in order to work for a middle manager

that seemed both arrogant and dishonest, glib. To add insult to injury, I was offhandedly accused of stealing from the king. I was delirious with paranoia, anger, and exhaustion. I was in a fury for months. After all I had done?

I managed to stay away for two years, but my trauma had not resolved and my relationship with Shambhala was not yet over. In 2012 I took on the most grueling fix-it job to-date, saving Ashoka Credit Union. My work as CEO ended in a similar way. After having successfully beached the credit union onto dry ground, I was squeezed out of my job by having to take considerably less pay than I was originally contracted for. I was thanked profusely when I chose to resign, but I was left at 58 with no income, no retirement, and very little savings.

Those two incidents forced me to acknowledge the institutionalized abuse of people working for the good of Shambhala.

Against my better judgment I returned to Chile in February 2018 as a Campaign Kusung, only to watch our would-be king on the throne we built look the pretty Chilean women up and down, assessing a desirable object within his grasp, overheard my fellow Kusung say things like, “if he does anything inappropriate, her husband will kill him,” watched as Mr. Mukpo asked for one after another of his loyal servants to be flown in on expensive last minute flights as a barricade for what might bubble up and need to be dealt with, watched as we scrambled at great expense to get him moved out of reach of the program and into a local AirBnB. I surmised that we went to these extreme measures so that he could drink without being seen and not blow his cover as an all-powerful guru. One of the excuses we used was that there were too many ants in his bathroom. I did not want to go to the traditional end-of-program Court staff dinner with him. When asked why, I said because I do not want to watch my guru and king get drunk. Again. I was asked to then please come to support the rest of us. On packing day, I looked in the mirror and said to myself, “this is your last campaign.” I was so relieved. I was starting to leave.

When the allegations became headline news, I heard that Mr. Mukpo asked how I was doing. My fury reignited. I told my superior that if Mr. Mukpo wants to know how I’m doing, then he is welcome to call me after he has successfully undergone rehab for both alcohol abuse and sexual predation and has accumulated a few years of sobriety and therapy under his belt. I have no idea if the message was brought to him. At the time Kusung were being asked to tell stories of their Kusung days and were being encouraged to write letters with any thoughts or questions they might have. I feel certain that this was intended as a way of gauging loyalty.

I was even asked if I would be interested in being in charge of the Mukpos’ financial world, as if getting my old job back could be anything other than an opportunistic dump and run. The inner circle was starting to panic. I actually mulled it over for a few days. In the end I was unable to conceive of how much I would be willing to accept in salary. No amount of money could have brought me back into the fold,

especially since I was unlikely to be paid much for long, even if I did manage to save the kingdom one more time. I couldn't fathom that it was even possible anymore. And my body refused.

In the end my question is about what I want to be loyal to. What I am not interested in being loyal to is an immature boy-king with substance abuse issues who walks away from every harm he has caused, cowering behind his wife's traditional skirts, and stepping on the backs of soon-to-be physically fit and mentally unprepared mostly young male Kusung who are trained to not see and to not tell. I have watched almost every Continuity Kusung come through, most of them remaining evangelical despite the near constant abuse of their person. Granted, the abuse was not always immediately noticeable. However, in my view there was always some combination of treating his Kusung as special, or as one of the chosen ones, at the same time toying with a weakness, igniting competition and insecurity, all while stealing their brilliance for his own.

Nor am I interested in hearing the mantra of goodness and kindness being used to lull me into an altogether too familiar stupor. There is no goodness or kindness available here without accountability and justice. None. Unfortunately myself and my few real friends are watching the current debacle shaking our heads, saddened by the feeling that there may well always be new acolytes willing to offer everything they have to the inevitable point of exhaustion, only to be discarded and added to the heap of corpses.

I am 60 years old. There is only one fix-it left and that is me. I have very little idea about where to even begin. I have spent my life trying to care for other, as instructed by my family and my guru. I watched hundreds of women go in and out of Mr. Mukpo's bedroom. I held the hands of many. Rocked with them when they sobbed. Stayed with them when they just didn't know what happened. Tried to warn them about what it feels like to be queen for a day. I saw one too many debauched nights and nursed one too many of the king's hangovers. I feared for the women. I was disgusted by what I saw. And yet I stayed. I watched helplessly as donations were spent like tossed candy. Meanwhile I'm wondering if I'll be able to keep what little I have left.

I experienced one too many acts of cruelty including being verbally eviscerated by Mr. Mukpo's closest confidant, his most powerful minister and life-long mentor, the original and most feared Kusung, who in a drunken rage questioned my loyalty. A fellow Kusung hoped to shrug it off by saying, "you know how he gets." I was on duty. I went back upstairs to the party. I was humiliated. I never even once considered reporting anything. Everyone seemed to be walking around like zombies in various degrees of collusion and denial.

Despite the proclamation that I am my only remaining fix-it, I do have one weird and ridiculous task left and that is to figure out what I can do to help Mr. Mukpo's feisty, aging, disabled mother and her family who will have no place to live when Marpa

House is sold. For my sake, I wish I could leave her in the dust. But I can't. I've been holding her finances together for over 15 years. Lady Konchok is akin to the ultimate survivor in this world that was created out of nothing. Instead of selling both Courts and volunteering to put money back into the Shambhala coffers, or at least stop the flow out, Mr. Mukpo has approved selling a property that is home to 30 people and his very own family. Meanwhile, the Boulder and Halifax residences sit empty. I even heard that Mr. Mukpo is in the process of buying another property.

Cognitive dissonance.

I do not believe he feels genuine remorse. I believe that he will say what he feels he must in order to keep the money flowing in. I do not believe that he has genuine concern for whether or not Shambhala crumbles. The young man, the one I once knew and felt love for, had been further perverted by the very thing we all thought was good and true. If he merely suffered from bad judgment and poor taste, I would enjoy seeing his sweaty face as he hauls his own damn suitcases onto the tarmac of his next job. But the protective circle has closed in around him. His wealthy patrons will continue to fill his wallet. They will protect him from his own wake-up call. They will protect him from us, the ones who are willing to name the disease. They will have their own private source of platitudes to help lull their insight. I no longer envy them even as I wonder how I will find my way in this chaotic, overly bright world outside the fortress.

I wake up everyday, despite all my support systems, weary and broken. Despite my perceived intelligence and my broad-spectrum skill sets, I cannot fathom going to work. I spend days at a time never getting out of my pajamas. I am not yet able to trust people except on occasion, even ones who clearly love me. Yes, I came in with my own history of family trauma making it easy for me to fall in as prey. In no way is it ever okay for any human, or any human society, to use someone's plea for freedom and spiritual awakening as a basis for systemic manipulation across power differentials which indulge cruel, debasing interpersonal relations. And then call it devotion. And use and use and use until it's all used up.

And yet here we are. I truly believe that we've all seen or heard something. I believe we all have questions. What remains is for us to put the puzzle together, attending to the details of our own story and finding our own voice. I believe the story is important. But only because, without it, I would be left standing in the dark with my mouth open making no sound.

Therefore corruption is a dangerous disease, one that should be diagnosed and destroyed as soon as any symptom of it occurs in the Kingdom.

~ Dorje Dradul of Mukpo, The Court Vision & Practice, Chapter 10 – Corruption.

Louis Fitch
February 2019

Culture of Sexism

One of my first Kusung-in-Training (KIT) shifts was at Prajna at SMC. I was being trained by a more senior female KIT in how to serve tea properly - what exactly Mr. Mukpo currently liked. Mr. Mukpo had wandered past us and down into the kitchen to hang out with some of the people there. At one point I heard laughter and turned around to see Mr. Mukpo ogling the KIT mentor's butt while the other men laughed and stared along with him. The young woman turned around and saw them staring and smiling, turned slightly red, then went back to showing me how many seconds to brew the exact color Mr. Mukpo's tea must be. Of the 4 men in that kitchen, 3 held leadership positions and have only risen since then. People may find this confusing as this is just typical behavior in this world. Even if I thought that justified it, we have no place claiming to be a community based around mindfulness if we are that ignorant.

I said nothing then. I rose through the ranks and continued to say and do nothing to meaningfully effect change. And sometimes I'd even laugh along myself, to feel a part of something. This was particularly true when I was in groups with Mr. Mukpo and being part of such blatant objectification filled my desire to be part of his inner circle. In those moments this was more important to me than the fact I found the objectification horrible. The majority of Shambhala has not and will not see this side of Mr. Mukpo as it is only with his inner crew where he felt he could drop the PC Rinpoche thing and indulge his abuse tactics.

The KIT was a person coming to offer her heartfelt service out of her spiritual devotion and was reduced to her ass. And we all condoned that. And I know the people who laughed along with him there might be horrified and angry that I would say this as they are one of the good guys. They aren't rapists. They have never had Care and Conduct investigations about their behavior. They have tried to listen to the complaints of women and other minorities in the community. And yet, we said nothing to change the nature of the complaints we heard. We laughed along. And now we're mostly silent when it has been made clear that Mr. Mukpo has a distinct pattern of sexual harassment and abuse. We are his closest students and we say nothing. He was born into this community and has been surrounded with this structure his whole life. Those of us who are the closest in for the most part have only laughed along. How would he know any different if we don't confront him? How would we know any different if he doesn't confront us?

And I've heard from some other Kusung and leaders that they have actually given him feedback. They continue to be publically silent in the face of victims coming forward. They continue to hold their posts.

Mr. Mukpo often cycles through people who start to give him feedback. And he is incredibly skilled at bringing in those who purely conform to his view of the world, which is part of how I have seen Kusung move towards an increasingly sexist and insular boy's club. And he can ghost those who start to give too much feedback and cycle in someone who will feel blessed to come in. Then after a few months, he'll bring the other person back in before they walk away. He plays games of who is close in order to keep feedback at a distance.

I am not saying that it isn't hard to speak up. But we don't get to pretend to be good guardians of our community's wellbeing if we don't treat these moments with the severity they deserve.

I look back on that moment and I know that I am in part to blame for the harms he has caused. I wasn't there for the abuses described in the Project Sunshine and Wickwire Holm reports but I know that every time I said nothing, I played my part.

And for that, I am deeply sorry.

Money and Vanity

During one Kusung shift Mr. Mukpo was performing a set of practices to help those in the community who were sick. I went to his bedroom with the Continuity Kusung to wake Mr. Mukpo up and take his breakfast request. We kneeled on the floor while the Continuity Kusung went through the schedule saying that Lama Pegyal and Lama Gyurme Dorje – Mr. Mukpo's stepfather and half-brother – would be a little late as they were still finishing the tormas and various ceremonial preparations. After being briefed on the schedule he asked who would be coming and who the primary funder of the ceremony was. After being told how much the larger donors were giving, he smiled and gave a happy grunt (interpreting grunts is key to Kusungship).

Somewhere in that day, I remember cleaning up his bathroom and wiping down all of the various face products and cosmetic creams, and wondering at just how much of that money from these students was put into these various expensive creams. And it struck me just how vain Mr. Mukpo is and how many different ways that comes across.

I mentioned this to a senior Kusung who laughed and agreed that it was excessive. But said that it was how these students sitting downstairs could connect to him and so it was how he brought them into his practice for their benefit. The more I've thought about that, the more it seems like trickle-down economics. Perhaps the premise of Shambhala is trickle-down enlightenment.

I know people have said that this is not a true reflection of how the finances around Mr. Mukpo work. But excessive spending clearly designed to sooth his insecurity happens and many of us know it. The breaking point was being told this was

absolutely secret as people “wouldn’t understand.” I couldn’t accept that I was helping facilitate the use of people’s heartfelt gifts to salve Mr. Mukpo’s insecurity and vanity.

Culture of Silence

Why haven’t more of those of us who know Mr. Mukpo and the inner workings of the Court-trained leadership come forward?

I think you have to really buy in to the whole thing. Not everyone was born into this worldview, but I think the pattern is often similar. For those being brought in there is a process of indoctrination during which Kusung are trained to drop their own common sense and conform to the boys’ club atmosphere. As each seasoned Kusung trains the new excited devotees it is easier to shelve jaded views and leave things sparkly. Kusung are groomed to turn a blind eye. And, then the Kusung most conditioned to not confront Mr. Mukpo and hold to bro-code rise through the ranks until they permeate leadership in Shambhala.

For those born into the community we are indoctrinated from birth. My parents were Shambhala Buddhists. I am what is colloquially called a ‘dharma brat.’ I was raised knowing that Trungpa, Mr. Mukpo’s father, was the embodiment of all things wonderful and powerful. Those weren’t always the terms used, but that was the point. I know that I was unique and special because I had the good fortune to be born near Trungpa and to meet him as a baby. I am one of the chosen warriors of Shambhala here in this dark age to bring about Enlightened Society. Again, not always those words, but that was what was being communicated.

For most of my life, when there’s a moment someone might call on a higher power – watching your car crash or some equal scare – it is not some god or deity that comes to mind, it is Trungpa.

And all of the insane things that happened in Trungpa’s days: all the abuses, molestation, drugs, alcohol, mayhem – those were either crazy wisdom or simply the hippy days. But the hippy days are long gone and the crazy wisdom argument is still used. And it’s a brilliant tactic – if something feels or is really fucked up, that’s only because you don’t really understand that it’s there to “wake you up.”

By acknowledging the massive harm perpetrated by these monarchs, I have to face the prospect that everything I have ever known or thought about myself and the world is wrong. And if I accept that as true, I may lose my family and every person I grew up with.

All of this is a very powerful impetus to not examine too closely the underpinnings of this sangha.

Keep in mind, this is how Mr. Mukpo was raised as well. And while many of the 'dharma brats' feel like they are probably some version of a tulku, he has been identified as one and placed on a throne. Introspection for him means a far costlier fall from grace. And with his writing books and expanding on the Scorpion Seal, he has built an impressive suit of armor where he has no reason to think any of us are equal to him as he is The Earth Protector. Until it becomes convenient for him to be represented as human, as he did in his latest letter, so he can get out of taking responsibility for the harm he causes. He cannot choose when he wants to be Rinpoche and when he wants to be human with human foibles. If he wants to be treated as the top of the hierarchy he must act accordingly.

Though I have held many roles and have tried to address many of the cultural issues I felt were harmful, I don't think I made any meaningful difference. For me, after a point of realizing that I wasn't changing things it seemed to me that I was actually just enabling the cycle to continue.

I know some of my peers and leaders feel they want to repair and make it all better. I certainly felt that way for many years.

But I look at my pretty uniform and my shiny pins and all I can see is a group of Shambhala Warriors ogling women. And I know that the sexual assault and abuses perpetrated in this community – scars that will never leave – is because people, including myself, didn't say anything.



SHAMBHALA

Finance Report to the Shambhala Community

August 15, 2018

By Ryan Watson, Director of Finance
With Susan Engel, Treasury Council Chair

Reviewed by the Kalapa Council and Treasury Council

As requested by the outgoing Kalapa Council, this report to the Shambhala community shares the current state of Shambhala's finances and how we are organized, as well a sense of the challenges ahead. We have done our best to share the complexity of this information as transparently and clearly as possible, so it can be better understood by the community.

Accompanying this report, and linked in the Appendices section at the end of this document, are financial statements and spreadsheets that further illuminate the financial picture.

Questions and comments from members are welcomed at info@shambhala.org. These questions will be compiled and responded to in the coming weeks.

Summary

Shambhala's organizational and financial structures have sustained our community for almost three generations of practitioners. While hard questions about the future are being asked, and organizational change may be required, we have a solid foundation and many resources to draw on.

- Shambhala in North America has net assets of \$22.5 million USD and gross annual revenue of \$18 million USD.
- Since late 2017, there have been steadily increasing cash flow challenges in Shambhala Global Services, the Sakyong Potrang, and other entities. This pattern has occurred with some regularity in Shambhala's history. The outgoing Kalapa Council has initiated actions to address the current situation in the short term, with the intention to leave the incoming Interim Board as stable a financial situation as possible. Further changes are likely to be required in the coming months.
- The Sakyong and his teaching have played a critical role in overall revenue generation for Shambhala. The financial impact of his current step back from teaching is not yet fully known.
- In 2017, no Shambhala funds were used to pay compensation for the Sakyong or Sakyong Wangmo or lineage or parsonage expenses. These expenses are currently funded by direct donations to the Sakyong Potrang entities.
- The financial health of Shambhala Global Services is fully dependent on Unified Giving transfers and donations from Shambhala Centres and members.
- Elevated debt levels and low cash balances in Shambhala Global Services and the Sakyong Potrang are prompting consideration of asset sales as one option to build financial stability going forward.

A Snapshot of Legal Entities in Shambhala

Shambhala is a global conglomerate of nonprofit organizations, currently based primarily in North America and Europe.

Shambhala Legal Entities in North America

- **Shambhala Canada Society**

The Shambhala Canada Society (Shambhala Canada) is a registered Canadian charity. This corporation manages all city centres and retreat centres in Canada. All Canadian Shambhala Centres and Groups are authorized to represent Shambhala, and use its name, service marks, and copyrighted materials through the International Charter and Bylaws.

- **Shambhala USA**

Shambhala USA is a 501(c)(3) tax-exempt charitable nonprofit corporation registered in the state of Colorado. This corporation manages Shambhala's city centers and retreat centers in the United States (except Shambhala Mountain Center, below). All U.S. Shambhala Centers and Groups are authorized to represent Shambhala, use its name, service marks, and copyrighted materials through the International Charter and Bylaws. Centers and Groups are identified as "subordinate organizations" for purposes of the Shambhala USA group exemption from federal income taxation.

The Charter and Bylaws provide that the centers are authorized to establish local governance bodies and rules, subject however, to the ultimate governance of Shambhala USA. While some centers are incorporated in their local jurisdictions (usually for banking purposes to finance property purchases), this does not affect the basic relationship between those centers and Shambhala USA.

- **Shambhala Mountain Center**

Shambhala Mountain Center is a 501(c)(3) tax-exempt charitable nonprofit organization registered in the state of Colorado that operates a Shambhala retreat center located in Red Feather Lakes, CO.

The corporations above collectively manage the operations of Shambhala in North America, including Shambhala Global Services (see below). Management authority, including financial decision making, is delegated by the Boards of Directors of Shambhala Canada and Shambhala USA to 130+ divisions of these corporations, including retreat centres, media divisions, Shambhala Centres, and Shambhala Groups across the continent.

On December 31, 2016, Shambhala entities in North America held a combined \$35 million USD in assets and \$12.5 million USD in liabilities, for net assets (total equity) with a book value of \$22.5 million USD. Book value is based on purchase price and depreciation, while the actual market value of Shambhala's assets would likely be substantially higher.

Donations, program revenue, and merchandise sales are Shambhala's primary revenue streams. In 2016, members, donors, and patrons of Shambhala gave over \$6 million USD. Program fees and merchandise sales brought in over \$10 million USD. Gross revenue totalled \$18 million USD across the North American Shambhala corporations.

The largest consolidated expense line was the almost \$5 million USD spent on salaries and contract staff expenses across the 130+ divisions. Direct program expenses and cost of merchandise sales totalled \$4 million USD. Rent and facilities expenses were \$3.5 million USD. Total expenses were \$18 million USD.

In 2016, the 130+ Shambhala entities managed in these North American corporations ran at a combined operational deficit of \$91,000 USD. 2017 numbers are not yet available.

Shambhala Legal Entities in Europe

- **Shambhala Europe GmbH**

Shambhala's corporate structure in Europe is locally oriented. With the exception of the Netherlands where there is a national organization, in most other cases centers and groups are incorporated separately and independently.

Shambhala Europe GmbH is a non-profit limited liability corporation registered in Germany, and is a 100% subsidiary of Shambhala USA. It shares ownership of the real estate of the French land center of Dechen Chöling and is the owner of a number of European and global trademarks of Shambhala, which it licenses to European Shambhala Centres.

At the end of 2016, Shambhala Europe held net assets of 1.5 million EUR. This figure includes a building asset in Cologne, which was effectively sold in 2017. Shambhala Europe booked an operating deficit of 120,000€ in 2016. Audited figures are not yet available for 2017.

- **Association Shambhala Europe (Dechen Chöling)**

Association Shambhala Europe (Dechen Chöling) is an Association 1901 incorporated in France to manage the Dechen Chöling retreat center near Limoges, France. In 2017 it held net assets of 773,000€ and booked an operating surplus of 43,000€.

Shambhala Legal Entities in South America, Asia, Africa, and Oceania

Shambhala centers and divisions in other regions of the world have simple or no corporate structures, and less financial activity than their North American and European counterparts. These centers and Groups manage their finances independently of any centralized oversight and structure, although they do connect to and benefit from the services and activities of Shambhala Global Services.

Shambhala Global Services

Shambhala Global Services manages the combined operations of the head office divisions of Shambhala USA and Shambhala Canada Society. Global Services provides the following resources and support to local centers, groups, and land centers:

Please note that the staffing numbers shown below reflect staffing after recently announced staff cuts are fully implemented in October.

- Practice & Education Pillar - International program planning, scheduling and support; curriculum development and support; training and support of teachers, meditation instructors and guides; training and guidance in ritual and form; support of local/regional P&E leaders. Staffing: 2.5 full time equivalent positions, including a part time position in Europe.
- Government Pillar - Support and mentorship of regional and center leadership, leadership trainings (Monarch Retreat), facilitation of regional gatherings, development of regions. Staffing: 1 full time equivalent position.
- Dorje Kasung Pillar - Ongoing support of Dorje Kasung curriculum development, classes and trainings. Staffing: 0.5 full time equivalent position.
- Economy Pillar - Ongoing work to develop Pillar of Economy teachings, curriculum, and retreats. Staffing: 0 full time equivalent positions; volunteer work only.
- Finance - Accounting, banking, reporting, regulatory filings, tax receipts, insurance, and payroll. Staffing: 3.5 full time equivalent positions.
- Development - Fundraising (Shambhala Day, Harvest of Peace, patrons, donor events, campaigns, bequests), other revenue generation. Staffing: 1 full time equivalent position.
- Communications - Ongoing emails to all members regarding community updates and programming, dissemination of translations, media relations, website updates. Staffing: 1 full time equivalent position.
- IT - Shambhala database maintenance and trainings, mentoring of database administrators, website maintenance, compliance with applicable privacy laws. Staffing: 1.5 full time equivalent positions.

- Office of Culture and Decorum - Works with Shambhala holidays, celebrations, ceremonies, environments, design and iconography, resources for programs, Centres and Culture & Decorum Delegates, and the biennial Shambhala Service Awards. Staffing: 0.2 full time equivalent positions.
- Office of Social Engagement - Supports engagement projects both within the Shambhala community and externally. Includes projects that work with understanding systemic oppression, racism, gender harm, classism, and other forms of discrimination. Works to better understand how justice in an enlightened society may look and feel. Funded through December 10 by restricted donations received in early 2018, and therefore currently has no bottom line budget impact. Staffing: 1 full time equivalent position.
- Executive Secretary to the Sakyong - Oversees schedules and responds to communications directed to the Sakyong and Shambhala. The Executive Secretary also serves as Secretary of the Shambhala corporations. Staffing: 1 full time equivalent position.

Shambhala Global Services Is Funded by “Unified Giving”

Unified Giving is the mechanism by which program and donation revenue received at Shambhala Centres and Shambhala Global Services is transferred internally to fund the local, national, and global work of Shambhala. It is the way that centers and groups fund the support they receive from the center of the mandala.

Most Shambhala Centres in Canada and the United States transfer funds monthly to the Global Services division of their respective corporation. Local Shambhala centers and groups make their own independent decisions about finances, including what programs to offer, program pricing, whether to have paid staff, how to structure membership dues (Unified Giving guidelines exist for membership, but are not currently monitored or enforced), fundraising, etc, including setting their own Unified Giving transfers to Shambhala Global Services.

A process to hold transfer rates steady was attempted in recent years, but is not currently implemented. The Unified Giving transfer percentage target has historically been 25% of gross revenue, however the actual average transfer in 2017 was 15%. Any revenue beyond a center or group’s Unified Giving transfer is retained at the local level to fund local operations.

Whether donations are received at the local Shambhala Centre or to its respective Shambhala head office (during the annual Shambhala Day campaign, for example), they are included in that center or group’s Unified Giving transfer calculation.

Unified Giving also funds certain activities within the Sakyong Potrang (see below), and transfers from Shambhala Global Services to the Sakyong Potrang are the mechanism to cover these expenses. In the past, when these entities were treated as a single management unit, there was no need to clearly define which activities were funded by which revenue stream. All unrestricted revenue to both the Sakyong Potrang and Shambhala Global Services was treated

as general revenue, and expenses were viewed by division (eg Practice and Education) rather than by legal entity (eg Shambhala Canada). This practice has now changed, and this report attempts to apply the clarity of the new reporting regime to recent activity, as well as to future activity. See below for details of inter-entity transfers.

Revenue Impacts of the Sakyong Stepping Back from Teaching

The Sakyong and his teaching activity have contributed substantially to the overall revenue of Shambhala. His annual summer teaching at Shambhala's retreat centres are a cornerstone of their financial model, and his occasional programs at city centres contribute substantially to their revenue as well. Work is underway to examine the impacts of his current step back from teaching, particularly on the land centres, and to plan scenarios for the future.

The Sakyong Potrang Legal Entities

The Sakyong Potrang entities house all the charitable work of the Sakyong lineage in support of Shambhala, as well as other charitable lineage activities. These entities support the lineage succession of Sakyongs and hold lineage texts, sacred sites, ritual implements, trademarks, and copyrights. This is different from the activity of the Shambhala entities mentioned above, which manage the general operations and assets of the city and retreat centers. Also currently within the Sakyong Potrang are staff positions that support the Shambhala organizations. The Sakyong Potrang was originally incorporated in the United States in 2012 as the Sakyong Ladrang, and renamed in 2015.

- **The Sakyong Potrang**

The Sakyong Potrang is a 501(c)(3) nonprofit corporation registered in the state of Colorado. This U.S. division of the Sakyong Potrang holds the copyright and trademarks for core Shambhala teachings, practices, religious texts, and iconography.

- **The Sakyong Potrang Canada**

The Sakyong Potrang Canada is a registered Canadian charity. It owns Kalapa Valley in Cape Breton, Nova Scotia and the Kalapa Court residence in Halifax, Nova Scotia. It also rents the Kalapa Centre office space in Halifax until the lease expires in March, 2020.

The Sakyong Potrang entities held unrestricted net assets (total equity) of negative \$130,000 USD at the end of 2017. In 2017, these entities ran at a deficit of just under \$200,000 USD.

The Sakyong Potrang entities are partially funded through the Lady Sharon Hoagland Restricted Lineage Endowment. The structure of the endowment allows for the withdrawal of up to 3% per year, which can fund general Sakyong Potrang operations and/or specific Sakyong Potrang projects. This endowment has permanently restricted assets of approximately \$1 million.

The Sakyong Potrang in Europe

There is no separate Sakyong Potrang legal entity in Europe. There is a separate Sakyong Potrang sub-account held within the Shambhala Europe GmbH accounts. Donations from tangra offerings at programs and financial patrons fund this account. Available funds are used to cover the teaching related costs and travel of the Sakyong to regions in Europe with insufficient financial means, ritual objects like thangkas, and legal costs to research the formation of a European Sakyong Potrang entity. This sub-account also holds funds that have been offered by donors who wish to build a future Kalapa Court in Europe. It is not funded by Shambhala member, center, or group contributions.

The Kalapa Court

The Kalapa Court is the term used for the residence, teaching facility, and office of the Sakyong and Sakyong Wangmo, wherever they happen to be in residence at the time.

Kalapa Court expenses are paid by the Sakyong Potrang entities in compliance with applicable laws governing charities and churches. Independent legal and accounting advice is sought when necessary to confirm which expenses are permissible to be paid by these church entities. Personal expenses of the Sakyong and his family, education of the Sakyong and Sakyong Wangmo's children, and any child care expenses are paid for personally by the Mukpo family.

Including salaries for the Sakyong and Sakyong Wangmo, health insurance, travel, car rentals, and a food stipend, in 2017 the Sakyong Potrang spent approximately \$194,000 USD on lineage expenses. An additional \$211,000 USD went to parsonage support of the two Kalapa Court properties in Boulder, Colorado and Halifax, Nova Scotia. This is in accordance with standard church practices, and is in compliance with tax regulations (as per [Canada Revenue Agency](#) & [Internal Revenue Service](#)).

In 2017, 100% of these allowable church expenses were paid for by patrons whose intention was to support the Kalapa Court and the lineage through unrestricted donations and tangra offerings at programs. These funds were received as direct donations to the Sakyong Potrang entities. No funds from Shambhala entities or Unified Giving transfers were allocated towards these lineage and parsonage expenses.

Funding the Sakyong's Teaching Support

The Sakyong Potrang budget also includes staff expenses which support the teaching, writing, practice, travel, and administrative activities of the Sakyong and Sakyong Wangmo. Positions in this category have included a part time editor, a Kalapa Court Manager, four continuity staff, one Machen (cook), and associated living and travel expenses for these staff members. This staff support allowed the Sakyong and Sakyong Wangmo to maintain their active teaching schedule, which supported the community of practitioners who benefit from the teachings.

These expenses totalled approximately \$240,000 in 2017. With the Sakyong currently stepping back from teaching and administrative duties, these expenses are currently planned to drop to approximately \$60,000 annually, covering a part time editor, two continuity staff, and occasional kitchen help.

Transfers from Shambhala Global Services to the Sakyong Potrang

In 2017, Shambhala USA and Shambhala Canada transferred a little under \$500,000 USD to Sakyong Potrang entities. These transfers funded leadership functions, teaching support, and business expenses related to leadership and management roles that provided services to both Shambhala and the Sakyong Potrang. None of these funds were used to pay for lineage or parsonage expenses (see Kalapa Court section above).

With significant expense cuts occurring in both the Sakyong Potrang and Shambhala Global Services, these transfers are being reduced, re-examined, and clarified. A short-term arrangement is being established that will fund a reduced level of operations in Shambhala Global Services and the Sakyong Potrang through the current leadership transition and into 2019. The details of this arrangement are being finalized and will be shared when more information is available.

Future transfers and the long term financial relationship between the entities will be decided in dialogue between the new boards of Shambhala and the boards of the Sakyong Potrang.

Kalapa Media

Kalapa Media is not a separate legal entity. Its operations and staff are distributed through the Sakyong Potrang, Shambhala Global Services, and Shambhala Europe. Kalapa Media manages the production and sale of religious texts by the Sakyong and others, provides marketing and communications services to Shambhala and the Sakyong Potrang, and oversees Shambhala's IT processes. The various departments that Kalapa Media manages are outlined below:

- **Kalapa Publications**

Kalapa Publications is a division of Shambhala Canada Society, based in Halifax Nova Scotia that produces and sells practice texts, books, and other Shambhala materials. This division is self-funded through sales.

- **Shambhala Online**

Shambhala Online is a division of Shambhala USA that offers video courses with the Sakyong and other senior Shambhala teachers. It is funded through online program fee revenue. Until revenue dropped in 2018, this division transferred funds monthly to support Shambhala Global Services.

- **The Video Project**

The video project, capturing broadcast quality footage of the Sakyong's talks, and curriculum videos of many teachers for online courses, resides in Kalapa Media within the Sakyong Potrang and is funded by restricted donations, with no bottom line impact on Shambhala or Sakyong Potrang budgets.

- **Shambhala Archives**

Operating as a division of both Shambhala Canada and Shambhala USA, the Archives holds sacred relics, texts, and recordings of the teachings of the Sakyong lineage. It is funded by direct restricted donations and general Unified Giving revenue.

Shambhala Department of Finance

The Shambhala Department of Finance is based in Halifax, Nova Scotia, and directly manages the books and bank accounts of the Shambhala Global Services divisions and the Sakyong Potrang entities. The Sakyong Potrang entities began to be brought under the umbrella of the Shambhala Department of Finance in 2016. Prior to this, the Sakyong Potrang entities were known as the Sakyong Ladrang and they were held and managed much more separately from the functioning of Shambhala Global Services.

Bringing the Sakyong Potrang under the Department of Finance, along with the Shambhala Canada and Shambhala USA entities, was a way to unify the work of these different entities. While they have different foci, they are also inseparable with respect to their shared mission of propagating the Shambhala dharma and their dependence on one another to serve the community fully.

In recent years, these four entities have been managed as a single unit, with funds flowing between them as needed. It has always been a challenge to unambiguously define the different functions and activities of Shambhala Global Services and the Sakyong Potrang. While Shambhala Global Services is community-focused and the Sakyong Potrang is oriented around the activity of the lineage, the specific allocation of any individual expense between these two is not always cut and dried. As we go through the current transition, all remaining ambiguity is being clarified, and the results of this clarification are stated to the best of our ability in this report.

In addition to directly managing the finances of Shambhala Global Services and the Sakyong Potrang, the Department of Finance also does annual consolidation of North American financial statements for Shambhala USA and subsidiaries, Shambhala Canada, Nalanda Canada, and all required annual reporting for the Sakyong Potrang entities.

Reporting

Shambhala Canada submits an annual charity return to the Canada Revenue Agency, including complete financial statements consolidated from each centre and division and reviewed by an independent accounting firm.

As a U.S. based church, Shambhala USA has no annual reporting requirement. Consolidated statements are created, but these are usually not available until 12-18 months after the end of the fiscal year. The Department of Finance has still not received full 2017 year end packages from eight U.S. divisions, and currently does not have the staff capacity to manage the full U.S. consolidation.

The Sakyong Potrang Canada submits an annual charity return to the Canada Revenue Agency, including audited financial statements. This entity came under management of the Department of Finance on January 1, 2016.

As a U.S. based church, the Sakyong Potrang has no annual reporting requirement, and produces only internal statements. This entity came under management of the Department of Finance on January 1, 2017.

Tax Receipting

The Shambhala Department of Finance currently manages all tax receipting for Shambhala Canada, Sakyong Potrang Canada, Nalanda Canada, and Sakyong Potrang (USA), and has complete donor records for these entities. The Department of Finance also receipts Shambhala USA donations that are received by the Shambhala USA division of Global Services. Other Shambhala USA divisions, such as local centers and groups, are responsible for their own tax receipting, and that donor information is not collected or consolidated.

Shambhala Day Fundraising

Starting in 2017, the decision was made to bring together the giving of financial patrons who donate directly to the Sakyong Potrang entities with individual donations made by members around the world for Shambhala Day. What previously were separate fundraising campaigns were brought together into one cohesive annual campaign. Results are shown in the table below that was sent to all members in May 2018:

	2018 PLEDGES TO DATE	2017	2016	2015
Kalapa Patron Lineage Support	235,000	200,000	200,000	200,000
Jewel Patron Campaign New Revenue*	153,035	-	-	-
Major Gift to the 2018 Campaign	90,000	-	-	-
Shambhala Day Giving Europe** (in USD)	46,943	50,419	37,436	46,179
Shambhala Day Giving Worldwide***	226,403	273,605	201,400	236,980
TOTAL	751,381	520,704	401,400	436,980

* Does not reflect actual number of Jewel Patrons. This total includes all "new revenue" from this campaign that can be counted towards the 2018 Shambhala Day campaign.

** All donations in Europe fund projects in Europe.

*** Includes donations from North America, South America, Central America, Africa, Asia, and Oceania.

The Shambhala and Sakyong Potrang combined Shambhala Day campaigns of 2017 and 2018 were incredibly successful, historic, record-breaking efforts of our whole community at all levels of giving and patronage. In 2017, the combined campaign raised 30% more than 2016. In 2018 our community again stepped up with a pledged 45% increase over the 2017 numbers, enhanced by a major gift to the 2018 campaign.

Yet these historic successes were not enough to offset other factors driving the current financial challenges in Shambhala Global Services and the Sakyong Potrang.

Kalapa Council

The Kalapa Council included the Boards of Directors of Shambhala Canada and Shambhala USA. The salaried members of the Kalapa Council were situated in the Sakyong Potrang, funded by Unified Giving transfers. These leaders supported both the activities and teaching of the Sakyong and Shambhala Global Services. Many of the nine members served on a volunteer basis. With the resignation of the Kalapa Council, 3.5 full time equivalent staff positions held by Kalapa Councillors are being terminated, and Unified Giving transfers will be adjusted accordingly.

Treasury Council

The Treasury Council was formed in 2015. It advises the Kalapa Council on financial matters and does risk assessment for financial transactions of \$100,000 or more made by Shambhala Centers (such as real estate purchases). The Treasury Council currently comprises: Susan Engel, Ryan Watson, Landon Mallery, Robert Reichner, and incoming member Wendy Friedman. The existence, function, and composition of the Treasury Council will be evaluated by new leadership groups after the Kalapa Council steps down. Expenses associated with this advisory body are negligible.

Historic and Present Financial Situation

The overall financial trajectory of Shambhala has been one of gradual growth since the founding of its corporate entities in the mid and late 1980s, as demonstrated by a few net asset (total equity) numbers for the North American Shambhala corporations in USD:

2002: \$18 million

2010: \$20 million

2016: \$22.5 million

While steady growth is the big picture reality of Shambhala as a whole, the history of Shambhala Global Services is far more variable, alternating between periods of expansion and contraction. We are now in the midst of the third contraction in the past 15 years. In the early 2000s, almost all Global Services staff were laid off. As the financial situation stabilized, hiring resumed and the staff was slowly rebuilt.

About ten years later, an across the board cut of 13% of salaries was implemented, and \$400,000 USD of loans were offered from individual members and various other Shambhala divisions. These loans were fully repaid, on schedule (mostly 5-year terms) and with interest.

As of August 31, 2018, the total long and short term debt of Shambhala Global Services and the Sakyong Potrang is projected to be approximately \$1.4 million USD. Most of this debt is cross guaranteed by both the Shambhala and Sakyong Potrang corporate entities.

- \$858,000 USD mortgage (Sakyong Potrang Canada)
- \$412,000 USD line of credit debt (Shambhala Canada).
- \$150,000 USD miscellaneous loans (Shambhala USA)

Approximately \$250,000 USD of this debt has been added in the past 12 months, and the remainder over prior years.

Slowly building financial challenges have reached a tipping point. Unrestricted cash balances in all four entities are critically low, and this cash flow emergency is the most urgent financial issue currently being faced by the Department of Finance and the Boards of Directors of Shambhala Global Services and the Sakyong Potrang.

Many factors combined to create this situation, including but not limited to:

- An investment in increased staff in 2016 and 2017 that did not generate the expected revenue to cover the increased costs of these positions.
- Increased revenue generation was an expectation of increased staffing in 2016, however it was not specifically assigned to any particular Department, Pillar, or group to manage.

- Starting in 2016, accounting complexity increased. The Department of Finance took on accounting for the Sakyong Potrang Canada in January 2016 and Sakyong Potrang in January 2017. Regular management reporting to combine the results of all four entities and to understand the full combined operations of the Sakyong Potrang and Shambhala entities was not developed in a timely manner.
- Shambhala's volunteer Treasurer retired in mid-2017 after 15 years of service.
- Shambhala's Director of Finance was on leave or part time status for much of 2017 due to a family tragedy.
- Many local centers were facing financial challenges in 2017 and reduced their year end and Harvest of Peace Unified Giving transfers relative to previous years.
- *The Lost Art of Good Conversation* three-city North American book tour in late 2017 was projected to contribute net revenue to Shambhala Global Services, but instead a net loss had to be absorbed.
- In June 2018, Shambhala Mountain Center and Shambhala Online simultaneously ended transfers due to internal financial issues that had been slowly building in these divisions. Global Services revenue loss: \$138,000 USD annually.
- Some Shambhala Centres reduced their Unified Giving transfers to Global Services in July and August 2018. Global Services revenue loss: \$63,000 USD annually
- Some members ended their direct recurring monthly donations to Global Services and the Sakyong Potrang in July and August 2018. Global Services and Sakyong Potrang revenue loss: up to \$7,000 USD annually.

Responding to the Financial Crisis

As cash flow projections became dire in January 2018, the outgoing Kalapa Council initiated a process to cut \$100,000 from the 2018 budget. Another round of cuts of approximately \$500,000 has been made in the past two months, to take effect between July 31 and October 31. The majority of these cuts have occurred within the Sakyong Potrang entities, including the positions of the Kalapa Councillors themselves, some of whom were paid, and the termination of much of the teaching, writing, and administrative support for the Sakyong.

Additional cuts are likely to be required in the coming months, depending on the health of local centers and groups' own finances, and their ability and desire to continue Unified Giving transfers. The most important variables are whether old and new members of Shambhala continue to donate to their local centres and to Shambhala Global Services, and whether participation rates hold steady in local Shambhala Centre programming.

The Treasury Council and Kalapa Council have also been exploring the possibility of asset sales since January 2018 as the scope of the cash crunch has become more evident. We have used short term strategies such as borrowing from our own restricted funds in order to have more time to analyze which assets have the best combination of value, liquidity, and minimized impact to the community. With insolvency months, and then just weeks away, a mortgage process was initiated on the Nalanda Translation Committee building as bridge financing. This loan has not been finalized, and every effort is being made to find other options to hold off insolvency.

The outgoing Kalapa Council is making every effort to leave as stable a financial situation as possible to the incoming Interim Board, at the same time as striving to delay decisions about potential asset sales.

The Kalapa Council members who sit on the Boards of Shambhala USA and Shambhala Canada Society will continue to hold fiduciary responsibility for these corporations until the Interim Board is seated on September 22, and they must do what is necessary to avoid defaulting on any obligations of the Shambhala Global Services divisions.

Finances and the Future

From one perspective, the Shambhala financial model has basically worked. Over the past several decades, Shambhala Centers and Groups have opened all over the world, many real estate assets have been acquired, thousands of people have studied the dharma and taken longer retreats at land centers.

From another perspective, the model has always been tenuous. While the overall assets of the organization are growing, it seems that at every level — local centers, land centers, and the center of the mandala — there is constant pressure to find enough revenue to cover costs, let alone to grow. Despite the general upward trajectory, financial crises occur periodically throughout the system, and different entities have to compete for donors' interest and money. For members who have been around for decades, it may feel like there is little new about the financial side of what the community is going through right now.

The immediate goal of the current leadership is to create a more stable footing at the centre of the mandala through budget cuts and potentially asset sales. This will give the community and new leadership some time to explore how we can go forward together and how the financial model will evolve. How the finances will look in the future will depend on many things, including:

- Do Shambhalian still want to gather at their local centers to study, practice, and create community together? If so, are the Centers able to generate enough revenue through donations, dues and program income to be able to thrive?
- Do Shambhalian still want to gather at land centers for deep retreat? If so, for what programs, and how will the Sakyong's current step back from teaching impact the

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financial models for those? Will the large international assemblies (Enlightened Society Assembly, Warrior Assembly, Sacred World Assembly, Scorpion Seal Assemblies, etc.) continue to be filled at the same size and frequency? If not, what programs can help make up that revenue for the land centers?

- What services do Shambhala Centers want to fund through Unified Giving transfers?
- What is the proper financial relationship between the Sakyong Potrang and the Shambhala entities going forward?
- How do we create proper management reporting, or even reorganize our entities, so that a more efficient and effective approach to finances is possible?

We look forward to your questions, and to continued exploration of these issues as we go forward as a community.

Appendix

An appendix is available containing all financial statements from all Shambhala entities referenced in this report, including: Shambhala USA, Shambhala Canada Society, Sakyong Potrang USA, Sakyong Potrang Canada, Shambhala Mountain Center, Shambhala Europe, and Nalanda Foundation.

These files are available for Shambhala members to view. To access these files, [please click here](#).

(Note: You will need to log in using your Shambhala Database credentials. If you encounter any issues, please contact info@shambhala.org).



February 1, 2019

Dear Shambhala Community:

The Interim Board has been working on how to continue to fund both the Shambhala organization during this difficult period and deal with a large debt that is continuing to grow from revenue shortfalls. We have been discussing over the past two months the need to sell a real estate asset and if so, which asset or assets should that be. After considerable analysis and due diligence, we have focused on Marpa House as the candidate for a sale. All of our considerations on this subject are set out in “**Marpa House Potential Sale Discussion Memo**” which is included below. The Memo also includes feedback the local Interim Board directors received from a meeting that was held with Marpa House residents last week. We intend to continue to work closely with the Marpa House community as this process continues.

As explained in the Memo, our financial condition is such that the Interim Board determined that this action appears unavoidable. However, we also believe that alternative solutions could be found by tapping the creativity and generosity of the community to avoid such a difficult decision.

The Interim Board asks that you read this memo in the spirit and intention that it is offered: an opportunity for the Shambhala community to engage in creative problem solving together. We invite your ideas and suggestions to help us meet these short and long-term challenges we face as a community. You can email us at marpahouse.board@shambhala.org.

Recognizing there are no easy answers, we are committed to making the best decisions possible under the circumstances. However, we need your help in seeing all the options and alternatives and making the difficult, but optimal choices for the community. During this period of comment, we are open to meeting with individuals or groups who wish to make a serious proposal and have more detailed questions. In that regard, please contact the Interim Board rather than the Marpa House leadership.

After taking into account all of the input, we intend to proceed to make a decision on this issue on or after **February 28, 2019**.

On another subject, we expect to have the Wickwire Holm report available to the community in the coming days. We will also post calendar year end financial data, along with budget projections for 2019, later in February 2019.

Sincerely,

The Interim Board

Veronika Bauer	Mark Blumenfeld
Martina Bouey	John Cobb
Jen Crow	Sara Lewis
Susan Ryan	Paulina Varas

THE INTERIM BOARD
MARPA HOUSE POTENTIAL SALE DISCUSSION MEMO
February 1, 2019

Introduction.

In July 2018 the Kalapa Council (“KC”) and former Finance Director Ryan Watson recognized due to a lack of cash reserves, declining revenues, and a deepening budget deficit, even after cutting expenses by laying off staff, they had to look at a means of raising cash to survive the downturn.

Unable to assume more debt, the KC recognized in August 2018 the need to raise cash by selling an asset which prompted them to investigate the potential for a sale of the Nalanda Translation Committee offices in Halifax (“NTC House”). This proposed sale produced a negative community response as most significantly, the proposed sale was seen as contrary to the donor’s expressed intent.

After alternatives were considered, faced with increased cash shortage, the KC decided to borrow from restricted donor funds held by the Sakyong Potrang (“Potrang”). With the consent of the donors, the Potrang lent these funds, CAD \$1 million (USD \$750,000) to Shambhala (USA). In return for the loan Shambhala signed a promissory note and secured the loan with a mortgage at no interest, payable in full on August 15, 2019. (the “Restricted Donor Funds Loan”) The mortgage was a third mortgage secured by Marpa House. As a result, the KC recommended to the IB that Marpa House be sold.

In August and September of 2018, the proceeds of the Restricted Donor Funds Loan were used to cover operations, unexpected consultant costs regarding the allegations of misconduct, and to pay off the line of credit in the amount of CAD \$550,000 (the “LOC”) (further described below). Much of this financial picture is described in the [Financial Reports](#) to the Shambhala Community dated August 15, 2018 and September 20, 2018. (See also the IB’s [financial report of December 2018](#) and [the following Webinar](#)), available to Shambhala members. When the Interim Board (IB) was seated in mid-October, we took it as our responsibility to examine all issues with fresh eyes. We engaged in a financial investigation and analysis. Among other things, it was discovered that all but CAD \$245K of the Restricted Donor Funds Loan had been spent. The reasons for the rapid and substantial depletion of the Potrang Loan can be summarized as:

- a.) the cost of paying down the LOC (CAD \$550,000);
- b.) unplanned costs of legal, PR, the Wickwire Holm investigation, and The Olive Branch consultancy (approximately USD \$100,000 as of October 2018), and
- c.) the accelerated costs associated with the layoffs commenced in August, all of which caused the September 2018 monthly shortfall to be USD \$100,000.

Early in its tenure, the IB decided not to pursue an asset sale until it became the only viable option based upon our informed decision. For two months, we have been engaged in a number of initiatives described below. We have examined the overall situation in the community, the issues of individual city centers and groups, assessing how they are capable or willing to support Shambhala Global Services (“SGS”), the services SGS needs to continue to provide, and the most effective and economical way to provide them.

We are very conscious of several variables over which we have little control: the work of the Process Team (especially the Government group), the decisions and actions of Sakyong Mipham Rinpoche going forward, and the community’s response to the Wickwire Holm Investigation.

We have concluded that the process to create a sustainable Shambhala organization will take time, and that conclusions and actions cannot be forced based upon purely financial concerns. Second, we need to be able to keep the basic operations going for the benefit of the community; if we become insolvent, we will not have an operating organization to which changes may be made and improvements built upon. Third, there are many centers, groups and communities who are doing great work, have engaged members and need continuing support from the center of the mandala. Fourth, time is not on our side, and we do not have the cash resources to ride out the storm and to emerge as a viable and sustainable organization, a goal to which the IB is firmly committed.

All the above leads us to the painful conclusion that to raise cash to pay back the Restricted Donor Funds Loan due this August, to reduce or eliminate other debts, and to sustain operations, one or more assets must be sold.

In that regard, the local directors of the IB have engaged in discussions with Front Range Shambhala leaders and met with the Marpa House community at Marpa House on January 22, 2018. These meetings were difficult for everyone, to say the least, but helpful to our learning process and informing our decision-making process. We are indebted to the Marpa House community for their forthright and informed questions and comments. It is our intention, if we move forward, to involve the Marpa House community in all aspects of the potential transition.

We have been engaged in a due diligence process and now wish to share our thinking and provide the community an opportunity to respond. Please send comments, suggestions and questions to marpahouse.board@shambhala.org.

Do we have to sell an asset and why?

a.) Cash Flow Crisis

In order to maintain a basic level of services, we are spending more each month than we bring in. We have no cash reserves. Thus, we are using borrowed funds, the LOC, to support operations. Based upon projections, we will exhaust these borrowed funds in five months or by approximately June 30, 2019 at which point we will have no cash for payables or payroll and will have to cease operations. This cash flow projection may be extended for some time based upon our efforts discussed below, but it will only be a matter of months and we would default on the Restricted Donor Funds Loan. The period could be shorter in the event of unexpected or extraordinary costs over which we have no control.

We have been working on several initiatives to extend this cash flow period while we maintain the organization. They are:

- Increasing revenues from the Centers and Groups (Center and Group Transfer Payment Campaign);
- Having a successful Shambhala Day Campaign, including many more people stepping into becoming Jewel Patrons (giving at a level of \$1,000 annually) or becoming recurring monthly donors;
- Decreasing expenses (through layoffs and further cost reduction efforts);
- Becoming more organized and efficient (discussions with the Potrang and Kalapa Media);
- Controlling ordinary and extraordinary costs going forward; and
- Use of volunteers

All these efforts are critical to reaching a balanced budget and, as well, to gain trust of the community in the use of their resources. There are signs that these efforts, together with the help of donors and renewed or increased center transfers, may be closing the gap.

However, we do not see our efforts as reaching a balanced budget before our cash is depleted.

b.) Too Much Debt Coming Due

Shambhala has too much debt to be sustainable over the short term. Debt often has been taken on to fund over an operational shortfall. Use of a line of credit is appropriate for an organization such as Shambhala that is subject to wide and somewhat unpredictable fluctuations in income flow. In our case, borrowing has often been used reactively without the discipline and context imposed by a strategic plan. Expense controls or reductions have lagged these revenue fluctuations. Debt has been used as a way of avoiding the timely right-sizing of the organization. This pattern needs to be changed regardless of the current situation.

The immediate debt situation is as follows:

- The LOC will be at its limit (CAD \$550,000) around June 2019.
- The Restricted Donor Funds Loan of CAD \$1 million is due in full in August 2019. The terms of this loan also require Shambhala to pay off approximately CAD \$780,000 in debts composed of the following:
 - a.) A loan in the amount of CAD \$526,000 taken out by Shambhala to cover an operating deficit incurred due to past operational losses and secured by the Halifax Court; and
 - b.) Restore or repay other restricted funds used to cover additional operating deficit during the summer 2018 in the total amount of CAD \$253,000.
- Shambhala is also required to obtain the release of the Potrang's guaranties on the LOC currently secured by the Halifax Court (Note: This release will require the substitution of adequate collateral of real estate or securities.)
- The Shambhala Credit Union and miscellaneous member loans of a total of USD \$107,000.

The requirements of the Restricted Donor Funds Loan payoff were designed to reduce debt and repay the borrowed restricted gift funds, and to separate the financial obligations of the Potrang from those of Shambhala. (Note: these obligations were incurred when the operations and finances of the two entities were joined.)

c.) Gaining Time

The IB views its primary duty is to maintain the best organization possible while certain processes move forward, so that, when they are resolved, there will be an active and adaptable organization and its valuable human and other resources intact. While the IB is developing ideas and judgments about the shape and future improvements for Shambhala, the IB recognizes that decisions of that nature are dependent upon factors beyond the IB's control and depend upon processes which cannot necessarily be "driven." While financially we don't have time, we need time for the following to be accomplished in the best way.

- A Process of Community Healing;
- Restoration of trust in leadership;
- For new models of organization to emerge; and
- Achieving fiscal sustainability.

d.) **Additional Specific Questions We Have Considered**

- **Why not borrow more money?**

Simply put, Shambhala does not have the cash flow to service a loan large enough to solve these financial issues. It would just accelerate the cash flow crisis in effectively borrowing at a higher interest cost in order to pay off existing debt. Instead of borrowing to extend services, we would be borrowing to pay off operating debt. There would be a reckoning in a short period of time and when our financial position would be weaker as a result.

- **Why not balance the budget based upon existing revenues?**

Our analysis shows that balancing the budget would require layoffs that would reduce Global Services to such an extent that revenues, and the potential for increasing revenues, would further dry up. The financial, technological, legal, Practice and Education, and other services, even if remaining in skeletal form, would be eroded to a point of not providing meaningful services to members. The IB strongly believes that with time, ingenuity and collaboration, the budget can be balanced at an efficient and productive level of services. The IB is making every effort to reach this equilibrium, but it will take time for the processes, explained above, to come to fruition.

- **Why not fundraise the needed funds from a few major donors?**

With regard to fundraising, we are putting all our energies into the Shambhala Day Campaign which, hopefully, will raise much needed funds. We have been working on a matching campaign funded by major donors. However, unless the community steps forward financially in a dramatic and collective way, our best judgment is that we cannot count on results that would eliminate the financial need described herein. That said, we are open obviously to working with anyone who comes forward with a significant proposal.

- **Why not sell one of the Kalapa Courts?**

We understand that the Sakyong and the Sakyong Wangmo want us to know that they are fully aware of the difficulty of this situation and are continuing to reduce Potrang expenses. After much consideration, weighing both financial and community impact, they have decided to close the Boulder Court at this time, and put the property on the market for rental.

- **Once you sell, you never get it back!**

We have wrestled with this general proposition. We recognize that selling real estate to cover operational deficits is not a good idea. Nevertheless, we view this situation as a crisis and an exception. That said, we would commit to use the proceeds of the asset sale to reach a stronger viable state rather than limp to the next crisis. Second, as described below, any excess proceeds would be invested in projects that enhance the community and its resources.

Why Marpa House?

a.) Examining the Shambhala Portfolio of Real Estate

We have closely examined the portfolio of real estate owned by Shambhala. It is a considerable and impressive list of 29 properties built up by the community over the course of five decades. On the other hand, as the old saying goes, we are “land poor” – in a constant struggle to pay the costs associated with our assets.

Reviewing the list based upon valuations, yields a short list of properties that a sale of which could have net proceeds meeting the needs described above.

Our real estate assets can be divided into categories:

- City Centers purchased by local groups to serve local communities.
- Land Centers, practice centers with a residential component primarily acquired and dedicated to serve the international sangha, such as Karmê Chöling (KCL) and Shambhala Mountain Center (SMC)
- Special Situations, such as Marpa House, Nalanda Translation or Samadhi Cushions
- Retreat Centers, such as Dorje Khyung Dzong, Windhorse

Land Centers

The IB recognizes, even aside from economics, that it is impossible at this time to sell a Land Center. That said, the land centers are living at the edge of viability and competing for scarce program resources and donor support. Thus, the challenges of the Land Centers must be addressed strategically and in the context of a long term holistic strategic vision/plan for Shambhala. It also must be noted that SMC and KCL (the two most valuable land centers) have just finished, or are in the midst of, significant capital campaigns and to propose the sale of either under those circumstances could be seen as a breach of trust with those donors.

City and Local Centers

The IB believes that selling a local city center is not feasible at this time: i.) because there are few that could produce sufficient net proceeds to meet the strategic needs discussed above; ii.) such a sale essentially “singles out” a particular locality based upon the sangha’s successful efforts to build an infrastructure through local exertion and generosity, and, thus, injures that community’s capacity to bounce back from the current situation.

Retreat Centers

These retreat centers represent a unique niche and critical service to the international sangha. Their sale would eliminate opportunities for solo retreats. Also, this valuable use is far more than their net dollar value.

Special Situations

Of the other category of real estate, Nalanda Translation is subject to the restriction of the donor who does not want the property sold for uses other than translation.

This leaves Marpa House, the Boulder residential facility, as the logical candidate. The IB's due diligence and discussions on Marpa House are outlined as follows:

b.) PROS

- Value and Net Proceeds

Our due diligence around the sale of Marpa House has revealed that it has an estimated sale value in the vicinity of US \$5.5 million. This estimate is based upon our consultations with commercial brokers and a loan appraisal done on the property in 2016. Other considerations are that the property is likely to take a while to sell as it is a narrow use and "grandfathered" zoning exception. If a buyer, wants to change the use, it will require a considerable investment of time and money. However, the property's aesthetic and location are outstanding.

If the property were to sell at the estimated USD \$5.5 million, it would net, after closing costs, approximately USD \$5.20 million. Marpa House is subject to three mortgages, the first two totaling about USD \$850,000 and the Restricted Donor Funds Loan (CAD \$1 million equal to approx. USD \$750,000) at a total of USD \$1.6 million. After payment of the three loans, it could yield net proceeds in excess of USD \$3 million. This sum would be more than adequate to cover the needed loan reductions noted above and to provide sufficient operating capital for Shambhala for 18-24 months.

- Eliminates Debt. One advantage is the sale of Marpa House relieves Shambhala of a debt burden of USD \$850,000 and of the associated debt service costs.
- Neighboring Center and Land Center. In contrast to other City Centers, the sale of Marpa House still leaves Boulder and the Colorado Front Range with many resources and infrastructure; namely, the Boulder Shambhala Center, SMC, and Naropa University.
- Need for Capital investment. While many look at Marpa House as a break-even situation, it does not take into account the debt service on the entire mortgage and the cost of deferred maintenance for the future which on the old structure and facility will be significant.
- No "donor" restriction. Marpa House carries with it no specific or implied donor restriction; nor is it the product of a specific community fundraising campaign.

c.) **CONS.** The negative aspects of a proposed sale, including what we learned in the first meeting with Marpa House, are:

- Lady Konchok. Lady Konchok and family reside there. For many years, it has been their home, and the Marpa House community is their family.
- The residents. In addition, 40 plus residents who make Marpa House their home would have to move.
- Unique Intentional Community. It is been operated as a unique intentional community in accord with Shambhala principles for over 40 plus years.
- History and Blessings. Over the years it is impossible to quantify or understate the accumulation of blessings attracted by teachers and practitioners.
- Irreplaceable. As stated above, once it is gone, the challenge of replicating it are enormous. The potential use of Marpa House as a source of equity and collateral for the future will also be eliminated.

Proposed Plan for the Proceeds.

It is too early to make decisions about the use of the net proceeds. However, the IB has discussed certain basic principles and objectives, as follows:

- The transition “costs” of the residents should be mitigated. If possible, a buyer who would continue the community in some form would be sought.
- The debt load of Shambhala, including the Front Range centers, should be reduced if not eliminated.
- The liabilities of Shambhala should be paid off and separated from those of the Potrang.
- Restricted gift funds “borrowed” should be repaid or restored.
- The LOC should be kept in place but reduced to zero balance.
- After the LOC is paid off, Shambhala should have sufficient operating capital for 18-24 months so to move through this period of organizational change and to reach sustainability.
- The balance, if any, should be used not for operating but for specific initiatives or capital investments that strengthen the entire mandala.

Conclusion

The IB asks that you will read this memo in the spirit and intention that it is offered: an opportunity for the Shambhala community to engage in creative problem solving together. We invite your ideas and suggestions to help us meet these short and long-term challenges we face as a community. You can email us about Marpa House at marpahouse.board@shambhala.org. Recognizing there are no easy answers, we are committed to making the best decisions possible under the circumstances. We will proceed to make a decision on this issue on or after **February 28, 2019**. The IB will not shirk its responsibility, but we need your help in seeing all the options and alternatives and making the difficult but optimal choices for the community.



Charles Carreon <chascarreon@gmail.com>

Moving Forward with Sale of Marpa House

1 message

Shambhala Interim Board <board@shambhala.org>
Reply-To: Shambhala Interim Board <board@shambhala.org>
To: chas@charlescarreon.com

Tue, Jul 30, 2019 at 11:41 AM

July 30, 2019

[View this email in your browser](#)

SHAMBHALA

To the Shambhala Community -

The Interim Board (IB) is now in the process of closing on the purchase of Marpa House with a third-party buyer for \$4.9 million USD. Although this has been a difficult decision, in what has been a challenging process for our community, we are writing today to offer further background information and the timeline of events, and to detail the alternative options that were explored.

Additionally, this letter will provide extensive details about the two offers we received, and provide context about our decision-making process.

Background

On February 1, we released a [Marpa House Memo](#) which detailed the current financial situation of Shambhala Global Services, and outlined reasons for considering the sale of a Shambhala-owned asset, in this case Marpa House.

Those reasons are much the same today as outlined in the February memo:

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1. **Pay our debts.** Shambhala has a loan of approximately \$1.2 million USD that is due on August 15, 2019.

2. **Provide operating cash flow and break the over-reliance on lines of credit.** While we have reduced expenses and stopped the plunge in revenues, the budget is unsustainable in its reliance on limited staff, the overuse of the IB as organizational managers, and dependency on a line of credit, now with a negative balance of \$290,000 CAD in addition to the loan.

3. **Reserves for necessary expenses.** Presently, Shambhala would not survive any extraordinary costs or a downturn in revenue.

4. **Support for community initiatives, such as Care and Conduct, Truth and Reconciliation, and overall financial wellbeing, including the health of Shambhala's land centers.** Relating to these areas of community need will require financial investment, and at present, the organization does not have the capacity to do so. Continuing to operate on the brink of insolvency keeps the organization in a crisis state with no resources to devote to building a healthier community.

Timeline and Alternatives

The possibility of selling Marpa House was first seriously explored by the Kalapa Council in 2017 and 2018, although this exploration was never announced publicly. When the IB was seated, we were told that it would be inevitable, and both the past and current director of Marpa House had already been informed of this possibility. However, coming in with fresh eyes, we had hoped to find an alternative. Unfortunately, after several months of deep analysis, we came to the same conclusion.

In our deliberations on this decision and its consequences, we considered and sought advice on alternatives to the sale of an asset. In our [Marpa House Memo](#) from February 1, 2019, we requested community engagement in solving this problem, as well as proposals for alternative ways to address this.

Below are some of the alternatives we explored at the suggestion of the community, and our ultimate decisions on each alternative:

- **Sell something else because Marpa House is financially self-sustaining.** The only viable alternative is selling a combination of multiple land centers or city centers. No member of the IB was willing to sell a land center or city center over Marpa House.
- **Borrow the money.** Shambhala Global Services has insufficient cash flow to qualify for and service enough debt to cover existing obligations. Therefore, this alternative would only buy the organization enough time to further consider the eventual sale of an asset. In borrowing money to pay off debt, we would inevitably be handing the same problem to the next Board.
- **Don't pay back the loan from the Sakyong Potrang.** We did not think it either ethical or appropriate to default on this debt that was offered by a single donor to keep Shambhala from insolvency. Additionally, this loan, arranged by the Kalapa Council was secured by a lien on Marpa House; so, defaulting on the Potrang loan would only result in a distressed sale of the property.
- **Fundraise the money needed.** We determined that a fundraising campaign to pay back the Potrang and cover operating losses would be unsuccessful and, at the same time, result in a diversion of limited financial resources from local groups and centers.
- **Sell the Boulder and/or Halifax Courts instead.** Shambhala owns neither of these properties and could not sell them even if we determined that was a good alternative.
- **Sell Marpa House to the residents/community group.** This alternative was welcomed and is discussed in some detail below.

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Due Diligence: From early in our tenure on the Interim Board through May 2019, we engaged in a process of due diligence to determine the reasonable market value and general marketability of Marpa House. This process included review of existing appraisals, zoning restrictions, and detailed conversations and interviews with prospective real estate agents. Based on these investigations, we determined that the property is worth between \$4.5 - \$5.5 million USD.

Offers Received

In late February, we met with a community group who was interested in making an offer on Marpa House to answer questions and provide support. This group is called the Community of Marpa House group (CoMH), and is made up of some residents of Marpa House and other members of the community. We gave them a window of four months' protected time (from February to May 2019) to formulate an offer to purchase Marpa House before we would list the property on the market. In mid-May, the Marpa House Community Group submitted their proposal to the IB, which we reviewed with them in-person during our Board meetings in Boulder from May 15-19. During that same week, we received an unsolicited cash offer for Marpa House from a real estate developer.

The offer submitted by the CoMH Group was for a purchase price of \$3 million, and was entirely contingent on raising the funds through donations, loans from the community, and traditional bank financing. They had what they described as "soft pledges" in the range of \$500,000 to \$750,000. These pledges represented verbal commitments, but no cash was available at that time. Additionally, they had no proof of funds nor a pre-approval statement from a bank for the residual debt required to finance a purchase at \$3 million.

In our May conversations, the group was certain that the property was only worth \$3 million and there was little we could do to convince them otherwise. Shortly after that meeting, the IB received the unsolicited all-cash offer for \$5 million to close within 90 days with \$500,000 in earnest money posted. The buyer further gave us proof of funds showing that he had the cash to cover the remaining \$4.5 million. He offered Shambhala a

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leaseback provision of 90 days in order to transition out of the property in a way that allowed the current residents to have a generous notification period, with free rent for the months of September and October. This deal also did not have a broker's fee, had no zoning contingency, could close quickly, and with all its components parts was worth the equivalent of \$5.3 million, close to the upward range of the property's value.

We considered both offers. This table compares the two offers mentioned above:

	Standard Appraisal and Commercial Property Transaction Terms	Offer: Marpa House Community Group Proposal May 2019	Offer: Boulder Developer Contract May 2019
Price:	\$4.5 to \$5.5 million*	\$3 million	\$5 million
Earnest Money	\$450,000 to \$550,000 (10%)	\$10,000	\$500,000
Equity (Cash invested at close)	20% minimum (\$900,000 to \$1.1 million)	0.3% Equity: <ul style="list-style-type: none"> \$10,000 in Earnest Money only No additional equity identified 	100% Equity \$5 million cash offer
Debt (Mortgages and other debt)	80% maximum (\$3.6 million to \$4.4 million)	99.7% Debt: <ul style="list-style-type: none"> \$1.7 million in "soft loan pledges" (of which \$750,000 had been received at the time of submission in May) \$1.3 million in bank loans No pre-approval letter submitted to verify either of these debt components 	0% Debt
Time to close	90 days	180 days	60-90 days

* [Marpa House Memo](#)

Since first receiving notice from the CoMH group of their intention to submit an offer, we have invested many hours answering questions to help them make an offer that could be viable for the whole community. We have also helped to run the numbers and create financial models. We offered them support through our International Development Officer to help them with fundraising.

We can see that they are passionate, dedicated and tenacious in their pursuit. We greatly appreciate their efforts, as we would have preferred to

have a community buyer.

After a detailed review of both offers, the IB concluded that it would be fiscally irresponsible to accept a much lower offer based primarily on financing when we had a very viable all-cash offer at market price. As the Board, we hold a fiduciary and legal responsibility to the Shambhala organization and community. Selling the property for considerably less than market value at a time of great hardship would open the organization up to significant risk. A discount given to a small group in the community at the financial expense of the global Sangha would have been a breach in our fiduciary duty to manage this community asset.

We have been very forthright with the CoMH group informing them every step of the way of the status of the current contract and encouraging them to put in a backup offer, in case the \$5 million cash offer fell through. At this point, we have closed the contingency period with the cash contract at a \$4.9 million final sale price after the buyer presented structural and new landmark issues.

As of July 30th, we have not received a backup offer from CoMH although they have informed us that they do intend to submit one.

Next Steps and Use of Proceeds from the Sale of Marpa House

We will seek community input and discussion on the proceeds. In general, the use of the funds falls into four general categories:

1. **Pay off all debt.** We will pay all outstanding liabilities of Shambhala USA and Shambhala Canada.
2. **Establish a cash balance rather than a line of credit.** We will pay off the line of credit and establish a cash reserve in its place. We will allocate a certain portion of the funds for strategic operating support to help Shambhala maintain and enhance services through the years needed for this transitional period.

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3. **Establish cash reserves.** We will establish a segregated fund for unanticipated expenses and/or decline in revenues.

4. **Create a fund for investment.** We will invest the balance in a segregated fund and/or endowment for investments in an emerging Shambhala in collaboration with the various stakeholders in the mandala.

Our present financial situation, which now requires the sale of an asset, has been not only precipitated by the current crisis but has also been building for many years. We will need to work together on the broader organizational issues of misconduct and leadership, all of which will require strong financial reserves as well as much heart and skillful means.

Although we did not participate in the financial practices of the last decade that have brought the organization to such a crisis, it would be easy to try to shift responsibility or blame to others. However, the sale of Marpa House is our decision and our responsibility. While painful and subject to debate, we have confidence that we have made the best possible decision for the community for the near and long term.

We know and accept that some in our community will never agree with this decision, but we hope that we can go forward with respect and appreciation for each other in the face of such difficulty. It is our hope that selling a valuable piece of our mandala will lead to the opportunity for strength and health, rather than further division.

Sincerely,

The Shambhala Interim Board

Veronika Bauer

Mark Blumenfeld

Martin Bouey

John Cobb

Jen Crow

Sara Lewis

Susan Ryan

Paulina Varas

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You are receiving this email because you are a member or friend of Shambhala. We send updates and announcements from Shambhala Global Services to keep you up to date about what is happening in the community.

Our mailing address is:

Shambhala
2178 Gottingen St
Halifax, NS B3K 3B4
Canada

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Property Report for Account R0036007

Today's Date: 7/2/2019

©RES




Property Address:	6897 MARSHALL DR
City:	UNINCORPORATED
Owner:	MUKPO MIPHAM JT & TSEYANG P
Parcel Number:	157714000013
Mailing Address:	1345 SPRUCE ST
City, State, Zip:	BOULDER CO, 80302
Sec-Town-Range:	14 -1S -70
Subdivision:	TR SOUTH CENTRAL NBR 145 820
Jurisdiction:	Unincorporated Boulder County
Legal Description:	NW 1/4 SE 1/4 N OF RD & UND 1/2 INT IN SM TR SO OF RD LESS PTS SOLD & LESS MIN 14-1S-70
Square Feet:	64,444
Acres:	1.48

Deeds

Deed#	Sale Date	Recorded	Sale Price
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General Information

Parcel Number: **3923000928**
Schedule Number: **R1582018**

Tax District: 1918 
Property Tax Year: 2019
Current Mill Levy: 103.092

Subdivision: /230973 - S23 T09 R73
Neighborhood: Exempt

(Exemp=Nbhd,

Legal Description: NE 1/4 23-9-73; ALSO TR IN 14-9-73 DESC AS BEG AT S 1/4 COR 14-9-73 TH N 00 51' 48" W 952.17 FT; TH S 79 59' 00" E 1328.83 FT; TH S 00 28' 18" E 714.06 FT; TH S 89 41' 46" W 1300.14 FT TPOB ALSO SE 1/4 OF NW 1/4 23-9-73 (SPLIT FROM 39231-00-901)

Property Address:
4921 W COUNTY ROAD 68C
RED FEATHER LAKES, CO 80545

Owner Name & Address:
SHAMBHALA MOUNTAIN CENTER
151 SHAMBHALA WAY
RED FEATHER LAKES, CO 80545

Sales Information

Click a Sale Date to recorded document details, or Reception No. to view the document (registration required).

Sale Date (info)	Reception No. (doc)	Sale Price	Deed Type
2016-07-12	20160044744	\$0	Quit Claim Deed
2015-12-28	20150087081	\$0	Quit Claim Deed
1971-09-16	14760933	\$138,000	Warranty Deed

2019 Value Information

Abstract Code/Description	Value Type	Actual Value	Assessed Value	Net Acres	Net Sq Ft
9158 Relig misc land	Land	\$2,449,360	\$710,314	224.91	9,797,472
9252 Camp/retreat imp	Improvement	\$10,900	\$3,161	.00	0
9258 Relig misc imp	Improvement	\$6,751,400	\$1,957,906	.00	0
Totals:		\$9,211,660	\$2,671,381	224.91	9,797,472

 [Estimate My Taxes](#)

The following calculation is used to determine your property tax:
Actual Value x Assessment Rate x Mill Levy / 1000 = Property Tax

Based on the property information shown above and using the Mill Levy for this account, the estimated 2019 tax liability would be **\$0.00**.

To see previous years tax liability refer to the Tax History tab above.

Assessor Property Records

Search Property Records in Larimer County by using either Sales Near a Specific Property OR a Geographic Area fields. Optionally, select date, price, square foot, acres and year and click Search. Click a column heading to sort results; click again to reverse sort order. Click a row to view property info.

Account #	Parcel #	Owner Name	Occupancy Description	Address	City	Zip	Tax Dist	Actual Value
M9053092	3923000928	SHAMBHALA MOUNTAIN CENTER	MH Comm	136 SHAMBHALA WAY 7	RED FEATHER LAKES	80545	1918	\$11,200
M9053093	3923000928	SHAMBHALA MOUNTAIN CENTER	MH Comm	128 SHAMBHALA WAY 8	RED FEATHER LAKES	80545	1918	\$11,200
M9053096	3923000928	SHAMBHALA MOUNTAIN CENTER	MH Comm	138 SHAMBHALA WAY 9	RED FEATHER LAKES	80545	1918	\$11,200
M9053098	3923000928	SHAMBHALA MOUNTAIN CENTER	MH Comm	134 SHAMBHALA WAY 10	RED FEATHER LAKES	80545	1918	\$11,200
M9053100	3923000928	SHAMBHALA MOUNTAIN CENTER	MH Comm	130 SHAMBHALA WAY 11	RED FEATHER LAKES	80545	1918	\$11,200
M9053103	3923000928	SHAMBHALA MOUNTAIN CENTER	MH Comm	4921 W COUNTY ROAD 68C 12	RED FEATHER LAKES	80545	1918	\$11,200
M9053113	3923000928	SHAMBHALA MOUNTAIN CENTER	MH Comm	4921 W COUNTY ROAD 68C 13	RED FEATHER LAKES	80545	1918	\$11,000
M9053114	3923000928	SHAMBHALA MOUNTAIN CENTER	MH Comm	4921 W COUNTY ROAD 68C 14	RED FEATHER LAKES	80545	1918	\$13,800
M9053117	3923000928	SHAMBHALA MOUNTAIN CENTER	MH Comm	4921 W COUNTY ROAD 68C 15	RED FEATHER LAKES	80545	1918	\$13,800
M9053265	3915000004	SHAMBHALA INTERNATIONAL	MH on Vacant Land	5210 W COUNTY ROAD 68C	RED FEATHER LAKES	80545	1918	\$10,200
M9054485	3915000004	SHAMBHALA MOUNTAIN CENTER	MH on Vacant Land	5230 W COUNTY ROAD 68C 3	RED FEATHER LAKES	80545	1918	\$8,000
R0267309	3915000004	SHAMBHALA MOUNTAIN CENTER	Single Family Residential	5230 W COUNTY ROAD 68C	RED FEATHER LAKES	80545	1918	\$240,850
R0267309	3915000004	SHAMBHALA MOUNTAIN CENTER	Additional Residence	5230 W COUNTY ROAD 68C	RED FEATHER LAKES	80545	1918	\$240,850

Account #	Parcel #	Owner Name	Occupancy Description	Address	City	Zip	Tax Dist	Actual Value
R0267309	3915000004	SHAMBHALA MOUNTAIN CENTER	Other OB	5230 W COUNTY ROAD 68C	RED FEATHER LAKES	80545	1918	\$240,850
R0267619	3923000909	SHAMBHALA INTERNATIONAL		4921 W COUNTY ROAD 68C	RED FEATHER LAKES	80545	1918	\$522,720
R1582018	3923000928	SHAMBHALA MOUNTAIN CENTER	Restaurants - Cafeterias	4921 W COUNTY ROAD 68C	RED FEATHER LAKES	80545	1918	\$9,211,660
R1582018	3923000928	SHAMBHALA MOUNTAIN CENTER	Bath Houses	4921 W COUNTY ROAD 68C	RED FEATHER LAKES	80545	1918	\$9,211,660
R1582018	3923000928	SHAMBHALA MOUNTAIN CENTER	Lodges	4921 W COUNTY ROAD 68C	RED FEATHER LAKES	80545	1918	\$9,211,660
R1582018	3923000928	SHAMBHALA MOUNTAIN CENTER	Firing Range Buildings	4921 W COUNTY ROAD 68C	RED FEATHER LAKES	80545	1918	\$9,211,660
R1582018	3923000928	SHAMBHALA MOUNTAIN CENTER	Church	4921 W COUNTY ROAD 68C	RED FEATHER LAKES	80545	1918	\$9,211,660
R1582018	3923000928	SHAMBHALA MOUNTAIN CENTER	Office Building	4921 W COUNTY ROAD 68C	RED FEATHER LAKES	80545	1918	\$9,211,660
R1582018	3923000928	SHAMBHALA MOUNTAIN CENTER	Office Building	4921 W COUNTY ROAD 68C	RED FEATHER LAKES	80545	1918	\$9,211,660
R1582018	3923000928	SHAMBHALA MOUNTAIN CENTER	Bath Houses	4921 W COUNTY ROAD 68C	RED FEATHER LAKES	80545	1918	\$9,211,660
R1582018	3923000928	SHAMBHALA MOUNTAIN CENTER	Single Family Residential	4921 W COUNTY ROAD 68C	RED FEATHER LAKES	80545	1918	\$9,211,660
R1582018	3923000928	SHAMBHALA MOUNTAIN CENTER	Cabin On Res	4921 W COUNTY ROAD 68C	RED FEATHER LAKES	80545	1918	\$9,211,660
R1582018	3923000928	SHAMBHALA MOUNTAIN CENTER	Additional Residence	4921 W COUNTY ROAD 68C	RED FEATHER LAKES	80545	1918	\$9,211,660
R1582018	3923000928	SHAMBHALA MOUNTAIN CENTER	Library - Public	4921 W COUNTY ROAD 68C	RED FEATHER LAKES	80545	1918	\$9,211,660

Account #	Parcel #	Owner Name	Occupancy Description	Address	City	Zip	Tax Dist	Actual Value
R1582018	3923000928	SHAMBHALA MOUNTAIN CENTER	Cabin On Res	4921 W COUNTY ROAD 68C	RED FEATHER LAKES	80545	1918	\$9,211,660
R1582018	3923000928	SHAMBHALA MOUNTAIN CENTER	Office Building	4921 W COUNTY ROAD 68C	RED FEATHER LAKES	80545	1918	\$9,211,660
R1582018	3923000928	SHAMBHALA MOUNTAIN CENTER	Office Building	4921 W COUNTY ROAD 68C	RED FEATHER LAKES	80545	1918	\$9,211,660
R1582018	3923000928	SHAMBHALA MOUNTAIN CENTER	Office Building	4921 W COUNTY ROAD 68C	RED FEATHER LAKES	80545	1918	\$9,211,660
R1582018	3923000928	SHAMBHALA MOUNTAIN CENTER	Greenhouse Shade Shelters	4921 W COUNTY ROAD 68C	RED FEATHER LAKES	80545	1918	\$9,211,660
R1582018	3923000928	SHAMBHALA MOUNTAIN CENTER	Storage Garage	4921 W COUNTY ROAD 68C	RED FEATHER LAKES	80545	1918	\$9,211,660
R1582018	3923000928	SHAMBHALA MOUNTAIN CENTER	Restroom Building/Concessions	4921 W COUNTY ROAD 68C	RED FEATHER LAKES	80545	1918	\$9,211,660
R1582018	3923000928	SHAMBHALA MOUNTAIN CENTER	Lodges	4921 W COUNTY ROAD 68C	RED FEATHER LAKES	80545	1918	\$9,211,660
R1582018	3923000928	SHAMBHALA MOUNTAIN CENTER	Retail Store	4921 W COUNTY ROAD 68C	RED FEATHER LAKES	80545	1918	\$9,211,660
R1596011	3923000907	SHAMBHALA MOUNTAIN CENTER	CB/Commercial Bldg *Code	261 GREAT EASTERN SUN CT	RED FEATHER LAKES	80545	1918	\$1,373,800
R1596011	3923000907	SHAMBHALA MOUNTAIN CENTER	Converted House	261 GREAT EASTERN SUN CT	RED FEATHER LAKES	80545	1918	\$1,373,800
R1596011	3923000907	SHAMBHALA MOUNTAIN CENTER	Day Care Center	261 GREAT EASTERN SUN CT	RED FEATHER LAKES	80545	1918	\$1,373,800
R1596011	3923000907	SHAMBHALA MOUNTAIN CENTER	Converted House	261 GREAT EASTERN SUN CT	RED FEATHER LAKES	80545	1918	\$1,373,800
R1596011	3923000907	SHAMBHALA MOUNTAIN CENTER	CB/Commercial Bldg *Code	261 GREAT EASTERN SUN CT	RED FEATHER LAKES	80545	1918	\$1,373,800

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Account #	Parcel #	Owner Name	Occupancy Description	Address	City	Zip	Tax Dist	Actual Value
R1596011	3923000907	SHAMBHALA MOUNTAIN CENTER	CB/Commercial Bldg *Code	261 GREAT EASTERN SUN CT	RED FEATHER LAKES	80545	1918	\$1,373,800
R1596011	3923000907	SHAMBHALA MOUNTAIN CENTER	CB/Commercial Bldg *Code	261 GREAT EASTERN SUN CT	RED FEATHER LAKES	80545	1918	\$1,373,800
R1596011	3923000907	SHAMBHALA MOUNTAIN CENTER	CB/Commercial Bldg *Code	261 GREAT EASTERN SUN CT	RED FEATHER LAKES	80545	1918	\$1,373,800
R1596011	3923000907	SHAMBHALA MOUNTAIN CENTER	Community Recreation Center	261 GREAT EASTERN SUN CT	RED FEATHER LAKES	80545	1918	\$1,373,800
R1596011	3923000907	SHAMBHALA MOUNTAIN CENTER	Bath Houses	261 GREAT EASTERN SUN CT	RED FEATHER LAKES	80545	1918	\$1,373,800
R1596011	3923000907	SHAMBHALA MOUNTAIN CENTER	CB/Commercial Bldg *Code	261 GREAT EASTERN SUN CT	RED FEATHER LAKES	80545	1918	\$1,373,800
R1596011	3923000907	SHAMBHALA MOUNTAIN CENTER	CB/Commercial Bldg *Code	261 GREAT EASTERN SUN CT	RED FEATHER LAKES	80545	1918	\$1,373,800
R1659558	3923100901	SHAMBHALA INTERNATIONAL	Office Building	STUPA VIEW DR	RED FEATHER LAKES	80545	1918	\$4,420,520
R1659558	3923100901	SHAMBHALA INTERNATIONAL	Office Building	STUPA VIEW DR	RED FEATHER LAKES	80545	1918	\$4,420,520



Property Report for Account R0009315

Today's Date: 7/2/2019



Property Address:	1345 SPRUCE ST
City:	BOULDER
Owner:	FRONT RANGE SHAMBHALA
Parcel Number:	146330315007
Mailing Address:	1345 SPRUCE ST
City, State, Zip:	BOULDER CO, 80302
Sec-Town-Range:	30 -1N -70
Subdivision:	BOULDER O T EAST & WEST & NORTH - BO
Jurisdiction:	Boulder
Legal Description:	LOT 12 BLK 121 BOULDER O T DPT FILE 07-01902-01
Square Feet:	7,060
Acres:	0.16

Deeds

Deed#	Sale Date	Recorded	Sale Price
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