

BY-LAWS

of

LUSO-AMERICAN FINANCIAL - *a Fraternal Benefit Society*



Dated : March 20, 2026

BY-LAWS
OF
LUSO-AMERICAN FINANCIAL

TABLE OF CONTENTS

ARTICLE 1.	NAME	1
ARTICLE 2.	CORPORATE PURPOSE	1
ARTICLE 3.	ORGANIZATION	1
ARTICLE 4.	LUSO-AMERICAN FINANCIAL	2
A.	MEMBERS	2
Section 1.	Qualifications	2
Section 2.	Members Organized into Subordinate Fraternal Councils and Lodges	2
Section 3.	Membership Classes	2
Section 4.	Suspension and Termination of Membership	2
Section 5.	Duties of Members	3
Section 6.	Luso-American Financial National Council	3
Section 7.	Special Meetings	3
B.	FINANCIAL BOARD OF DIRECTORS	3
Section 1.	Duties of Directors	3
Section 2.	Chairperson	4
Section 3.	Vice-Chairperson	4
Section 4.	Number	4
Section 5.	Term	4
Section 6.	Financial Board Qualifications	4
Section 7.	Nominating Committee	5
Section 8.	Regular Meetings	6
Section 9.	Notice	6
Section 10.	Special Meetings	6
Section 11.	Quorum and Voting	6
Section 12.	Action without Meeting	7
Section 13.	Vacancies	7
Section 14.	Trial, Expulsion and Discipline	7
C.	FINANCIAL OFFICERS	7
Section 1.	Officers of Luso-American Financial	7

Section 2.	Election and Appointment of Officers	7	
Section 3.	Duties of the President	8	
Section 4.	Duties of the Executive Vice-President	8	
Section 5.	Other Principal Officers	8	
Section 6.	Removal	8	
D. NATIONAL COUNCIL			
Section 1.	Regular Meetings – Luso-American National Council	8	
Section 2.	Special Meetings	9	
Section 3.	Quorum	9	
Section 4.	Delegates to the National Council	9	
ARTICLE 5. CONDUCT OF MEETINGS			10
ARTICLE 6. AMENDMENTS TO BY-LAWS			10
Section 1		10	
Section 2		10	
Section 3		10	
Section 4		11	
ARTICLE 7. GENERAL PROVISIONS			11
Section 1.	Indemnification	11	
Section 2.	Insurance	11	

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ARTICLE 1
NAME

The name of this organization is ‘Luso-American Financial - A Fraternal Benefit Society’ with principal office located at 7080 Donlon Way, Suite 200, Dublin, CA 94568; hereinafter also referred to as the “Luso-American Financial” or “LUSO” or the “Society”.

ARTICLE 2
CORPORATE PURPOSE

The corporate purpose of this fraternal benefit society is to conduct a nonprofit organization dedicated to:

1. Being the premier provider of insurance, financial products and fraternal services to members and Luso-American communities.
2. Operating subordinate Fraternal Councils and Lodges;
3. Promoting the cultural, social, educational, and charitable activities of its members, their families, and others, consistent with the rules of this Society,
4. Operating in compliance with relevant sections of the Internal Revenue Code, state insurance and fraternal benefit laws, and other applicable laws and regulations

ARTICLE 3
ORGANIZATION

Luso-American Financial shall have a subordinate fraternal branch namely, Luso-American Fraternal

1. Luso-American Fraternal is made up of councils and lodges on the West Coast and on the East Coast

The Luso-American Education Foundation is an affiliate of Luso-American Financial, specifically established and authorized to govern all promotion of Luso-American educational and charitable activities of its members with its own separate California non-profit, public benefit corporation and By-Laws. All activities, acts and decisions of the Foundation are subject to the approval of and ratification by the Luso American Financial Board of Directors.

ARTICLE 4
LUSO-AMERICAN FINANCIAL

A. MEMBERS

Section 1. Qualifications. Subject to the rules and conditions established by the LUSO-AMERICAN FINANCIAL Board of Directors, an applicant who qualifies for membership and for an insurance or other financial product, will be admissible to the Society as a benefit member.

Section 2. Members Organized into Subordinate Fraternal Councils and Lodges. Members shall be organized into local fraternal councils and lodges, and other subordinate organizations such as Youth Councils, 20-30 Associates and Auxiliaries as permitted by the rules of the Society.

Section 3. Membership Classes. There shall be the following classes of membership:

(a) **Benefit Member:** A benefit member is a person of age 18 or older who has been accepted for membership. Members in good standing possess all rights and privileges granted by the laws of the Society, including:

- (1) Participation in the activities of Councils and Lodges and the right to vote at all meetings of the Councils and Lodges of which they are members;
- (2) Holding offices in the Councils, Lodges, Fraternal Boards, and the Luso-American Financial Board; and
- (3) Voting in the operation of corporate and insurance affairs of the Society in accordance with the law thereof.

(b) **Youth Member:** A youth member is a person under the age of 18 who has been accepted for membership and met such other requirements for each membership as established by the Society. Youth members may participate in the activities of councils and may hold any youth office. Youth members may not vote at meetings of adult councils and are not eligible to vote in corporate and insurance affairs of the Society. The Society may insure the lives and provide other financial products for children younger than the minimum age for benefit membership upon application of an adult in accordance with the procedures of the Society. At age 18 the insured youth member shall become a benefit member.

Section 4. Suspension and Termination of Membership Privileges. Membership privileges shall terminate in occurrence with any of the following events:

- (a) Resignation of a member.
- (b) A member's failure to pay fees, assessments, or other financial obligations as provided by the rules of the Society or the terms of financial products sold by the Society.
- (c) Any event that renders the member ineligible for membership or the failure to satisfy membership qualifications.
- (d) On the good faith finding by the Executive Vice-President or highest corporate officer that

the member has failed in a material and serious manner to observe the rules of conduct of the Society or has engaged in conduct materially and seriously prejudicial to the Society's purposes, interests and reputation. A member so charged shall be provided with a description of the charges, at least fifteen days prior to any decision, and an opportunity to present his or her position, and to present witnesses on his behalf before the Executive Vice-President or highest corporate officer at least five days prior to any decision. The Executive Vice-President or highest corporate officer will make an initial decision. In this event the member does not accept, they have the right to appeal and come before the board within fifteen days. The Luso-American Financial Board shall review the findings and shall make the final decision regarding a member's status.

(e) A person's membership is suspended during a lapsed period. Until they reinstate an insurance or other financial product, a member in suspension shall not enjoy any of the rights of a member.

Section 5. Duties of Members. The members of the Society are expected and encouraged to perform duties imposed on them by the rules of this organization including, but not limited to, the following:

- (a) Support the mission and purposes of the Society and its Fraternal Branches
- (b) Abide by all present and future laws, rules, regulations and rituals of the Society;
- (c) Attend council or lodge meetings;
- (d) Assist in the recruitment of candidates for membership; and
- (e) Abstain from undertaking any acts or making any public comments injurious to the Society or its leadership or bring shame or disrepute upon the Society.

Section 6. Transferability of Membership. The Financial Board of Directors of Luso-American Financial may establish rules for transfer of any membership.

Section 7. Maintenance of Solvency. In the event of impairment of the reserves of the Society, an apportionment shall be charged against the outstanding benefit certificates on the basis of the equitable proportion of such deficiency as ascertained by the Board of Directors of the Society, and if payment be not made it shall stand as an indebtedness against the certificate and draw interest not to exceed five (5) per cent per annum compounded annually. There shall be no personal liability for such apportionment.

B. FINANCIAL BOARD OF DIRECTORS

Section 1. Duties of Directors: The Board of Directors shall be the supreme governing body of the Society, consistent with the By-Laws and the laws of the State of California. The Board of Directors shall have the authority to provide rules and regulations for the extension and development of the Society and shall have all other necessary and incidental powers to carry out the objectives of the Society, and such other duties as are prescribed by the laws of the Society.

Section 2. Chairperson: The Chairperson of the Board must be a director and shall preside at Board of Directors meetings and Executive Committee meetings and shall prepare and deliver a State of the Society presentation annually. The Chairperson shall have such other powers as the Board by majority vote may delegate to the Chairperson from time to time, be available for consultation with the Executive Vice-President on any matters that need to be brought to his/her attention, or his/her advice. The Chairperson will also be authorized to sign contracts on behalf of LUSO that have been approved by LUSO's management or Board. This is a two-year position (beginning in 2026) unless the Chairperson resigns or is removed by the Board.

Section 3. Duties of the President: The President of the Board must be a director. Luso-American Financial shall represent the Society as its President at public functions and ceremonies; preside at the Luso-American Financial National Council meetings; and the annual state of the Society meeting in December of each year if one is held; appoint a nominating committee to nominate a slate of Directors up for election, prior to the meeting of the National Council; appoint committees, including a committee to audit the mileage and per diem, the credential committee, the resolutions committee, such other committees as he/she may deem necessary for the transaction of business of the Luso-American Financial National Council; be available for consultation with the Executive Vice-President on any matters that need be brought to his/her attention for his/her advice; serve on the Board of Directors as a voting member; and perform any other duties and responsibilities authorized by the Board of Directors.

Section 4. Vice-Chairperson: The Vice-Chairperson of the Board must be a director. If the Chairman of the Financial Board is absent or disabled, the Vice-Chairperson of the Board shall perform all duties of the Chairperson of the Board. When so acting, the Vice-Chairperson shall have all powers of and be subject to all restrictions of the Chairperson. The Vice-Chairperson shall have such other powers and perform such other duties as the Board or the By-Laws may determine. This is a two-year position (beginning in 2026) unless the Vice-Chairperson resigns or is removed by the Board.

Section 5. Number: The Financial Board of Directors shall be composed of nine (9) elected members, with a minimum of two (2) director seats reserved for the East Coast. The nomination of directors shall be carried out in proportion to the number of LUSO members residing on the East Coast and on the West Coast, respectively. To the extent they do not violate the requirements of California law, the Board may pass rules governing the nomination and election of directors.

If, during a National Council meeting, the Financial Board makes a determination that the pool of nominees presented to the meeting for election to the Financial Board of Directors is not adequate, either because:

- (a) the allocation of directors between East Coast and West Coast stated in this section 4 is not met, or
- (b) one or more of the persons nominated for or elected to the position of director is not otherwise qualified under these bylaws to fill the position of Director,

then the Board may, by majority vote, strike any unqualified person from the nominees or newly elected Board members, and fill any vacant seats by designating the qualified candidate who (1) did not win a seat on the Board in the election held at that National Council meeting, but (2) received the most votes among the unsuccessful Board candidates, without regard to the geographic limitations imposed by this section 4. Once the National Council meeting has come to an end, any vacancies in the Board will be filled by the process described in Article 4, section B(13) of these bylaws.

Section 6. Term: The term of office of the Financial Directors shall be for four (4) years or a portion thereof, to a maximum of three (3) consecutive terms for a total of twelve (12) years. A financial

director shall wait a minimum of two (2) years to again serve on the Financial Board after three (3) consecutive terms.

Section 7. Financial Board Qualifications:

(a) Any adult benefit member who has been in good standing for a minimum of the last 5 consecutive years preceding the National Council Meeting may be a Director, provided he or she is a voting member at the National Council meeting. The nominee must be a confirmed delegate present for nomination, voting and installation.

(b) A prospective Director must agree to do the following:

- (1) Accept the time and commitment required to participate and attend all Financial Board meetings scheduled by the Board. (This time commitment may pose a conflict, unless excused by the Chairperson).
- (2) Be dedicated and committed to the needs of the Financial Board and the Society.
- (3) Abide by all present and future laws, rules, regulations, and rituals of the Society.
- (4) Attend Board meetings. (Absences must be approved by Chairperson)
- (5) Assist in the recruitment of candidates for membership.
- (6) Abstain from taking any actions or making any public comments injurious to the Society or its leadership, or bringing shame or disrepute upon the Society
- (7) Comply with any Board code of conduct or oath of office in force at the time of his or her election, or as subsequently amended, and
- (8) Avoid any conduct that would be, or give the appearance of being, a conflict of interest.

(c) Members shall be eligible for election to the Financial board if they have not passed their seventieth (70th) birthday on the commencement date of their initial term of office, with the exception of a director who was first elected before their seventieth (70th) birthday. If a Director is not reelected after their first term who has passed the age of seventy (70), said director will not be eligible to run again. The terms must be served continuously, when over the age of seventy (70).

(d) Former employees of the society shall not be eligible to the Board until the expiration of five (5) years from the date of separation of employment. No Officer or Director, shall have direct supervision over an employee that is an immediate family member (spouse, parent, natural or adopted child, or sibling).

(e) No person that is an Officer of Luso American Financial or a member of the Luso American Financial Board of Directors shall be paid any commission, or compensation, for writing any financial products provided by the Society, while he or she is an Officer or Director.

(f) No Officer or Director of the Luso-American Financial, or spouse of such person, shall serve as an Officer or Director of any other organization of the same character and engaged in the same type of business while he/she or his/her spouse is an Officer of the Society.

Section 8. Nominating Committee:

(a) The President of Luso-American Financial shall appoint the Chairperson of a nominating committee composed of all Directors of the Luso-American Financial not up for election. The committee shall have at least four members. If there are not four eligible persons willing to join the nominating committee, then the Financial Board of Directors shall appoint one or more additional persons to fill out the committee. They shall select a slate of nominees for Directors to be elected, who shall be presented to the delegates at the National Council meeting. Thereafter, nominations for nominees to serve as directors may be made from the floor; provided that the nomination from the floor is sponsored by not less than ten (10) qualified delegates at the meeting. These nominees must be delegates and in attendance for nomination, voting, and installation.

(b) The nominating committee shall review candidate information and may gather additional background information and shall determine whether each candidate submitted meets the qualifications to serve as a Director. The Board of Directors shall not include in the slate of candidates any person who does not meet these qualifications.

Section 9. Regular Meetings:

(a) Regular meetings of the Board of Directors shall be as determined by the Board. The Board shall also meet after the Luso-American Financial National Council meeting to select a President, Chairman, and Vice-Chairman for the upcoming term from among the members of the Board.

(b) Directors of the Board may participate in a meeting, including committee meetings, through use of conference telephone, electronic video screen communication or electronic transmission by and to the corporation (Corporations Code §§ 20 and 21). Participation in a meeting through use of conference telephone or electronic video screen communication pursuant to this subdivision constitutes presence in person at that meeting as long as all Directors participating in the meeting are able to hear one another. Participation in a meeting through use of electronic transmission by and to the corporation other than conference telephone and electronic video screen communication, pursuant to this subdivision constitutes presence in person at that meeting if both of the following apply:

- (1) Each Director participating in the meeting can communicate with all of the other Directors concurrently.
- (2) Each Director is provided the means of participating in all matters before the board, including, without limitation, the capacity to propose, or to interpose an objection to, a specific action to be taken by the corporation.

Section 10. Notice: The Board of Directors shall determine the requirements for notice of all regular meetings of the Board.

Section 11. Special Meetings: Special meetings of the Board may be called by the Chairperson of the Board, Executive Vice-President, the Vice-Chair, any Chairman of a committee, the Secretary, or any four Directors. Special meetings may be held on four days' notice by first class mail, postage prepaid, or on 48 hours' notice delivered personally or by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, telegraph, facsimile, electronic mail, or other electronic transmission by the corporation (Corporation Code §20).

Notice of the special meeting need not be given to any Director who signs a waiver of notice or written consent to holding the meeting or gives an approval of the minutes of the meeting, whether before or after the meeting, or who attends the meeting without protesting the lack of notice to that Director either before or at the commencement of the meeting. All waivers, consents, and approvals must be filed with the corporate records or made a part of the minutes of the meetings.

Special meetings may be held employing telephone and telecommunications equipment as provided for in Article 4(B), Section 8(b).

Section 12. Quorum and Voting: Two-thirds of the total authorized Directors shall constitute a quorum to conduct business. All decisions of the Board shall be by majority vote, unless the Laws of California or the By-laws require greater than a majority for a particular matter. No cumulative or proxy voting is permitted. A meeting at which a quorum was initially present may continue to transact business, despite the withdrawal of some directors, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting, unless the act of a greater number is required by the Articles of Incorporation, Bylaws or applicable law for the matter being considered by the Board.

Section 13. Action Without Meeting: Any action required or permitted to be taken by the Board may be taken without a meeting, if all members of the Board individually or collectively consent in writing to that action. Written consents must be filed with the minutes of the proceedings of the Board. Action by written consent has the same force and effect as the unanimous vote of the Directors.

Section 14. Vacancies: Vacancies on the Board of Directors and any office may be filled by the Board of Directors for the unexpired term. Directors and Officers shall hold their respective offices until their successors have been elected and qualified for the discharge of their duties.

Section 15. Trial, Expulsion, and Discipline: The Board may, by a majority vote, utilizing reasonable discretion, declare vacant the office of a Director on the occurrence of any of the following events:

- (a) The Director has been declared of unsound mind by a final order of court;
- (b) The Director has been convicted of a felony;
- (c) The Director has failed to attend 2 consecutive Board meetings of the Board without good cause as reasonably determined by the Board; or
- (d) The Director no longer meets the qualifications for serving as a director, or has failed to follow the oath of office and ethical guidelines of the Board, or has otherwise failed to perform the obligations set forth above in Section 6, "Qualifications."
- (e) A Director shall be given notice of any charges against him and be provided with an opportunity to present his position to the Board, after which the Board's decision shall be final. A charged Director shall not be entitled to vote on such matter.

C. FINANCIAL OFFICERS.

Section 1. Officers of Luso-American Financial: Luso-American Financial shall have the following Officers: President, Executive Vice-President, Secretary, and Treasurer. The Office of Treasurer may be held by the Executive Vice-President or Secretary.

Section 2. Election and Appointment of Officers: Beginning with the first meeting of the Board of Directors of Luso-American Financial after the 2026 National Council meeting and continuing every two years thereafter, the Financial Board shall elect persons to fill the following positions: Board Chair, President and Board Vice-Chair. These positions shall last for a term of two years. Any nominee for the Board Chairman, Board Vice Chair and President shall meet the following requirements: (a) nominees must be a member of the Financial Board and must have completed at least one two-year term on the Financial Board prior to assuming the role of President; (b) if more than one person is eligible to act as President, then the presidency shall alternate between LUSO-West and LUSO-East Board members; unless (c) at the time of nomination, no eligible candidate who will meet the East/West alternation requirement is willing to serve as President. The Board of Directors may also appoint such other ministerial officers to serve at the pleasure of the Board of Directors as may be required for the normal and efficient conduct of the business affairs of the corporation. Otherwise, no person shall hold more than one National or State position, whether elected or appointed, simultaneously.

Section 3.

Duties of the Executive Vice-President: The Executive Vice-President shall be the General Manager of business affairs and shall be responsible for implementing and supervising the policies and programs of the Board of Directors. Subject to such rules and policies as may be prescribed by the Board of Directors, the EVP shall have authority, only with prior approval from the Board, to appoint, promote and terminate such other officer, agents, and any employees and to delegate authority to them.

Section 4. Other Principal Officers: All other principal Officers of the Society shall perform the duties of the respective offices customarily assigned to such offices. The Chairperson of the Board of Directors is authorized to sign on behalf of LUSO contracts that have been approved by LUSO's management or Board.

Subject to such rules and policies as may be prescribed by the Board of Directors, the Secretary shall have authority, only with prior approval from the Board, to appoint, promote and terminate such other officer, agents, and any employees and to delegate authority to them.

Section 5. Removal: The Board of Directors may remove any officers, with or without cause, by a majority of votes of all directors.

D. NATIONAL COUNCIL

Section 1. Regular Meetings - Luso-American Financial National Council. A regular meeting of the National Council shall be held biennially (every two years), beginning in the year 2026. The National Council meeting may, at the discretion of the board, be held via an in-person meeting or via electronic means. The board shall also have the discretion to make reasonable changes to the procedures for the election of delegates and directors contained in these bylaws. Such matters will be determined by majority vote.

The purpose of the meeting is to receive reports from the officers, to elect directors, and to consider presented amendments to the By-Laws. The meeting shall be open only to Officers, Directors, Delegates, Alternate-Delegates, and Past Presidents, and Past Chairpersons of the Board of the Luso-American Financial Board of Directors. No cumulative voting or voting by proxy shall be allowed at any National Council meeting. Elected and “ex-officio” delegates must be in attendance at the meeting, either in-person or through electronic means in cases where convention is held remotely.

Section 2. Special Meetings.

(a) Special meetings of the National Council may be called by either the Financial Board of Directors, or by a written signed request of fifty percent (50%) of the last elected and qualified delegates and filed with the Secretary of the Luso-American Financial at least sixty (60) days prior to the date of the meeting. Thereafter, the Secretary shall give all delegates at least twenty (20) days' notice of such special meeting, specifying therein the business to be considered at such meeting.

(b) Ballot in Lieu of Special Meeting. In lieu of convening a special meeting of the National Council, the Board may send a written ballot to all delegates who were credentialed at the immediately preceding National Council. The ballot shall specify the deadline for return of the ballot, and no ballots received after such time shall be counted. The ballot may include one or more resolutions that could be considered and adopted at a special meeting. A resolution shall be deemed adopted upon receipt of valid ballots in favor of the resolution equal to the number of votes that would have been needed to adopt the resolution at a regular meeting at which all delegates were present. "Written ballot" also includes a ballot transmitted or received by electronic means.

Section 3. Quorum. Two-thirds of the total authorized delegates shall constitute a quorum to conduct business.

Section 4. Delegates to the National Council

(a) Annual convention: Luso-West and Luso-East shall each hold a convention each year. The convention should carry out the following functions:

- i. Vote on delegates to the National Council;
- ii. Elect Financial Board Members;

(b) The West and East Conventions shall be held on a date and location determined by the Financial Board.

(c) Nominating Committees. The President of Luso-American Financial shall appoint nominating committees of nine (9) members each to nominate a slate of possible delegates to be presented at the LUSO-West and the LUSO-East annual conventions immediately preceding the next Luso-American Financial National Council regular meeting. Thereafter, delegates may be nominated from the floor of the conventions, provided the nomination is sponsored by not less than ten (10) qualified delegates in attendance. Any nominated delegate must be in attendance at the convention to accept the nomination and participate in elections.

(d) Number of Delegates. There shall be one delegate to the National Convention elected at the annual conventions of the LUSO-West and LUSO-East for each 400 adult benefit members of the Luso-American Fraternal Federation as shown by the records of the Society on December 31 of the preceding year. In addition, the number of alternate-delegates shall be no more than one-third (1/3) of the authorized number of delegates per fraternal branch.

(e) How Elected. Delegates and alternate-delegates shall be elected at the prior year's convention of the LUSO-West and the LUSO-East preceding the next Luso-American Financial National Council meeting. Their names shall be certified by the Secretary of the Luso-American Financial at the Home Office at least ninety (90) days prior to the opening of the National Council meeting, and such certification shall constitute the official list of delegates and alternate-delegates. The Officers and Directors shall be "ex-officio" delegates to the National Council, each entitled to one vote. All Past Presidents and Chairpersons of the Board of the Luso-American Financial will be entitled to attend the National Council meeting, with the privilege of the floor, but no right to vote, unless duly elected as delegates.

(f) Vacancies. Vacancies created by the inability of delegates to attend the National Council meeting shall be filled by the alternates (of the respective annual conventions' delegations) in the order of selection by lot, provided there was not an election at the annual convention. If there was an election at the annual convention, alternate delegates would be determined by the number of votes received.

(g) Expenses. The expenses of the delegates to the National Council meeting shall be determined and fixed by order of the Financial Board of Directors.

ARTICLE 5 CONDUCT OF MEETINGS

Unless otherwise provided for in the Articles of Incorporation, the By-Laws of this Society, or any mandatory or permissive provision of the California Insurance Code, or the California Corporations Code, Robert's Rules of Order shall govern all proceedings of all meetings. Robert's Rules, in whole or in part, may be suspended or disregarded for purposes of a meeting upon a majority vote of the Directors or Members present. No cumulative voting or voting by proxy is authorized at any meeting of Members or Directors.

ARTICLE 6 AMENDMENTS TO BY-LAWS

Section 1. These By-Laws may be amended by no less than two-thirds vote of delegates present at any regular or special meeting of the National Council; or, by an affirmative vote of not less than three-fourths of all members of the Financial Board of Directors at a regular or special meeting of the Board of Directors.

Section 2. Any proposed amendment to the By-Laws to be voted at the National Council must be signed by at least ten (10) certified delegates to the National Council meeting and filed with the Secretary of the Society at the Home Office at least sixty (60) days prior to such meeting in order to have it considered.

Section 3. Any member of the Board of Directors, who wishes to present a proposed By-Law amendment to the Board to be voted on by the board, must file the proposed amendment with the Secretary of the Society at the Home Office twenty (20) days prior to a regular or special meeting of the Board of Directors in order to have it considered.

Section 4. In the case of any uncertainty or dispute as to the intention or meaning of a By-law, or other rule of this Society, the Board of Directors shall have the power to determine the application or interpretation of such By-law or rule, and its decision shall remain in force until such decision is rescinded by the Board or the By-law or rule is duly amended.

ARTICLE 7 GENERAL PROVISIONS

Section 1. Indemnification:

This Corporation shall indemnify any person who was or is a party, or is threatened to be made a party, to any action or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was an Officer, Director, or agent of this Corporation, or is or was serving at the request of this Corporation as a director, officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, or other enterprise, including the Luso American Education Foundation, against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with such proceeding, to the fullest extent permitted under the California Nonprofit Corporation Law.

In determining whether indemnification is available to the Director, Officer, or agent of this Corporation under California law, the determination as to whether the applicable standard of conduct set forth in Corporations Code §5238 has been met shall be made by a majority vote of a quorum of Directors who are not parties to the proceeding. If the number of Directors who are not parties to the proceeding is less than two-thirds of the total number of Directors seated at the time the determination is to be made, the determination as to whether the applicable standard of conduct has been met shall be made by the court in which the proceeding is or was pending.

The indemnification provided herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled and shall continue as to a person who has ceased to be an agent and to the benefit of the heirs, executors, and administrators of such a person.

Section 2. Insurance:

This corporation shall have the right, and shall use its best efforts, to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, directors, employees, and other agents, to cover any liability asserted against or incurred by any officer, director, employee, or agent in such capacity or arising from the officer's, director's, employee's, or agent's status as such.