

Minutes of the Special Meeting of the Costumer's Guild West
April 30, 2006,
Airtel Plaza Hotel, 7277 Valjean Ave., Van Nuys California

President Darla Kruger called the meeting to order at 2:14 pm.

Chocolate was present.

A quorum was declared (63 members were present in person or represented by proxy.)

Acting Parliamentarian George Popa advised the group that this is a special meeting, which was called for the specific purpose of discussing the three issues in the meeting notice:

- 1) Establishment of the CGW as a California non-profit corporation;
- 2) Application for future tax exempt status; and
- 3) Tax compliance.

Darla Kruger introduced the special guest, Mr. Robert Yoshitomi of the firm of Nixon Peabody LLP, who is serving as the attorney for the Costumer's Guild West, pro bono. Mr. Yoshitomi gave an executive overview of the Guild's situation.

The membership considered and discussed the organization's situation. Don Henderson moved and Lorinda Kasten-Lowerre seconded the adoption of the following resolutions:

WHEREAS, after discussion and upon due consideration, the membership adopts the following resolutions;

BE IT RESOLVED, that this association shall organize as a limited liability entity as a California Mutual Benefit Nonprofit Corporation or other form recommended by counsel and approved by the Board of Directors with the name Costumer's Guild West or other name approved by the Board;

BE IT FURTHER RESOLVED, that said entity shall apply for federal and State of California tax exempt status;

BE IT FURTHER RESOLVED, that once federal and State tax exempt status is obtained, the entity shall file federal and State of California tax returns, presumably starting with tax year 2006;

BE IT FURTHER RESOLVED, that, should the Board of Directors deem it necessary, counsel are authorized to attempt to mitigate any taxes, interest and penalties for past tax years;

BE IT FURTHER RESOLVED, that the President and the Board of Directors are authorized to instruct counsel and to take further action, including the execution and delivery of agreements and other undertakings and the disbursement of funds, to implement the foregoing resolutions.

The motion passed and the resolutions were adopted.

Mr. Yoshitomi then provided the meeting with a rough timeline to execute the proposed plan:

1. As soon as possible, (by mid- May), the CGW would file for incorporation as a California mutual benefit non-profit corporation. Mr. Yoshitomi would provide the Board with draft Articles of Incorporation for their review and approval.
2. The CGW Bylaws and Standing rules would be reviewed by the attorneys for conformation to California state regulations. Any necessary changes would be ready for action at the Annual Meeting at Costume College.
3. The CGW would file for non-profit status with the state and federal tax entities as soon as the incorporation is complete. It may be possible to achieve this status by the end of this calendar year.

Mr. Yoshitomi has recommended that the CGW find a CPA to help us with our books and accounting issues. Member Natalie Meyer has agreed to help us with this and will discuss with her firm Todd Song Tax Consulting Business Services in Los Alamitos, who are Enrolled Agents, their possible assistance to us in this area.

President Darla Kruger thanked all present for their participation and willingness to help deal with this complex issue.

The meeting adjourned at 2:49 pm.

Respectfully submitted, Janet Wilson Anderson, Recording Secretary