

"DRAFT 12/16/77"

MINUTES FOR THE FIRST MEETING
OF THE BOARD OF DIRECTORS
OF
CALIFORNIANS FOR COMMON SENSE
(a California non-profit corporation)

(Held on _____)

1. Authority to Act

On _____, at San Francisco, California, at _____ m., the first meeting of the Board of Directors was called to order. Those present, who waived notice of this meeting by their presence, included the following: _____, John D. Kelly and Robert J. Rand. Others attending, either in person or by proxy were: Vigo G. Nielsen, Jr., Michael D. Levin and Kirk Alan Pessner.

Vigo G. Nielsen, Jr. acted as temporary chairman. The first order of business was the acceptance of the resignation of Kirk Alan Pessner from the initial Board of Directors.

The resignation was accepted by Michael D. Levin and Vigo G. Nielsen, Jr. Mr. Levin and Mr. Nielsen then elected _____ to the Board of Directors.

Mr. _____ and Mr. Nielsen accepted the resignation of Michael D. Levin from the initial Board of Directors and elected John D. Kelly to the Board of Directors.

Mr. _____ and Mr. Kelly accepted the resignation of Vigo G. Nielsen, Jr. from the initial Board of Directors and elected Robert J. Rand to the Board of Directors.

The Directors then proceeded to conduct the first business of the corporation and at this meeting pursuant to motions duly made and seconded, the following resolutions were unanimously adopted:

03618376

2. Identification of Meeting

RESOLVED, that this meeting is the first meeting of the Board of Directors of Californians For Common Sense, a California non-profit corporation.

3. Election of Officers

RESOLVED, that the following persons be and the same are hereby elected as officers of this corporation to the office as set forth opposite their respective names:

_____	Chairman of the Board and President
John D. Kelly	Secretary
Robert J. Rand	Treasurer
Vigo G. Nielsen, Jr.	Assistant Secretary

4. Minute Book

RESOLVED, that this corporation shall maintain a minute book containing the minutes of this meeting and of all subsequent meetings of the Board of Directors of this corporation and such other documents that the corporation, the Board of Directors, or the members shall from time to time direct.

5. Articles

RESOLVED, that a copy of the Articles of Incorporation of this corporation duly filed with and certified by the Secretary of State of the State of California on December 6, 1977 and filed with the Clerk of the City and County of San Francisco on December 14, 1977 shall be inserted in the minute book of this corporation and the contents of such Articles of Incorporation are hereby ratified by the Board of Directors.

6. Bylaws

RESOLVED, that the bylaws of 15 pages presented to and considered at this meeting are adopted as bylaws of this corporation and the Assistant Secretary of this

03618377

corporation is ordered to certify a copy of such bylaws and maintain them in the principal office of the corporation for the transaction of its business and open for inspection by the members at all reasonable times during normal office hours. The Secretary is further ordered to certify a copy of such bylaws and insert them in the minute book of the corporation.

7. Seal

RESOLVED, that a corporate seal containing the words Californians For Common Sense, together with the date of incorporation of this corporation, shall be adopted as the appropriate seal of this corporation.

8. Bank Account

Discussion was then held among the Directors concerning the fiscal affairs of the corporation and on a motion duly made and seconded, it was:

RESOLVED, that The Hibernia Bank, San Francisco, California, is hereby designated as the depository of funds of this corporation and that a single checking account be established and maintained by and in the name of the corporation at said bank, on and subject to terms and conditions made from time to time and agreed upon with said bank; and that the Treasurer be authorized to execute such signatures or authorization cards as may be necessary to certify enactment of this resolution.

RESOLVED FURTHER, that the Treasurer shall have the power to designate agents to sign corporate checks, subject to authorizations for payments being approved pursuant to resolution of this Board.

RESOLVED FURTHER, that the fiscal year of the corporation shall be from July 1 to June 30, of each year.

03618378

9. Business Affairs of the Corporation

The Board of Directors then discussed the progress of an initiative being circulated in the State of California which would, if passed by the voters, enact the Clean Indoor Air Act of 1978.

In light of the discussion, the Board of Directors unanimously adopted the following resolutions:

1) The corporation does confirm and agree to the contract entered into with Woodward & McDowell on December __, 1977 for the performance of administrative and public relation services to educate the public about the dangers of the initiative;

2) The corporation has accepted written enforceable pledges of contributions from R. J. Reynolds Tobacco Company, Philip Morris, Inc., Brown & Williamson Tobacco Corporation, Lorillard Company and Liggett & Myers in the sum of \$10,000.00 each and does guarantee the Agreement with Woodward & McDowell with these pledges;

3) The corporation does retain Dobbs & Nielsen as legal counsel to the corporation and has requested of counsel that tax-exempt applications be filed on behalf of the corporation with the Internal Revenue Service and the Franchise Tax Board;

4) The corporation does retain Robert J. Rand, C.P.A., as certified public accountant and Treasurer to the corporation on the terms and conditions of his letter agreement with Woodward & McDowell dated October 7, 1977;

5) The fiscal procedures for approving disbursements are approved, and the Secretary shall instruct the Treasurer in writing to comply with them;

6) John D. Kelly shall be paid as Secretary of the corporation a fee in the amount of \$25,000 plus

03618379

reimbursement of customary out-of-pocket expenses including costs of travel, lodging and meals, and costs for the services and related costs, including office expenses, of Dennis Loper, in accordance with terms of an Agreement executed December __, 1977;

7) All public statements of whatever type and whether written or oral (including advertisements, public opinion surveys, press releases and background materials) must be approved in advance of issuance by Donald J. Hoel of Shook, Hardy & Bacon and also by Covington & Burling; and

8) The corporation is authorized to pay the necessary expenses of the incorporation and organization of this corporation.

10. Any Other Business

There being no further business to come before the Board of Directors, the Board meeting was duly adjourned.

VIGO G. NIELSEN, JR.
Assistant Secretary

03618380