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December 22, 1978



James S. Dowdell
Director, State Legislative Relations
R. J. Reynolds Tobacco Company
1612 Reynolds Building
Fourth and Main Streets
Winston Salem, North Carolina 27102

Dear Jim:

Enclosed is the Californians for Common Sense Loan Extension Agreement which should be executed by you or another appropriate person at R. J. Reynolds. The Agreement merely extends the time for repayment or other satisfaction of R. J. Reynolds' loans to CCS during the campaign against Proposition 5.

At this time it is not possible to predict whether there will be any funds available to refund to the tobacco companies. However, execution of this Agreement ensures that if funds become available they will be refunded in amounts proportionate to the contributions of the companies.

Please return one copy of the executed Agreement to me.

Best wishes for a happy holiday season.

Sincerely yours,

John E. Mueller

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