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December 15, 2010

Todd J. Burke
Gowling Lafleur Henderson LLP
Suite 2600
160 8th St.
Ottawa, ON, K1P 1C

VIA E-MAIL

Dear Mr. Burke:

Re: URSU Referendum on Continued Membership
Our file: 716.00-002 JNG

Further to our telephone conversation this morning, our clients agree as follows.

- (i) The eligible provisional non-FNUC student ballots cast in the Referendum conducted on October 26, 27 and 28, 2010 (the "Referendum"), will be counted as soon as possible but not later than 5:00 pm on December 17, 2010.
- (ii) In the event the result of the count of the eligible provisional non-FNUC student ballots plus the eligible ballots counted on or about October 29, 2010, following the close of voting results in a situation where the margin of victory by either the "yes" or "no" side is such that the provisional FNUC student ballots cannot influence the outcome, then the results of the referendum shall be forthwith announced to the students at the University of Regina (the "U of R") and the public. The result will be conclusive and binding subject to any right of appeal or review relating to the referendum, as provided for in the CFS bylaws, or to a court of competent jurisdiction. There will be no determination of the eligibility of FNUC students to vote in the Referendum as such will have become a moot issue.
- (iii) If the vote of the eligible provisional non-FNUC student ballots combined with those ballots counted to date results in a margin of victory less than the total number of provisional FNUC student ballots, then immediately following the counting of the eligible provisional non-FNUC student ballots the Referendum Oversight Committee (the "ROC") shall proceed to count the provisional FNUC ballots. The results of this process, including the

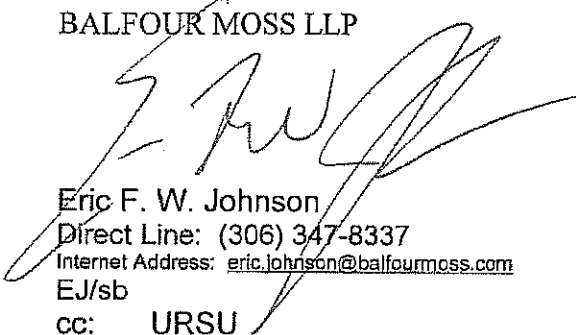
results of the count of the eligible provisional non-FNUC ballots, shall remain confidential until a determination of the eligibility of the provisional FNUC student ballots is made by, either, an agreement between URSU (as represented by its appointees to the ROC) and CFS (as represented by its appointees to the ROC), or by order of the Court. Should the parties be unable to reach agreement on the eligibility status of the FNUC provisional ballots then the parties shall endeavour to produce an agreed upon statement of facts and have this matter heard before the Saskatchewan Court of Queen's Bench as quickly as possible by way of notice of motion. CFS National Executive Members and URSU's Board of Directors, legal counsel for URSU and the CFS, and those present at the counting of the votes pursuant to the CFS bylaws will be privy to the vote result but each shall be bound to maintain the confidentiality of the results and shall each sign an acknowledgement in this regard. Until such time as the eligibility of the FNUC ballots is finally determined, in accordance with this paragraph, all provisional ballots shall be held in escrow with the Escrow Agent.

- (iv) To facilitate the above noted steps, the Escrow Agent, MacPherson Leslie & Tyerman LLP shall release the provisional ballots it is holding in escrow to the ROC and the counting of the ballots outlined above shall take place in the Escrow Agent's offices. Of course, each of URSU's and CFS' scrutineers can be present for the count.
- (v) CFS shall forthwith pay \$2,500 to the ROC to be used as a contribution towards URSU's costs associated with the costs related to the referendum. This contribution shall remain confidential as between the parties.

If the foregoing is acceptable to your client, we will adjourn our motion *sine die* to be returnable on three days notice by either side. Once the counting of the ballots has been completed as contemplated herein and the \$2,500 paid by CFS, URSU's outstanding notice of motion will be fully withdrawn on a without costs basis.


Yours truly,

BALFOUR MOSS LLP



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