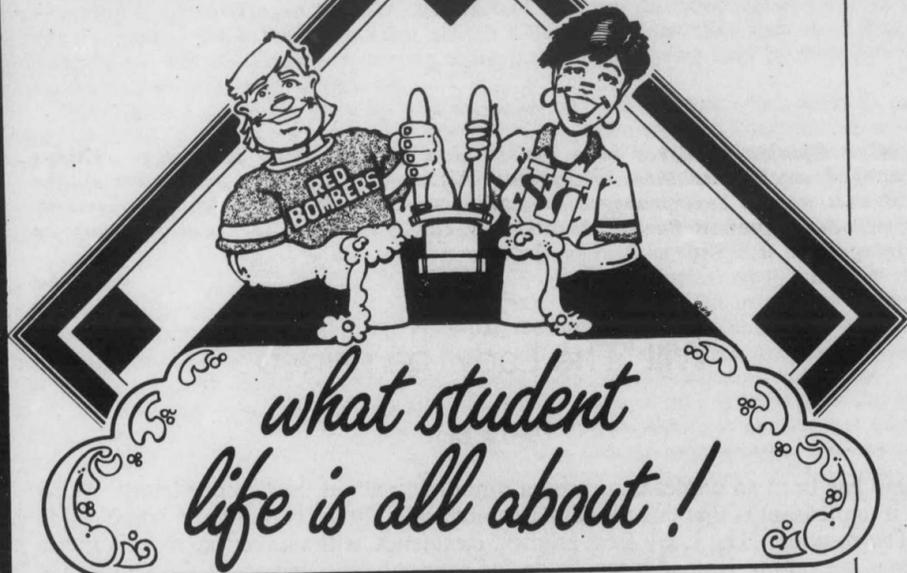


UNIVERSITY SOCIAL CLUB



**THE FOLLOWING LETTER IS BEING PRESENTED
SO THAT THE STUDENTS WITHIN THE UNIVERSITY
COMMUNITY CAN BECOME CLEARER OF THE ISSUE
AND OF THE FACTS!**

HANSON, HASHEY

U.N.B. Student Union
Attention: Kevin J. Bourque
President
Page 2
November 6, 1990

The Student Union is proposing that CHSC be restructured so that it would be controlled by the entire student body at U.N.B. and S.T.U. who are 19 years of age and over through directors elected directly by the Student body as well as appointed by the elected student governments. You have sought our legal advice on a number of issues which have arisen in connection with this proposal. With this letter we wish to confirm our opinions to you on some of those issues.

It is our opinion that the restructuring proposed by the Student Union can be lawfully effected within the provisions of the New Brunswick Companies Act provided it is approved by at least two-thirds of the members of CHSC at a duly constituted meeting of those members. We understand that the Student Union would be pleased to submit its proposal to the membership for such a vote but that the management of CHSC has, to date, refused to cooperate in arranging such a meeting. It is our further opinion that the proposed restructuring would not affect CHSC's licence under the Liquor Control Act as long as membership was restricted to students 19 years of age and over.

Members of CHSC who support the Student Union's proposal have requested access to the membership list of CHSC to enable them to better explain the proposal to fellow members. The management of CHSC has, to date, refused to comply with this request. In our opinion, management's refusal to provide the membership list to its members is a clear violation of section 106 of the New Brunswick Companies Act which requires that such a list be maintained and made available to members who request it.

Finally, you have requested our opinion on the validity of a "rule" made by the current directors of CHSC which purports to preclude members of various campus organizations, including the U.N.B. S.R.C., the S.T.U. S.R.C., the S.U.B. Board, the U.N.B. Board of Governors, the S.T.U. Board of Governors, CHSR, the Brunswicken, the Aquinion, and the Faculty Club, from becoming directors of CHSC. This rule was purportedly made pursuant to section 19 of By-Law Number 1 of the CHSC By-Laws. That By-Law

.../3

HANSON, HASHEY

BARRISTERS & SOLICITORS

P. O. BOX 310

SUITE 400, PHOENIX SQUARE

FREDERICTON, NEW BRUNSWICK

E3B 4Y9

TELEPHONE (506) 453-7771
FAX (506) 453-9600

PLEASE REFER TO
OUR FILE NO.

900861

November 6, 1990

VIA FAX
453-4958

Mr. Kevin J. Bourque
President
U. N. B. Student Union
Student Union Building
University of New Brunswick
P. O. Box 4400
Fredericton, New Brunswick
E3B 5A3

Dear Mr. Bourque:

We have been retained as legal counsel by the U.N.B. Student Union in connection with a proposed restructuring of The College Hill Social Club, Inc. ("CHSC").

CHSC is a membership company incorporated under the New Brunswick Companies Act. There are no shares in such a company so it cannot be bought or taken over. Instead, such a company is controlled by its members. At present, membership in CHSC is open to anyone 19 years of age and over. While most of the members are probably students and faculty at U.N.B. and S.T.U., membership is not restricted to those in the University community at the present time.

As we understand it, CHSC is the holder of a club licence under the New Brunswick Liquor Control Act. This licence is for premises which CHSC rents in the Student Union Building.

.../2

OFFICES IN FREDERICTON AND SAINT JOHN, NEW BRUNSWICK

HANSON, HASHEY

U.N.B. Student Union
Attention: Kevin J. Bourque
President
Page 3
November 6, 1990

does authorize the Board of Directors to "make rules governing the conduct of directors . . .". However, in our opinion, the directors far exceeded the jurisdiction conferred on them by this By-Law in purporting to disqualify such a wide group of persons from directorships merely on the basis of other positions held by them. In legal terminology, it is our opinion that this "rule" is *ultra vires* the directors of the CHSC and not valid.

If you have any further questions on these or any other matters, please do not hesitate to contact us.

Yours very truly

HANSON, HASHEY

Bruce D. Hatfield

BDH:lt
Enclosure

**IF A PICTURE IS WORTH A THOUSAND WORDS
THEN A THOUSAND WORDS SHOULD GIVE YOU
A CLEARER PICTURE!**

November 9,

Wo
dis

by Kathleen
Tracy

To the fi
students
back in 18
ity between
women

Percentage of Total Undergraduates

Ca
Ca