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December 17TH, 1993

Dear Mr. Laframboise,

SNC Inc.

Further to our last conversation, before the federal government elections on October 25th, I have completed my revisions to Project Proposal Phase 1 and Phase 2 dated July 5th 1993. These revisions are based on the contents of "Creating Opportunity", the Liberal party red policy book which was published before the October 25th elections; based on this, my original proposals dated July 5th 1993 have been proven to be entirely valid. Thus SNC have even less reason to refuse to be involved with my project than before, considering their concern to "do (their) bit to alleviate poverty....." as expressed in their 1991 Annual Report, previously referred to.

Details of the revisions are attached, along with my revised general conditions for settlement. What I now require is basically as follows:

(a) A cash settlement of \$850,000 - about half my original figure - plus agreement on the conditions as to permanent employment in accordance with Project Proposal Phase 2 Revision 1 (reference RCE/93/2R1, attached) and also Project Proposal Phase 1 Revision 1 (reference RCE/93/1R1 attached), or permanent private-sector employment.

(b) If SNC decline to cooperate in respect of (a) then I require the full cash settlement of \$1,689,000 previously referred to.

With regard to Ken Desroches and with due respect for him and his firm, I have to say that under current economic conditions - which will get much worse before beginning to improve - the arrangements previously defined and discussed with both yourself and Mr. Desroches are simply not workable, unless Mr. Desroches can assist in some way with the two projects referred to above (but based on previous discussion with him, this would not appear to be possible). The re-training prior

to taking up the employment described in Phase 2 would consist of carrying out Project Phase 1 Revision 1 as described; it has been previously indicated to me that SNC would be prepared to fund some re-training in respect of myself, therefore for this and other reasons there is absolutely no reason why they should object to my proposals.

I have not been able to identify any other projects which could be said to carry any obvious probability of a guarantee of work. And as SNC and everybody else knows, guarantees are what are required - not endless successions of ifs, buts, possibilities and people being vague or non-committal. My review paper on cavitationerosion in centrifugal pumps has created some interest with the local water works people - but the outlook in terms of any employment with them is very uncertain because of funding problems, notwithstanding the \$6 billion infrastructure renewal programme to be implemented by the new federal Liberal government; under this plan, some of the money will in fact have to be found by the provincial and municipal governments who are in the same deep financial trouble as the federal government.

Therefore, I must demand that SNC settle with me in accordance with (a) or (b) above. They are to agree to either (a) or (b) by January 31st 1994 and are to pay me the cash settlement of \$850.000 or \$1,689000 - as the case may be - by that date. If they opt for (a), then Project Phase 1 Revision 1 shall commence not later than March 1st 1994 and any discussions deemed necessary to finalise it shall take place during February 1994.

Yours faithfully,

A handwritten signature in cursive script, appearing to read "R.T. Chisholm", is written in black ink on a light-colored rectangular background.

ROBERT T. CHISHOLM B.Sc.Hons.(Eng.), C.Eng.(U.K.),
M.I.Mech.E.(U.K.), Jr.Eng.(Quebec).