San Francisco, California, July 23rd 1912.

Dear Mr. Evans:

Referring to verbal instructions given to yourself and Mr. Wyche, yesterday:

The A.F.E. covering entire work of completing

Arnold's Loop, is to be made up without reference to any credit
growing out of any future determined abandonment of a portion

of existing cut-of over Silver one Pass. This matter will be
taken up by yourself, this Matter and muself, on my repurh
in October.

Yours silveredy

Signed) C.H.Schlacks

J.F.Evens, Est.

General Auditor.

Approach to Desert

"In case the Contractor shall resume and complete said work on Arnold's Loop in accordance with the provisions hereof, said sum of \$10,935. shall be repaid to the Railway Company by deducting same from the final estimate of the amount to become due to the Contractor for said work."

See Memorandum attached to Voucher No. 12196 December, 1909.