

LAW OFFICES OF
L. A. McNALLEY
OTTAWA COUNTY BANK BUILDING
MINNEAPOLIS, KANSAS

PHONE 403
RES. 464

October 18, 1950.

Mr. W. C. Simons,
722 Massachusetts Street,
Lawrence, Kansas.

Dear W. C.:

Janet brought home the papers on the property at 914-916
Massachusetts Street.

I want you to know that we really do appreciate your giving us this building and also what you have done for Janet and the family in the past. Some of the gifts that you have made have turned into very handsome investments,--as you remember, when you gave us part of the purchase price for our home, and the home is now worth considerable more than we paid for it. The same is true of some of the farm land owned by Janet and which stands in her name. One of the best farms in Ottawa County is owned by Janet as a result of having converted some of these gifts several years ago when farm land was cheap.

There are some matters in connection with the property that we need information on. In the first place, for income tax purposes, the receiver of a gift stands in the shoes of the donor. I will therefore have to have the data on this property as to cost, depreciation used by you and improvements, if any, that have been made on the property that are a part of its capital investment. In other words, I think we will have to pick up the income tax at the same point that you handed it to us in October of this year. You will, of course, claim the depreciation for the first ten months; we will take it from there on, but we will have to take it on the same basis that you have been getting it.

The matter of rents on the building is not quite clear to me. I looked through all of the papers but I do not find any of the leases that are outstanding. If you have these leases and we could get them, then we will go over them and try to see if we can work out something with the different tenants. I have Mr. Vellers' memo of September 11th which gives considerable data on these matters, but the leases themselves will be necessary to determine whether or not these leases are renewable.