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Return of Private Foundation or Section 4947(a)(1) Nonexempt Charitable Trust Treated as a Private Foundation

2006

Department of the Treasury Internal Revenue Service

Note: The foundation may be able to use a copy of this return to satisfy state reporting requirements.

For calendar year 2006, or tax year beginning , 2006, and ending , 20

G Check all that apply. Initial return Final return Amended return Address change Name change

Use the IRS label. Name of foundation: MOUNTAIN BAY FOUNDATION. A Employer identification number: 04-3369535. B Telephone number: (978) 443-6959. H Check type of organization: Section 501(c)(3) exempt private foundation. I Fair market value of all assets at end of year: \$ 50,568. J Accounting method: Accrual.

Table with 4 columns: (a) Revenue and expenses per books, (b) Net investment income, (c) Adjusted net income, (d) Disbursements for charitable purposes. Rows include Revenue (1-12) and Operating and Administrative Expenses (13-26). Total revenue is 582, total expenses is 3414, resulting in a net investment income of 0 and adjusted net income of 582.

JUN 07 2010 STATUTE CLEARED

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Part II Balance Sheets	Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions.)	Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash—non-interest-bearing			
	2 Savings and temporary cash investments			
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 16 of the instructions)			
	7 Other notes and loans receivable (attach schedule) ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments—U.S. and state government obligations (attach schedule)			
	b Investments—corporate stock (attach schedule) <i>STMNT 5</i>	174,178	73,095	50,568
	c Investments—corporate bonds (attach schedule)			
	11 Investments—land, buildings, and equipment, basis ▶			
Less: accumulated depreciation (attach schedule) ▶				
12 Investments—mortgage loans				
13 Investments—other (attach schedule)				
14 Land, buildings, and equipment, basis ▶				
Less: accumulated depreciation (attach schedule) ▶				
15 Other assets (describe ▶ <i>STMNT 6</i> )	445,006	445,006	445,006	
16 Total assets (to be completed by all filers—see page 17 of the instructions. Also, see page 1, item I)	619,184	518,101	495,574	
Liabilities	17 Accounts payable and accrued expenses <i>CPA</i>	1,800		
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons	16,872	16,872	
	21 Mortgages and other notes payable (attach schedule)	34,359		
	22 Other liabilities (describe ▶ <i>SIMNT 7</i> )	400,000	400,000	
	23 Total liabilities (add lines 17 through 22)	453,031	416,872	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted	166,153	73,095	
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			
29 Retained earnings, accumulated income, endowment, or other funds				
30 Total net assets or fund balances (see page 18 of the instructions)	166,153	73,095		
31 Total liabilities and net assets/fund balances (see page 18 of the instructions)	619,184	489,967		

**Part III Analysis of Changes in Net Assets or Fund Balances**

1 Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	166,153
2 Enter amount from Part I, line 27a	2	<-4,906>
3 Other increases not included in line 2 (itemize) ▶ <i>Cap gain STMNT 3</i>	3	484
4 Add lines 1, 2, and 3	4	161,731
5 Decreases not included in line 2 (itemize) ▶ <i>Cap loss STMNT 4</i>	5	<-88,636>
6 Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	73,095

**Part IV Capital Gains and Losses for Tax on Investment Income**

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a 1,690 sh AMAT	P	1/20/06	10/13/06
b			
c (See Attachment 1 -- Capital Gains/Losses)			
d			
e			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a 32,005		40,614	<-8,529>
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a			
b			
c			
d			
e			

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	<-88,638>
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6). If gain, also enter in Part I, line 8, column (c) (see pages 13 and 18 of the instructions). If (loss), enter -0- in Part I, line 8	3	

**Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income**

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?  Yes  No  
If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see page 19 of the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2005	725	534,857	.00135
2004	1,302	549,042	.0021892
2003	1,924	574,334	.0033506
2002	1,303	645,091	.0020199
2001	1,520	944,754	.0016089

2 Total of line 1, column (d)	2	.01052
3 Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	.00210
4 Enter the net value of noncharitable-use assets for 2006 from Part X, line 5	4	483,400
5 Multiply line 4 by line 3	5	1,015
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	0
7 Add lines 5 and 6	7	1,015
8 Enter qualifying distributions from Part XII, line 4	8	725

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 19.

**Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 19 of the instructions)**

<b>1a</b> Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling letter: ..... (attach copy of ruling letter if necessary—see instructions)			
<b>b</b> Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b			
<b>c</b> All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b)			
<b>2</b> Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		0	
<b>3</b> Add lines 1 and 2		0	
<b>4</b> Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		0	
<b>5</b> Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		0	
<b>6</b> Credits/Payments:			
<b>a</b> 2006 estimated tax payments and 2005 overpayment credited to 2006	<b>6a</b>		
<b>b</b> Exempt foreign organizations—tax withheld at source	<b>6b</b>		
<b>c</b> Tax paid with application for extension of time to file (Form 8868)	<b>6c</b>		
<b>d</b> Backup withholding erroneously withheld	<b>6d</b>		
<b>7</b> Total credits and payments. Add lines 6a through 6d		0	
<b>8</b> Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached			
<b>9</b> Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed		0	
<b>10</b> Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid			
<b>11</b> Enter the amount of line 10 to be: Credited to 2007 estimated tax			
	Refunded		

**Part VII-A Statements Regarding Activities**

	Yes	No
<b>1a</b> During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
<b>b</b> Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 20 of the instructions for definition)? <i>If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.</i>		X
<b>c</b> Did the foundation file Form 1120-POL for this year?		X
<b>d</b> Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year. (1) On the foundation. ▶ \$ 0 (2) On foundation managers. ▶ \$ 0		
<b>e</b> Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ \$		
<b>2</b> Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities.</i>		X
<b>3</b> Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If "Yes," attach a conformed copy of the changes</i>		X
<b>4a</b> Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
<b>b</b> If "Yes," has it filed a tax return on Form 990-T for this year? N/A		X
<b>5</b> Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T.</i>		X
<b>6</b> Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?		X
<b>7</b> Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col. (c), and Part XV.</i>	X	
<b>8a</b> Enter the states to which the foundation reports or with which it is registered (see page 20 of the instructions) ▶ Massachusetts		
<b>b</b> If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? <i>If "No," attach explanation</i>	X	
<b>9</b> Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2006 or the taxable year beginning in 2006 (see instructions for Part XIV on page 28)? <i>If "Yes," complete Part XIV</i>	X	
<b>10</b> Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		X

Part VII-A Statements Regarding Activities Continued

- 11a At any time during the year did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule. (See instructions) 11a  X
- b If "Yes," did the foundation have a binding written contract in effect on August 17, 2006, covering the interests, rents, royalties, and annuities described in the attachment for line 11a? 11b
- 12 Did the foundation acquire a direct or indirect interest in any applicable insurance contract? 12  X
- 13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? **NA** 13   
Website address **NA**
- 14 The books are in care of **Mr. Lael M. Meixsell** Telephone no **978-443-6959**  
Located at **34 Batten Drive, Sudbury, MA** ZIP-4 **01776-2506**
- 15 Section 4947(a)(1), nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here and enter the amount of tax-exempt interest received or accrued during the year **15 NA**

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

- 1a During the year did the foundation (either directly or indirectly):
  - (1) Engage in the sale or exchange or leasing of property with a disqualified person?  Yes  No
  - (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?  Yes  No
  - (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?  Yes  No
  - (4) Pay compensation to or pay or reimburse the expenses of a disqualified person?  Yes  No
  - (5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?  Yes  No
  - (6) Agree to pay money or property to a government official? (Exception: Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days)  Yes  No
- b If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)? **NA** 1b   
Organizations relying on a current notice regarding disaster assistance check here
- c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts that were not corrected before the first day of the tax year beginning in 2006? 1c  X
- 2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)).
  - a At the end of tax year 2006, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax years beginning before 2006?  Yes  No  
If "Yes" list the years **20** , **20** , **20** , **20** .
  - b Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement—see page 22 of the instructions.) **NA** 2b
  - c If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here **20** , **20** , **20** , **20** .
- 3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?  Yes  No
- b If "Yes," did it have excess business holdings in 2006 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2006.) **NA** 3b
- 4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? 4a  X
- b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2006? 4b  X

**Part VII-B** Statements Regarding Activities for Which Form 4720 May Be Required *Continued*

- 5a** During the year did the foundation pay or incur any amount to
- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?  Yes  No
  - (2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?  Yes  No
  - (3) Provide a grant to an individual for travel, study or other similar purposes?  Yes  No
  - (4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3) or section 4940(d)(2)? (see instructions)  Yes  No
  - (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?  Yes  No
- b** If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 23 of the instructions)? **NA**  Yes  No  
 Organizations relying on a current notice regarding disaster assistance check here ▶
- c** If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? **NA**  Yes  No  
 If "Yes," attach the statement required by Regulations section 53.4945–5(d)
- 6a** Did the foundation during the year receive any funds directly or indirectly to pay premiums on a personal benefit contract?  Yes  No
- b** Did the foundation during the year pay premiums directly or indirectly on a personal benefit contract?  Yes  No  
 If you answered "Yes" to 6b, also file Form 8870
- 7a** At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?  Yes  No
- b** If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?  Yes  No

5b	
6b	
7b	

**Part VIII** Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

**1** List all officers, directors, trustees, foundation managers and their compensation (see page 23 of the instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (if not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
Lael M. Meixsell 34 Barton Drive, Sudbury, MA 01776	Trustee 10	0.	0.	0.
Anne B. Meixsell 34 Barton Drive, Sudbury, MA 01776	Trustee 5	0.	0.	0.

**2** Compensation of five highest-paid employees (other than those included on line 1—see page 24 of the instructions). If none, enter "NONE."

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
None				

Total number of other employees paid over \$50,000 ▶ 0.

**Part VIII** Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors *Continued*

3 Five highest-paid independent contractors for professional services (see page 24 of the instructions). If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
None		

Total number of others receiving over \$50,000 for professional services: 0

**Part IX-A** Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expense
1 NA	
2	
3	
4	

**Part IX-B** Summary of Program-Related Investments (see page 24 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 NA	
2	
All other program-related investments. See page 25 of the instructions.	
3	
<b>Total.</b> Add lines 1 through 3	0

**Part X: Minimum Investment Return** (All domestic foundations must complete this part. Foreign foundations, see page 25 of the instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc. purposes		
2a	Average monthly fair market value of securities	1a	45,755
b	Average of monthly cash balances	1b	0
c	Fair market value of all other assets (see page 25 of the instructions)	1c	445,006
d	<b>Total</b> (add lines 1a, 1b, and 1c)	1d	490,761
e	Reduction claimed for blockade or other factors reported on line 1a and 1c (attach detailed explanation)	1e	0
2	Acquisition indebtedness applicable to line 1 assets	2	0
3	Subtract line 2 from line 1d	3	490,761
4	Cash deemed held for charitable activities. Enter 1% of line 3 (or greater amount, see page 26 of the instructions)	4	7,361
5	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter net- and on Part V, line 4	5	483,400
6	<b>Minimum investment return.</b> Enter 5% of line 5	6	24,170

**Part XI: Distributable Amount** (see page 26 of the instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here  and do not complete this part.)

1	Minimum investment return from Part X, line 6	1	
2a	Tax on investment income for 2006 from Part VI, line 5	2a	
b	Income tax for 2006 (This does not include the tax from Part V)	2b	
c	Add lines 2a and 2b	2c	
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	
6	Deduction from distributable amount (see page 26 of the instructions)	6	
7	<b>Distributable amount as adjusted.</b> Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	

**Part XII: Qualifying Distributions** (see page 26 of the instructions.)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26	1a	725
b	Program-related investments—total from Part IX-B	1b	0
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8 and Part XIII, line 4	4	725
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see page 27 of the instructions)	5	
6	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	6	725

**Note:** The amount on line 6 will be used in Part I, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

**Part XIII Undistributed income** (see page 27 of the instructions)

	(a) Corpus	(b) Years prior to 2005	(c) 2005	(d) 2006
1 Distributable amount for 2006 from Part XI, line 7				0.
2 Undistributed income, if any, as of the end of 2005			0.	
a Enter amount for 2005 only			0.	
b Total for prior years 20____ 20____ 20____		0.		
3 Excess distributions carryover, if any, to 2006				
a From 2001				
b From 2002				
c From 2003				
d From 2004				
e From 2005				
f <b>Total</b> of lines 3a through e	0.			
4 Qualifying distributions for 2006 from Part XII, line 4 ▶ § <u>725</u> <u>NA</u>				
a Applied to 2005, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required—see page 27 of the instructions)		0.		
c Treated as distributions out of corpus (Election required—see page 27 of the instructions)	0.			
d Applied to 2006 distributable amount				0.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2006 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.			
b Prior years' undistributed income Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b Taxable amount—see page 27 of the instructions		0.		
e Undistributed income for 2005. Subtract line 4a from line 2a. Taxable amount—see page 27 of the instructions			0.	
f Undistributed income for 2006. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2007				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(E) or 4942(g)(3) (see page 28 of the instructions)	0.			
8 Excess distributions carryover from 2001 not applied on line 5 or line 7 (see page 28 of the instructions)	0.			
9 <b>Excess distributions carryover to 2007.</b> Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2002				
b Excess from 2003				
c Excess from 2004				
d Excess from 2005				
e Excess from 2006				

**Part XIV Private Operating Foundations** (see page 28 of the instructions and Part VII-A. question 9)

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2006, enter the date of the ruling

11/19/98

b Check box to indicate whether the foundation is a private operating foundation described in section  4942(j)(3) or  4942(j)(5)

2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

Tax year	Prior 3 years			Total
	(a) 2006	(b) 2005	(c) 2004	
582	323	80	237	1222
495	275	68	201	1039
725	650	1,202	1,924	4501
0	0	0	0	0
725	650	1,202	1,924	4501

b 85% of line 2a

c Qualifying distributions from Part XII, line 4 for each year listed

d Amounts included in line 2c not used directly for active conduct of exempt activities

e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c

3 Complete 3a, b, or c for the alternative test relied upon

a "Assets" alternative test—enter:

- (1) Value of all assets
- (2) Value of assets qualifying under section 4942(j)(3)(B)(i)

b "Endowment" alternative test—enter % of minimum investment return shown in Part X, line 6 for each year listed

16,113	15,796	18,301	19,145	69,355
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c "Support" alternative test—enter:

- (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)
- (2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)
- (3) Largest amount of support from an exempt organization
- (4) Gross investment income

				0
				0
				0
				0

**Part XV Supplementary Information** (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year—see page 28 of the instructions.)

**1 Information Regarding Foundation Managers:**

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000) (See section 507(d)(2).)

Lael M. Meixsell

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest

None

**2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**

Check here  if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

a The name, address, and telephone number of the person to whom applications should be addressed

Lael M. Meixsell, Director and Trustee  
34 Barton Drive, Sudbury, MA 01776-2506 Tel: 978-443-6959

b The form in which applications should be submitted and information and materials they should include

Formal request with verification of 501(c)(3) status and purpose literature.

c Any submission deadlines:

No

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors: Charitable organizations seeking donations must pursue a mission similar to that of The Mountain Bay Foundation. (See Part XVI-B)

**Part XV** Supplementary Information (continued)

**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year None				
<b>Total</b>				3a 0
b Approved for future payment None				
<b>Total</b>				3b 0



Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

Table with columns Yes and No. Rows include 1a(1) Cash, 1a(2) Other assets, 1b(1) Sales of assets to a noncharitable exempt organization, 1b(2) Purchases of assets from a noncharitable exempt organization, 1b(3) Rental of facilities, equipment, or other assets, 1b(4) Reimbursement arrangements, 1b(5) Loans or loan guarantees, 1b(6) Performance of services or membership or fundraising solicitations, and 1c Sharing of facilities, equipment, mailing lists, other assets, or paid employees.

- 2 Transfers from the reporting foundation to a noncharitable exempt organization of: (1) Cash, (2) Other assets. 3 Other transactions: (1) Sales of assets to a noncharitable exempt organization, (2) Purchases of assets from a noncharitable exempt organization, (3) Rental of facilities, equipment, or other assets, (4) Reimbursement arrangements, (5) Loans or loan guarantees, (6) Performance of services or membership or fundraising solicitations. 4 Sharing of facilities, equipment, mailing lists, other assets, or paid employees.

5 If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

Schedule table with columns: (a) Line no., (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements. Entry: (c) NA.

6a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? [ ] Yes [X] No

6b If "Yes," complete the following schedule. Table with columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship. Entry: (b) NA.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge.

Signature section with fields for: Signature of officer or trustee, Date (5/20/2010), Title (Trustee), Preparer's signature, Date, Check if self-employed, Preparer's SSN or PTIN, Firm's name (or yours if self-employed), address, and ZIP code, EIN, Phone no.

# Attachment I -- Capital Gains/Losses 2006

Name(s) shown on return—Do not enter name and social security number if shown on other side.

EIN

Your social security number  
04-3369535

## Long-Term Capital Gains and Losses—Assets Held More Than One Year

(a) Description of property (Example 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price (see page D-7 of the instructions)	(e) Cost or other basis (see page D-7 of the instructions)	(f) Gain or (loss) Subtract (e) from (d)
500 sh AMAT	7/16/03	1/11/06	9,987	9,520	467
20 ANQAC	10/13/03	1/11/06	10,971	18,036	<-7,066>
10 INQRE	9/03/03	1/21/06	0	8,443	<-8,443>
10 INQRE	10/01/03	1/21/06	0	8,343	<-8,343>
10 INQRE	11/11/03	1/21/06	0	12,043	<-12,043>
10 INQAI	1/13/04	1/21/06	0	2,668	<-2,668>
30 INQRI	1/13/04	1/21/06	0	8,005	<-8,005>
40 INQAI	1/17/04	1/21/06	0	10,273	<-10,273>
10 DLQAF	9/03/03	1/21/06	0	9,523	<-9,523>
500 sh DELL	7/09/03	6/14/06	12,472	16,835	<-4,413>
200 sh DELL	7/09/03	7/18/06	4,367	6,734	<-2,367>
400 sh INTC	7/09/03	7/24/06	6,987	9,488	<-2,501>
300 sh DELL	7/09/03	9/25/06	6,587	10,101	<-3,514>
100 sh INTC	7/09/03	9/27/06	1,992	2,372	<-380>
1000 AMAT	7/16/03	10/04/06	17,986	19,040	<-1,054>
310 AMAT	7/16/03	10/13/06	5,885	5,962	17
Short-Term					
1,690 AMAT	1/20/06	10/13/06	32,085	40,614	<-8,529>
Totals					
			109,269	197,948	<-88,636>

<u>Statement</u>	<u>Topic and Data</u>			
1	Accounting Fees to PG 1, LN 16b:			
	Expense per Books	Net Investment Income	Adjusted Net Income	Charitable Purposes
	1800	0	0	450
2	Other Expenses to PG 1, LN 23:			
	Expense per Books	Net Investment Income	Adjusted Net Income	Charitable Purposes
	Office	0	0	55
	Dues/fees	0	0	220
	Interest Schwab	<u>3413</u>	<u>0</u>	<u>0</u>
	Totals	3413	0	275
3	Other Increases in Net Assets or Fund Balances tp Part III, LN 3:			
	Long term cappital gain on sales of investments			484
4	Other Decreases in Net Assets or Fund Balances tp Part III, LN 5:			
	Long term cappital loss on sales of investments			88636
5	Corporate Stock to Part II, LN 10b:			
	Marketable securities:	Book value 73095	Fair market value 50568	
6	Other Assets to Part II, LN 15			
	Conservation land-specific use asset	<u>45006</u>	<u>Fair market value</u>	
	IRS approved set-aside	400,000	45006	
			400,000	
7	Other Liabilities to Part II, LN22, column (b):			
	Obligation under IRS approved set-aside	400,000		