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# Return of Private Foundation

## or Section 4947(a)(1) Nonexempt Charitable Trust

### Treated as a Private Foundation

OMB No 1545-0052

2009

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 2009, or tax year beginning **AUG 1, 2009**, and ending **JUL 31, 2010**

G Check all that apply: ☐ Initial return ☐ Initial return of a former public charity ☐ Final return  
☐ Amended return ☐ Address change ☐ Name change

Use the IRS label. Otherwise, print or type. See Specific Instructions.	Name of foundation <b>C F MARTELL MEMORIAL FOUNDATION</b>		A Employer identification number <b>45-6010183</b>
	Number and street (or P O box number if mail is not delivered to street address)	Room/suite	B Telephone number <b>701-774-8321</b>
	1ST INT. TRUST DEPT, PO BOX 1088		C If exemption application is pending, check here <input type="checkbox"/>
	City or town, state, and ZIP code <b>WILLISTON, ND 58802-1088</b>		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation			E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ <b>925,950.</b>		J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received				N/A	
2 Check <input checked="" type="checkbox"/> If the foundation is not required to attach Sch B					
3 Interest on savings and temporary cash investments		11,464.	11,464.		Statement 1
4 Dividends and interest from securities		13,982.	13,982.		Statement 2
5a Gross rents		3,353.	3,353.		Statement 3
b Net rental income or (loss) <b>3,201.</b>					Statement 4
6a Net gain or (loss) from sale of assets not on line 10		14,107.			
b Gross sales price for all assets on line 6a <b>77,110.</b>					
7 Capital gain net income (from Part IV, line 2)			14,107.		
8 Net short-term capital gain					
9 Income modifications					
10a Gross sales less returns and allowances					
b Less Cost of goods sold					
c Gross profit or (loss)					
11 Other income		17.	17.		Statement 5
12 Total Add lines 1 through 11		42,923.	42,923.		
13 Compensation of officers, directors, trustees, etc		9,115.	4,557.		4,558.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees					
b Accounting fees Stmt 6		835.	493.		342.
c Other professional fees					
17 Interest					
18 Taxes Stmt 7		146.	152.		0.
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications		7.	3.		4.
23 Other expenses					
24 Total operating and administrative expenses Add lines 13 through 23		10,103.	5,205.		4,904.
25 Contributions, gifts, grants paid		67,938.			67,938.
26 Total expenses and disbursements. Add lines 24 and 25		78,041.	5,205.		72,842.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		-35,118.			
b Net investment income (if negative, enter -0-)			37,718.		
c Adjusted net income (if negative, enter -0-)				N/A	

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Operating and Administrative Expenses

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**Part II Balance Sheets**

Attached schedules and amounts in the description column should be for end-of-year amounts only

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
<b>Assets</b>	1 Cash - non-interest-bearing	150.		
	2 Savings and temporary cash investments	98,254.	89,797.	89,797.
	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			
	7 Other notes and loans receivable Stmt 10▶ 258,497.			
	Less: allowance for doubtful accounts ▶	258,843.	258,497.	258,497.
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations Stmt 11	59,001.	100,701.	105,288.
	b Investments - corporate stock Stmt 12	433,982.	408,119.	472,359.
	c Investments - corporate bonds			
11 Investments - land, buildings, and equipment basis ▶				
Less accumulated depreciation ▶				
12 Investments - mortgage loans				
13 Investments - other Stmt 13	9.	9.	9.	
14 Land, buildings, and equipment; basis ▶				
Less accumulated depreciation ▶				
15 Other assets (describe ▶)				
<b>16 Total assets (to be completed by all filers)</b>	<b>850,239.</b>	<b>857,123.</b>	<b>925,950.</b>	
<b>Liabilities</b>	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)			
	<b>23 Total liabilities (add lines 17 through 22)</b>	<b>0.</b>	<b>0.</b>	
<b>Net Assets or Fund Balances</b>	<b>Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/></b> <b>and complete lines 24 through 26 and lines 30 and 31.</b>			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	<b>Foundations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/></b> <b>and complete lines 27 through 31.</b>			
	27 Capital stock, trust principal, or current funds	0.	0.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	850,239.	857,123.	Statement 9
<b>30 Total net assets or fund balances</b>	<b>850,239.</b>	<b>857,123.</b>		
<b>31 Total liabilities and net assets/fund balances</b>	<b>850,239.</b>	<b>857,123.</b>		

**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	850,239.
2 Enter amount from Part I, line 27a	2	-35,118.
3 Other increases not included in line 2 (itemize) ▶ See Statement 8	3	42,002.
4 Add lines 1, 2, and 3	4	857,123.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	857,123.

**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.)
<b>1a</b>				
<b>b</b> See Attached Statements				
<b>c</b>				
<b>d</b>				
<b>e</b>				

(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)
<b>a</b>			
<b>b</b>			
<b>c</b>			
<b>d</b>			
<b>e</b> 77,110.		63,003.	14,107.

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
<b>a</b>			
<b>b</b>			
<b>c</b>			
<b>d</b>			
<b>e</b>			14,107.

<b>2</b> 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 }		<b>2</b>	14,107.
<b>3</b> 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). If (loss), enter -0- in Part I, line 8 }		<b>3</b>	N/A

**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 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))
2008	82,300.	572,402.	.143780
2007	105,053.	685,837.	.153175
2006	121,409.	685,069.	.177222
2005	103,828.	631,222.	.164487
2004	115,800.	592,618.	.195404

<b>2</b> Total of line 1, column (d)	<b>2</b>	.834068
<b>3</b> 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	<b>3</b>	.166814
<b>4</b> Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	<b>4</b>	618,404.
<b>5</b> Multiply line 4 by line 3	<b>5</b>	103,158.
<b>6</b> Enter 1% of net investment income (1% of Part I, line 27b)	<b>6</b>	377.
<b>7</b> Add lines 5 and 6	<b>7</b>	103,535.
<b>8</b> Enter qualifying distributions from Part XII, line 4	<b>8</b>	72,842.

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.

**Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see instructions)**

1a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)		1	754.
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			
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b)			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0.
3 Add lines 1 and 2		3	754.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	754.
6 Credits/Payments:			
a 2009 estimated tax payments and 2008 overpayment credited to 2009	6a	520.	
b Exempt foreign organizations - tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c		
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d	7	520.	
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	234.	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10		
11 Enter the amount of line 10 to be: Credited to 2010 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	11		

**Part VII-A Statements Regarding Activities**

	Yes	No
1a 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 Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? 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		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. <input type="checkbox"/> \$ 0. (2) On foundation managers. <input type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. <input type="checkbox"/> \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities.		X
3 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? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		X
6 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	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV.	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <input type="checkbox"/> None		
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? If "No," attach explanation	X	
9 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 2009 or the taxable year beginning in 2009 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

N/A

**Part VII-A Statements Regarding Activities** (continued)

11	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)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ► N/A

14 The books are in care of ► 1ST INTERNATIONAL BANK & TRUST Telephone no. ► 701-774-8321  
 Located at ► 19 E 4TH ST, WILLISTON, ND ZIP+4 ► 58801

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 N/A

**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.

	Yes	No
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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here	<u>N/A</u>	1b
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 2009?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	1c
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 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
If "Yes," list the years ► _____ , _____ , _____		
b Are there any years listed in 2a for which the foundation is <b>not</b> 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 instructions.)	<u>N/A</u>	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. ► _____ , _____ , _____		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b If "Yes," did it have excess business holdings in 2009 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 2009.)	<u>N/A</u>	3b
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a
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 2009?		4b

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**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)?

☐ 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 instructions)?

N/A

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?

N/A

☐ 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?

If "Yes" to 6b, file Form 8870.

6b

X

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?

N/A

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.

(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
See Statement 14		9,115.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1). 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

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**Part VIII** Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3** Five highest-paid independent contractors for professional services. 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.

	Expenses
1 N/A	
	0.
2	
3	
4	

**Part IX-B** Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.

	Amount
1 N/A	
	0.
2	
All other program-related investments. See instructions.	
3 N/A	
	0.
	0.
<b>Total.</b> Add lines 1 through 3	0.

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

<b>1</b>	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
<b>a</b>	Average monthly fair market value of securities	<b>1a</b>	555,631.
<b>b</b>	Average of monthly cash balances	<b>1b</b>	72,190.
<b>c</b>	Fair market value of all other assets	<b>1c</b>	
<b>d</b>	<b>Total</b> (add lines 1a, b, and c)	<b>1d</b>	627,821.
<b>e</b>	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	<b>1e</b>	0.
<b>2</b>	Acquisition indebtedness applicable to line 1 assets	<b>2</b>	0.
<b>3</b>	Subtract line 2 from line 1d	<b>3</b>	627,821.
<b>4</b>	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	<b>4</b>	9,417.
<b>5</b>	<b>Net value of noncharitable-use assets</b> Subtract line 4 from line 3. Enter here and on Part V, line 4	<b>5</b>	618,404.
<b>6</b>	<b>Minimum investment return</b> Enter 5% of line 5	<b>6</b>	30,920.

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

<b>1</b>	Minimum investment return from Part X, line 6	<b>1</b>	30,920.
<b>2a</b>	Tax on investment income for 2009 from Part VI, line 5	<b>2a</b>	754.
<b>b</b>	Income tax for 2009. (This does not include the tax from Part VI.)	<b>2b</b>	
<b>c</b>	Add lines 2a and 2b	<b>2c</b>	754.
<b>3</b>	Distributable amount before adjustments. Subtract line 2c from line 1	<b>3</b>	30,166.
<b>4</b>	Recoveries of amounts treated as qualifying distributions	<b>4</b>	42,346.
<b>5</b>	Add lines 3 and 4	<b>5</b>	72,512.
<b>6</b>	Deduction from distributable amount (see instructions)	<b>6</b>	0.
<b>7</b>	<b>Distributable amount as adjusted.</b> Subtract line 6 from line 5. Enter here and on Part XIII, line 1	<b>7</b>	72,512.

**Part XII Qualifying Distributions** (see instructions)

<b>1</b>	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
<b>a</b>	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	<b>1a</b>	72,842.
<b>b</b>	Program-related investments - total from Part IX-B	<b>1b</b>	0.
<b>2</b>	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	<b>2</b>	
<b>3</b>	Amounts set aside for specific charitable projects that satisfy the:		
<b>a</b>	Suitability test (prior IRS approval required)	<b>3a</b>	
<b>b</b>	Cash distribution test (attach the required schedule)	<b>3b</b>	
<b>4</b>	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	<b>4</b>	72,842.
<b>5</b>	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	<b>5</b>	0.
<b>6</b>	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	<b>6</b>	72,842.

**Note.** The amount on line 6 will be used in Part V, 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 instructions)

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
<b>1</b> Distributable amount for 2009 from Part XI, line 7				72,512.
<b>2</b> Undistributed income, if any, as of the end of 2009				
<b>a</b> Enter amount for 2008 only			0.	
<b>b</b> Total for prior years:		0.		
<b>3</b> Excess distributions carryover, if any, to 2009:				
<b>a</b> From 2004				
<b>b</b> From 2005				
<b>c</b> From 2006				
<b>d</b> From 2007				
<b>e</b> From 2008				2,714.
<b>f</b> Total of lines 3a through e	2,714.			
<b>4</b> Qualifying distributions for 2009 from Part XII, line 4: ▶ \$ 72,842.				
<b>a</b> Applied to 2008, but not more than line 2a			0.	
<b>b</b> Applied to undistributed income of prior years (Election required - see instructions)		0.		
<b>c</b> Treated as distributions out of corpus (Election required - see instructions)	0.			
<b>d</b> Applied to 2009 distributable amount				72,512.
<b>e</b> Remaining amount distributed out of corpus	330.			
<b>5</b> Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
<b>6</b> Enter the net total of each column as indicated below:				
<b>a</b> Corpus Add lines 3f, 4c, and 4e Subtract line 5	3,044.			
<b>b</b> Prior years' undistributed income. Subtract line 4b from line 2b		0.		
<b>c</b> 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.		
<b>d</b> Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
<b>e</b> Undistributed income for 2008. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
<b>f</b> Undistributed income for 2009. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2010				0.
<b>7</b> Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
<b>8</b> Excess distributions carryover from 2004 not applied on line 5 or line 7	0.			
<b>9</b> Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	3,044.			
<b>10</b> Analysis of line 9:				
<b>a</b> Excess from 2005				
<b>b</b> Excess from 2006				
<b>c</b> Excess from 2007				
<b>d</b> Excess from 2008				2,714.
<b>e</b> Excess from 2009				330.



**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
<b>a Paid during the year</b>				
EDUCATIONAL LOANS (SEE ATTACHED)	NONE	N/A	EDUCATION LOAN	42,000.
ST JOSEPHS SCHOOL WILLISTON, ND 58801	NONE	PUBLIC CHARITY	EDUCATION	8,646.
HOME ON THE RANGE SENTINEL BUTTE, ND	NONE	PUBLIC CHARITY	EDUCATION	8,646.
WILMAC SPECIAL EDUCATION UNIT WILLISTON, ND 58801	NONE	PUBLIC SCHOOL	EDUCATION	8,646.
<b>Total</b>				<b>67,938.</b>
<b>b Approved for future payment</b>				
AVAILABLE FUNDS AS DIRECTED BY TRUST DOCUMENT				
<b>Total</b>				<b>0.</b>





**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	ICM SMALL CO PORT - 15.979	P	02/27/09	01/29/10
b	COHEN & STEERS REALTY - 182.153	P	05/27/09	05/25/10
c	FIDELITY EMERGING MKTS - 791.444	P	02/27/09	01/29/10
d	FIDELITY EMERGING MKTS - 131.851	P	05/27/09	01/29/10
e	COHEN & STEERS REALTY - 184.229	P	Various	01/29/10
f	COHEN & STEERS REALTY - 267.25	P	Various	05/25/10
g	FEDERATED GNMA TRUST FUND 16 - 9.965	P	08/12/05	05/25/10
h	FED US GOVT SEC 2-5 YRS - 33.306	P	08/12/05	05/25/10
i	FIDELITY NATURAL RESOURCES - 6.915	P	10/24/08	01/29/10
j	PERKINS MID CAP VALUE - 44.576	P	06/10/05	01/29/10
k	PERKINS MID CAP VALUE - 291.98	P	06/10/05	05/25/10
l	JANUS ORION FUND - 76.349	P	08/07/06	01/29/10
m	MFS INT'L NEW DISCOVERY - 138.778	P	08/05/05	01/29/10
n	MFS VALUE FUND I - 17.499	P	08/27/03	01/29/10
o	MFS VALUE FUND I - 226.737	P	08/27/03	05/25/10

(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 387.		223.	164.
b 9,084.		5,885.	3,199.
c 16,850.		8,880.	7,970.
d 2,807.		2,194.	613.
e 8,189.		10,111.	-1,922.
f 12,576.		9,395.	3,181.
g 113.		110.	3.
h 399.		369.	30.
i 184.		119.	65.
j 863.		1,004.	-141.
k 5,752.		6,575.	-823.
l 736.		661.	75.
m 2,498.		3,238.	-740.
n 354.		313.	41.
o 4,537.		4,059.	478.

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

(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
a			164.
b			3,199.
c			7,970.
d			613.
e			-1,922.
f			3,181.
g			3.
h			30.
i			65.
j			-141.
k			-823.
l			75.
m			-740.
n			41.
o			478.

- 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 }
- 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).  
If (loss), enter "-0-" in Part I, line 8 }

2

3

**C F MARTELL MEMORIAL FOUNDATION****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 <b>MFS HIGH YIELD OPP FUND - 302.337</b>		P	10/24/08	01/29/10
b <b>PIMCO TOTAL RETURN I - 69.64</b>		P	02/23/05	05/25/10
c <b>T ROWE PRICE GROWTH STOCK - 105.294</b>		P	05/18/04	01/29/10
d <b>THORNBURG INTL VALUE I - 5.861</b>		P	03/07/08	01/29/10
e <b>VANGUARD L-T US TREAS - 154.847</b>		P	10/24/08	05/25/10
f <b>VANGUARD 500 INDEX - 36.191</b>		P	08/27/03	01/29/10
g <b>VANGUARD SML CAP GROWTH - 30.148</b>		P	08/07/06	01/29/10
h <b>Capital Gains Dividends</b>				
i				
j				
k				
l				
m				
n				
o				

(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 1,811.		1,415.	396.
b 773.		741.	32.
c 2,725.		2,507.	218.
d 142.		175.	-33.
e 1,821.		1,779.	42.
f 2,959.		2,760.	199.
g 489.		490.	-1.
h 1,061.			1,061.
i			
j			
k			
l			
m			
n			
o			

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

(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
a			396.
b			32.
c			218.
d			-33.
e			42.
f			199.
g			-1.
h			1,061.
i			
j			
k			
l			
m			
n			
o			

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

14,107.

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).

If (loss), enter "-0-" in Part I, line 8

3

N/A



0801 PREPARED FOR ACCOUNT # 23 01 5471 0 06 - CF HARTELL MEMORIAL FOUNDATION TRUST - LOANS TAX LEDGER ACCOUNT SITUS = ND PAGE 8  
 PROCESS DATE 07/31/2010 TAX ID# = 456010183  
 FOR TAX YEAR ENDED 07/31/2010 STATE TAX ID# =

SECTION L - DISTRIBUTIONS FROM PRINCIPAL CASH

DATE	CUSIP #	DESCRIPTION TO OR FOR BENEFICIARY	CODE	PRINCIPAL CASH
09/01/09		MEGAN MCLEES LOAN DISBURSEMENT CHECK NUMBER 70024	031	-3000.00
09/01/09		MALLORI BETH ASCHENBENNER LOAN DISBURSEMENT CHECK NUMBER 70025	031	-3000.00
09/01/09		TIFFANY BERTSCH LOAN DISBURSEMENT CHECK NUMBER 70026	031	-3000.00
09/01/09		CHELSEA KALLBERG LOAN DISBURSEMENT	031	-3000.00
09/01/09		NATHAN SVIHOVEC LOAN DISBURSEMENT CHECK NUMBER 70027	031	-3000.00
09/01/09		COLLETTE REGAN LOAN DISBURSEMENT CHECK NUMBER 70028	031	-3000.00
09/01/09		KENDRA PATTEN LOAN DISBURSEMENT CHECK NUMBER 70029	031	-3000.00
09/01/09		JAMIE FULWIDER LOAN DISBURSEMENT CHECK NUMBER 70030	031	-3000.00
09/01/09		EMILY SELL LOAN DISBURSEMENT CHECK NUMBER 70031	031	-3000.00
09/01/09		LYNNE NAPTON LOAN DISBURSEMENT	031	-3000.00

0801 PREPARED FOR ACCOUNT # 23 01 5471 0 06 - CF HARTELL MEMORIAL FOUNDATION TRUST - LOANS TAX LEDGER ACCOUNT SITUS = ND PAGE 9  
 PROCESS DATE 07/31/2010 TAX ID# = 456010183  
 FOR TAX YEAR ENDED 07/31/2010 STATE TAX ID# =

SECTION L - DISTRIBUTIONS FROM PRINCIPAL CASH

DATE	CUSIP #	DESCRIPTION TO OR FOR BENEFICIARY	CODE	PRINCIPAL CASH
09/01/09		CHECK NUMBER 70032 ZACHARIAH BOLDT LOAN DISBURSEMENT	031	-3000.00
09/01/09		CHECK NUMBER 70033 KYLIE BOLDT LOAN DISBURSEMENT	031	-3000.00
09/01/09		CHECK NUMBER 70034 MOLLIE FEARING LOAN DISTRIBUTION CHECK NUMBER 70035	031	-3000.00
09/01/09		KARIE ROLFSON	031	-3000.00

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Form 990-PF Interest on Savings and Temporary Cash Investments Statement 1

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Source	Amount
1ST INTERNATIONAL	77.
EDUCATION LOANS	11,387.
Total to Form 990-PF, Part I, line 3, Column A	11,464.

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Form 990-PF Dividends and Interest from Securities Statement 2

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Source	Gross Amount	Capital Gains Dividends	Column (A) Amount
AMERICAN CENTURY INFLA	401.	0.	401.
COHEN & STEERS REALTY	1,109.	0.	1,109.
FED US GOVT SEC	1,731.	677.	1,054.
FEDERATED GNMA TRUST	850.	0.	850.
FIDELITY EMERGING MKTS	232.	0.	232.
FIDELITY NATURAL RES	27.	0.	27.
FRANKLIN GOLD & METALS	426.	59.	367.
ICM SMALL CO PORT	28.	0.	28.
JANUS ORION FUND	2.	0.	2.
MFS HIGH YIELD OPP FUND	2,048.	0.	2,048.
MFS INT'L NEW DISCOVERY	379.	0.	379.
MFS VALUE FUND	691.	0.	691.
PERKINS MID CAP VALUE	33.	0.	33.
PIMCO LOW DURATION	693.	3.	690.
PIMCO TOTAL RETURN I	2,700.	116.	2,584.
T ROWE PRICE GROWTH STK	82.	0.	82.
THORNBURG INTL VALUE I	387.	0.	387.
VANGUARD 500 INDEX	1,569.	0.	1,569.
VANGUARD L-T US TREAS	1,637.	206.	1,431.
VANGUARD SMALL CAP GROWTH	18.	0.	18.
Total to Fm 990-PF, Part I, ln 4	15,043.	1,061.	13,982.

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Form 990-PF	Rental Income	Statement	3
Kind and Location of Property	Activity Number	Gross Rental Income	
OIL & GAS ROYALTIES	1	2,753.	
OIL & GAS LEASE	2	600.	
Total to Form 990-PF, Part I, line 5a		3,353.	

Form 990-PF	Rental Expenses	Statement	4
Description	Activity Number	Amount	Total
PRODUCTION TAXES		152.	
- SubTotal -	1		152.
Total rental expenses			152.
Net rental Income to Form 990-PF, Part I, line 5b			3,201.

Form 990-PF	Other Income	Statement	5
Description	(a) Revenue Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income
LITIGATION DISTRIBUTIONS	17.	17.	
Total to Form 990-PF, Part I, line 11	17.	17.	

Form 990-PF	Accounting Fees			Statement 6
Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes
ACCOUNTING	685.	343.		342.
VENDOR SERVICE FEES	150.	150.		0.
To Form 990-PF, Pg 1, ln 16b	835.	493.		342.

Form 990-PF	Taxes			Statement	7
Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes	
FEDERAL EXCISE TAX	-6.	0.		0.	
PRODUCTION TAXES	152.	152.		0.	
To Form 990-PF, Pg 1, ln 18	146.	152.		0.	

Form 990-PF	Other Increases in Net Assets or Fund Balances	Statement	8
Description		Amount	
EDUCATION LOANS ISSUED		42,000.	
ROUNDING		2.	
Total to Form 990-PF, Part III, line 3		42,002.	

Form 990-PF	Other Funds	Statement	9
Description	(A) Beginning of Year	(B) End of Year	
Endowment Fund	850,239.	857,123.	
Total to Form 990-PF, Part II, line 29	850,239.	857,123.	

Form 990-PF      Other Notes and Loans Reported Separately      Statement 10

<u>Borrower's Name</u>			<u>Terms of Repayment</u>	<u>Interest Rate</u>
EDUCATION LOANS			MONTHLY	4.00%
<u>Date of Note</u>	<u>Maturity Date</u>	<u>Original Loan Amount</u>	<u>Description of Consideration</u>	<u>FMV of Consideration</u>
Various	Various	0.		0.

<u>Security Provided by Borrower</u>	<u>Purpose of Loan</u>
	EDUCATION

<u>Relationship of Borrower</u>	<u>Balance Due</u>	<u>Doubtful Acct Allowance</u>	<u>FMV of Loan</u>
NONE	258,497.	0.	0.
Total to Form 990-PF, Part II, line 7	258,497.	0.	0.

Form 990-PF      U.S. and State/City Government Obligations      Statement 11

<u>Description</u>	<u>U.S. Gov't</u>	<u>Other Gov't</u>	<u>Book Value</u>	<u>Fair Market Value</u>
TRUST & BOND FUNDS	X		100,701.	105,288.
Total U.S. Government Obligations			100,701.	105,288.
Total State and Municipal Government Obligations				
Total to Form 990-PF, Part II, line 10a			100,701.	105,288.

Form 990-PF	Corporate Stock	Statement	12
Description	Book Value	Fair Market Value	
MUTUAL FUNDS	408,119.	472,359.	
Total to Form 990-PF, Part II, line 10b	408,119.	472,359.	

Form 990-PF	Other Investments	Statement	13
Description	Valuation Method	Book Value	Fair Market Value
MINERAL INTERESTS	COST	9.	9.
Total to Form 990-PF, Part II, line 13		9.	9.

Form 990-PF	Part VIII - List of Officers, Directors Trustees and Foundation Managers	Statement	14
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Name and Address	Title and Avrg Hrs/Wk	Compensation	Employee Ben Plan Expense Contrib Account	
WILLIAM MCLEES MINOT, ND 58701	CHAIRMAN 0.10	0.	0.	0.
FRANCES OLSON WATFORD CITY, ND 58854	SECRETARY 0.10	0.	0.	0.
FR. DENNIS SCHAFER WILLISTON, ND 58801	DIRECTOR 0.10	0.	0.	0.
GERALD RUSTAD WILLISTON, ND 58801	VICE-CHAIR 0.10	0.	0.	0.
STEVE HOLEN WATFORD CITY, ND 58854	DIRECTOR 0.10	0.	0.	0.

C F. MARTELL MEMORIAL FOUNDATION

45-6010183

1ST INTERNATIONAL TRUST DEPARTMENT TRUSTEE  
19 E 4TH ST 3.00  
WILLISTON, ND 58801

9,115. 0. 0.

Totals included on 990-PF, Page 6, Part VIII

9,115. 0. 0.