EXTENDED TO AUGUST 15, 2011

Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0052

2010

For calendar year 2010, or tax year beginning, and ending

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

Name of foundation
MORSE HILL TRUST
C/O BOND, SCHOENECK & KING, PLLC

A Employer identification number
14-6208616

Number and street (or P O box number if mail is not delivered to street address)
111 WASHINGTON AVE

Room/suite

B Telephone number
518-533-3240

City or town, state, and ZIP code
ALBANY, NY 12210

C If exemption application is pending, check here ▶ [ ]
D 1. Foreign organizations, check here ▶ [ ]
2. Foreign organizations meeting the 85% test, check here and attach computation ▶ [ ]

H Check type of organization: [X] Section 501(c)(3) exempt private foundation
[ ] Section 4947(a)(1) nonexempt charitable trust [ ] Other taxable private foundation

E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ [ ]

I Fair market value of all assets at end of year *(from Part II, col. (c), line 16)* ▶$ 843,287.

J Accounting method: [X] Cash [ ] Accrual
[ ] Other (specify)
(Part I, column (d) must be on cash basis.)

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶ [ ]

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)
Revenue	1 Contributions, gifts, grants, etc., received			N/A	
	2 Check ▶ [X] if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	1.	1.		Statement 1
	4 Dividends and interest from securities	10,811.	10,811.		Statement 2
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	2,618.			
	b Gross sales price for all assets on line 6a 76,321.				
	7 Capital gain net income (from Part IV, line 2)		2,618.		
	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				
	12 **Total** Add lines 1 through 11	13,430.	13,430.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	0.	0.		0.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees				
	b Accounting fees				
	c Other professional fees				
	17 Interest				
	18 Taxes Stmt 3	166.	166.		0.
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses Stmt 4	4,176.	4,076.		0.
	24 **Total operating and administrative expenses.** Add lines 13 through 23	4,342.	4,242.		0.
	25 Contributions, gifts, grants paid	45,000.			45,000.
	26 **Total expenses and disbursements.** Add lines 24 and 25	49,342.	4,242.		45,000.
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	<35,912.>			
	b **Net investment income** (if negative, enter -0-)		9,188.		
	c **Adjusted net income** (if negative, enter -0-)			N/A	

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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
Assets	1 Cash - non-interest-bearing	238.	238.	238.
	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			
	7 Other notes and loans receivable ▶			
	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 Stmt 5	111,466.	96,151.	96,199.
	b Investments - corporate stock Stmt 6	472,562.	451,810.	746,850.
	c Investments - corporate bonds			
	11 Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other			
	14 Land, buildings, and equipment: basis ▶			
	Less accumulated depreciation ▶			
	15 Other assets (describe ▶)			
	16 Total assets (to be completed by all filers)	584,266.	548,199.	843,287.
Liabilities	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 ▶)			
	23 Total liabilities (add lines 17 through 22)	0.	0.	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ [X] and complete lines 27 through 31.			
	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	584,266.	548,199.	
	30 Total net assets or fund balances	584,266.	548,199.	
	31 Total liabilities and net assets/fund balances	584,266.	548,199.	

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	584,266.
2 Enter amount from Part I, line 27a	2	<35,912.>
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	548,354.
5 Decreases not included in line 2 (itemize) ▶ PRIOR PERIOD ADJUSTMENT	5	155.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	548,199.

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	See Attached Statement			
c				
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				
b				
c				
d				
e	76,321.		73,703.	2,618.

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) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a				
b				
c				
d				
e				2,618.

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	2,618.
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

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 X 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))
2009	30,000.	651,074.	.046078
2008	62,656.	957,481.	.065438
2007	62,707.	1,148,619.	.054593
2006	61,549.	1,090,520.	.056440
2005	19,800.	970,113.	.020410

2	Total of line 1, column (d)	2	.242959
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	.048592
4	Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	766,968.
5	Multiply line 4 by line 3	5	37,269.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	92.
7	Add lines 5 and 6	7	37,361.
8	Enter qualifying distributions from Part XII, line 4	8	45,000.

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 ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter: ________ (attach copy of letter if necessary-see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ [X] and enter 1% of Part I, line 27b	1	92.
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	92.
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	92.
6	Credits/Payments:		
a	2010 estimated tax payments and 2009 overpayment credited to 2010 — 6a: 254.		
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	254.
8	Enter any **penalty** for underpayment of estimated tax. Check here ☐ 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	
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶	10	162.
11	Enter the amount of line 10 to be: **Credited to 2011 estimated tax** ▶ 162. **Refunded** ▶	11	0.

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?	1a		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*	1b		X
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	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.			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ 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.*	2		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*	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		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?	6	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*	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ NY			
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*	8b	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 2010 or the taxable year beginning in 2010 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		X
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		X

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

			Yes	No
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 ▶ Bond Schoeneck & King PLLC Telephone no. ▶ 518-533-3240
Located at ▶ 111 Washington Ave, Albany, NY ZIP+4 ▶ 12210

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 0.

			Yes	No
16	At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X
	See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ▶			

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

			Yes	No
	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)? N/A	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 2010?	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 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? ☐ Yes ☒ No			
	If "Yes," list the years ▶ ____, ____, ____, ____			
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 instructions.) N/A	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? ☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2010 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 2010.)* N/A	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 2010?	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)? ☐ 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 5b
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? 6b No: X
If "Yes" to 6b, 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? 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 7		0.	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	
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	
2	
All other program-related investments. See instructions. 3	
Total. 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.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:			
a	Average monthly fair market value of securities		1a	778,566.
b	Average of monthly cash balances		1b	82.
c	Fair market value of all other assets		1c	
d	**Total** (add lines 1a, b, and c)		1d	778,648.
e	Reduction claimed for blockage or other factors reported on lines 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	778,648.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)		4	11,680.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4		5	766,968.
6	**Minimum investment return.** Enter 5% of line 5		6	38,348.

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.)

1	Minimum investment return from Part X, line 6		1	38,348.
2a	Tax on investment income for 2010 from Part VI, line 5	2a 92.		
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b		
c	Add lines 2a and 2b		2c	92.
3	Distributable amount before adjustments. Subtract line 2c from line 1		3	38,256.
4	Recoveries of amounts treated as qualifying distributions		4	0.
5	Add lines 3 and 4		5	38,256.
6	Deduction from distributable amount (see instructions)		6	0.
7	**Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1		7	38,256.

Part XII Qualifying Distributions (see 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	45,000.
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	**Qualifying distributions.** Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	45,000.
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	5	92.
6	**Adjusted qualifying distributions** Subtract line 5 from line 4	6	44,908.

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 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				38,256.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			7,258.	
b Total for prior years: ______ , ______ , ______		0.		
3 Excess distributions carryover, if any, to 2010:				
a From 2005				
b From 2006				
c From 2007				
d From 2008				
e From 2009				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2010 from Part XII, line 4: ▶ $ 45,000.				
a Applied to 2009, but not more than line 2a			7,258.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2010 distributable amount				37,742.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2010 (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 instructions		0.		
e Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				514.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7	0.			
9 **Excess distributions carryover to 2011.** Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2006				
b Excess from 2007				
c Excess from 2008				
d Excess from 2009				
e Excess from 2010				

Part XIV **Private Operating Foundations** (see instructions and Part VII-A, question 9) N/A

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2010, enter the date of the ruling ▶

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

	Tax year	Prior 3 years			
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	(e) Total
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
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 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
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					

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 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).)

None

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 ▶ [X] 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 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:

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

c Any submission deadlines:

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:

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*				
See Statement 8				
Total			▶ 3a	45,000.
b *Approved for future payment*				
None				
Total			▶ 3b	0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	1.	
4 Dividends and interest from securities			14	10,811.	
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	2,618.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a					
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)		0.		13,430.	0.

13 Total. Add line 12, columns (b), (d), and (e) ... 13 13,430.

(See worksheet in line 13 instructions to verify calculations.)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes).

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

			Yes	No
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?			
a	Transfers from the reporting foundation to a noncharitable exempt organization of:			
	(1) Cash	1a(1)		X
	(2) Other assets	1a(2)		X
b	Other transactions:			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
	(3) Rental of facilities, equipment, or other assets	1b(3)		X
	(4) Reimbursement arrangements	1b(4)		X
	(5) Loans or loan guarantees	1b(5)		X
	(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

d 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.

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
		N/A	

2a 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 ☒ No

b If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

Sign Here

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 of officer or trustee — Date 6/27/11 — Title TRUSTEE

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
JOHN R. ALDRICH		6/28/2011		

Firm's name ▶ BOND, SCHOENECK & KING, PLLC — Firm's EIN ▶

Firm's address ▶ 111 WASHINGTON AVENUE
ALBANY, NY 12210-2211 — Phone no. 518-533-3000

023622
04-26-11

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	20,000 US TREASURY BILLS 2/10/11	P	08/11/10	10/21/10
b	400 BERKSHIRE HATHAWAY INC	P	12/18/80	02/01/10
c	700 BOSTON SCIENTIFIC CORP COM	P	08/04/05	02/05/10
d	1100 BREEZE-EASTERN CORP	P	12/14/07	05/03/10
e	100 ROPER INDS INC NEW COM	P	12/28/94	08/20/10
f	800 BOSTON SCIENTIFIC CORP COM		11/05/05	02/05/10
g				
h				
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	19,941.		19,986.	<45.>
b	30,686.		856.	29,830.
c	5,643.		19,600.	<13,957.>
d	7,130.		12,208.	<5,078.>
e	6,472.		603.	5,869.
f	6,449.		20,450.	<14,001.>
g				
h				
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			(l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
	(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	
a				<45.>
b				29,830.
c				<13,957.>
d				<5,078.>
e				5,869.
f				<14,001.>
g				
h				
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	2,618.
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

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

Source	Amount
STATE STREET BANK	1.
Total to Form 990-PF, Part I, line 3, Column A	1.

Form 990-PF Dividends and Interest from Securities Statement 2

Source	Gross Amount	Capital Gains Dividends	Column (A) Amount
State Street (BMO)- Dividends	10,771.	0.	10,771.
State Street (BMO)- Interest	40.	0.	40.
Total to Fm 990-PF, Part I, ln 4	10,811.	0.	10,811.

Form 990-PF Taxes Statement 3

Description	(a) Expenses Per Books	(b) Net Invest-ment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Foreign Taxes Paid	166.	166.		0.
To Form 990-PF, Pg 1, ln 18	166.	166.		0.

Form 990-PF Other Expenses Statement 4

Description	(a) Expenses Per Books	(b) Net Invest-ment Income	(c) Adjusted Net Income	(d) Charitable Purposes
BMO Investment Fees	3,728.	3,728.		0.
BMO Custodian Fees	348.	348.		0.
NYS Department of Law Fee	100.	0.		0.
To Form 990-PF, Pg 1, ln 23	4,176.	4,076.		0.

Form 990-PF	U.S. and State/City Government Obligations	Statement 5

Description	U.S. Gov't	Other Gov't	Book Value	Fair Market Value
US State and Govt Obligation - Money Fund	X		96,151.	96,199.
Total U.S. Government Obligations			96,151.	96,199.
Total State and Municipal Government Obligations				
Total to Form 990-PF, Part II, line 10a			96,151.	96,199.

Form 990-PF	Corporate Stock	Statement 6

Description	Book Value	Fair Market Value
Corporate Stock	451,810.	746,850.
Total to Form 990-PF, Part II, line 10b	451,810.	746,850.

Form 990-PF Part VIII - List of Officers, Directors Trustees and Foundation Managers Statement 7

Name and Address	Title and Avrg Hrs/Wk	Compen-sation	Employee Ben Plan Contrib	Expense Account
Jonathan S. Linen 17 Lenox Road Summit, NJ 07901	Trustee 0.00	0.	0.	0.
Leila J. Linen 17 Lenox Road Summit, NJ 07901	Trustee 0.00	0.	0.	0.
Elizabeth Linen Low C/O 17 Lenox Road Summit, NJ 07901	Trustee 0.00	0.	0.	0.
David Low C/O 17 Lenox Road Summit, NJ 07901	Trustee 0.00	0.	0.	0.
Leila B. Demers C/O 17 Lenox Road Summit, NJ 07901	Trustee 0.00	0.	0.	0.
Jeffrey Demers C/O 17 Lenox Road Summit, NJ 07901	Trustee 0.00	0.	0.	0.
Cameron Linen C/O 17 Lenox Road Summit, NJ 07901	Trustee 0.00	0.	0.	0.
Totals included on 990-PF, Page 6, Part VIII		0.	0.	0.

Form 990-PF | Grants and Contributions Paid During the Year | Statement 8

Recipient Name and Address	Recipient Relationship and Purpose of Grant	Recipient Status	Amount
Arts In Reach PO Box 148 Dover, NH 03821	NONE GENERAL PURPOSES	PUBLIC CHARITY	250.
Bainbridge Island Land Trust PO Box 10144 Bainbridge, WA 98110	NONE GENERAL PURPOSES	PUBLIC CHARITY	1,000.
BBBS 909 Islington Street STE 4 Portsmouth, NH 03801	NONE GENERAL PURPOSES	PUBLIC CHARITY	500.
Climate Solutions 219 Legion Way Sw, Ste 201 Olympia, WA 98501	NONE GENERAL PURPOSES	PUBLIC CHARITY	1,000.
Common Hope 550 Vandalia St ST Paul, MN 55114	NONE GENERAL PURPOSES	PUBLIC CHARITY	1,500.
Food Allergy and Anaphylactic Network 11781 Lee Jackson Highway, Suite 160 Fairfax, VA 22033	NONE GENERAL PURPOSES	PUBLIC CHARITY	250.
Little Sisters Fund C/O Becker Chambers, CPA, PO Box 715 Ketchum, ID 83333	NONE GENERAL PURPOSES	PUBLIC CHARITY	1,000.
Love, Light and Melody Lacrosse the Nations, PO Box 668 Littleton, CO 80160	NONE GENERAL PURPOSES	PUBLIC CHARITY	1,000.

New Heights 100 Campus Drive, Ste. 23 Portsmouth, NH 03801	NONE GENERAL PURPOSES	PUBLIC CHARITY	500.
Peacock Family Center 305 Madison Avenue N., Suite #C Bainbridge Island, WA 98810	NONE GENERAL PURPOSES	PUBLIC CHARITY	5,000.
Planned Parenthood of N. New England 89 South Main Street West Lebanon, NH 03874	NONE GENERAL PURPOSES	PUBLIC CHARITY	500.
Salish Sea Expeditions 647 Horizon View PL NW Bainbridge Island, WA 98110	NONE GENERAL PURPOSES	PUBLIC CHARITY	2,500.
Seacoast Academy 356 Exeter Road Hampton Falls, NH 03844	NONE GENERAL PURPOSES	PUBLIC CHARITY	7,000.
Schools, Mentoring and Resource Team (SMART) 1345 Mission Street San Francisco, CA 94103	NONE GENERAL PURPOSES	PUBLIC CHARITY	1,000.
Washington Toxics Coalition 4649 Sunnyside Ave N Suite 540 Seattle, WA 98103	NONE gENERAL PURPOSES	pUBLIC CHARITY	1,000.
Global Fund for Women 222 Sutter St., Suite 500 San Francisco, CA 94108	NONE GENERAL PURPOSES	PUBLIC CHARITY	1,000.
Global Visionaries 2524 16th Ave. S. Seattle, WA 98144	NONE GENERAL PURPOSES	PUBLIC CHARITY	1,000.
Child and Family Services of New Hampshire 1 Junkins Ave. Portsmouth, NH 03801	NONE GENERAL PURPOSES	PUBLIC CHARITY	1,000.

Community Child Care Center of Portsmouth 100 Campus Drive, Ste. 20 Portsmouth, NH 03801	NONE GENERAL PURPOSES	PUBLIC CHARITY	1,000.
Community Counseling Center 343 Forest Ave. Portland, ME 04101	NONE GENERAL PURPOSES	PUBLIC CHARITY	1,250.
C.R.A.C.K.'s Project Prevention 4351 Main Street #203 Harrisburg, NC 28075	NONE GENERAL PURPOSES	PUBLIC CHARITY	1,250.
Final Exit Network PO Box 965005 Marietta, GA 30066	NONE GENERAL PURPOSES	PUBLIC CHARITY	5,000.
Homeopaths Without Borders C/O Tina Quirk, 1202 Lexington Ave. #136 New York, NY 10028	NONE GENERAL PURPOSES	PUBLIC CHARITY	5,500.
More Than Wheels 250 Commercial St., Suite 4021 Manchester, NH 03101	NONE GENERAL PURPOSES	PUBLIC CHARITY	1,500.
National Center for Homeopathy 801 North Fairfax St., Suite 306 Alexandria, VA 22314	NONE GENERAL PURPOSES	PUBLIC CHARITY	1,000.
New Hampshire Charitable Foundation 446 Market Street Portsmouth, NH 03801	NONE GENERAL PURPOSES	PUBLIC CHARITY	500.
The Nash Foundation, Inc. PO Box 450039 Sunrise, FL 33345	NONE GENERAL PURPOSES	PUBLIC CHARITY	1,000.
Total to Form 990-PF, Part XV, line 3a			45,000.

STATE STREET.

MORSE HILL TRUST
Account Number: XX8212

Shares/ Units	Description	CUSIP	Tax Cost	Current Price	Market Value	Percent of Total	Estimated Annual Income	Current Yield
Cash and Equivalents								
	CASH BALANCE		$238.00		$238.00	0.03%		
16,207.280	SSGA INST TREAS MM INV CL FD	CM1TRVXX0	16,207.28	1.000	16,207.28	1.92	0.02	
80,000.000	US TREASURY BILLS 2/10/11	912795V40	79,944.18	99.990	79,992.00	9.49	111.95	0.14
Total Cash and Equivalents			$96,389.46		$96,437.28	11.44%	$111.97	
Equities								
800.000	ABBOTT LABORATORIES	002824100	$32,549.60	47.910	$38,328.00	4.55%	$1,408.00	3.67%
700.000	BAXTER INTERNATIONAL INC	071813109	25,087.00	50.620	35,434.00	4.20	868.00	2.45
350.000	BERKSHIRE HATHAWAY INC	084670702	748.65	80.110	28,038.50	3.32		
600.000	DOVER CORP	260003108	29,086.02	58.450	35,070.00	4.16	660.00	1.88
500.000	FLUOR CORP	343412102	22,938.70	66.260	33,130.00	3.93	250.00	0.75
300.000	GENZYME CORPORATION	372917104	16,278.21	71.200	21,360.00	2.53		
1,000.000	HCC INSURANCE HOLDINGS INC	404132102	30,612.00	28.940	28,940.00	3.43	580.00	2.00
2,500.000	LEUCADIA NATIONAL CORP	527288104	8,945.59	29.180	72,950.00	8.65	625.00	0.86
2,200.000	LEVEL 3 COMMUNICATIONS INC	52729N100	11,481.36	0.980	2,156.00	0.26		
700.000	MERCK & CO INC	58933Y105	1,971.06	36.040	25,228.00	2.99	1,064.00	4.22
1,500.000	NALCO HOLDING CO	62985Q101	27,444.90	31.940	47,910.00	5.68	210.00	0.44
600.000	PICO HOLDINGS INC	693366205	22,200.00	31.800	19,080.00	2.26		
900.000	ROPER INDUSTRIES INC	776696106	5,422.50	76.430	68,787.00	8.16	396.00	0.58
1,000.000	UNION PACIFIC CORP	907818108	23,790.00	92.660	92,660.00	10.99	1,520.00	1.64
300.000	WATERS CORP	941848103	16,838.70	77.710	23,313.00	2.76		
1,000.000	WILLIAMS COS INC	969457100	13,789.60	24.720	24,720.00	2.93	500.00	2.02
Total Equities			$289,161.89		$597,104.50	70.80%	$8,081.00	
Foreign Assets								
1,000.000	AXIS CAPITAL HOLDINGS LTD	G0692U109	$27,993.46	35.880	$35,880.00	4.25%	$920.00	2.56%
200.000	ENSTAR GROUP LTD	G3075P101	21,110.00	84.580	16,916.00	2.01		
700.000	NOBLE CORP	H5833N103	19,781.72	35.770	25,039.00	2.97	243.60	0.97
700.000	CENOVUS ENERGY INC	15135U109	14,330.89	33.240	23,268 00	2.76	548.10	2.36
700.000	ENCANA CORP	292505104	15,531.04	29.120	20,384.00	2.42	560.00	2.75
400.000	HSBC HOLDINGS PLC ADR	404280406	31,651.02	51.040	20,416.00	2.42	680.00	3.33
6,000.000	SHINSEI BANK LTD	673093902	32,249.95	1.308 Price as of12/30/10	7,841.69	0.93	73.98	0.94
Total Foreign Assets			$162,648.08		$149,744.69	17.76%	$3,025.68	
Total Account Holdings			$548,199.43		$843,286.47	100.00%	$11,218.65	