See a Social Security Number? Say Something!
Report Privacy Problems to https://public.resource.org/privacy
Or call the IRS Identity Theft Hotline at 1-800-908-4490

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

2011

For calendar year 2011, or tax year beginning , 2011, and ending ,

Name of foundation: THE HAGAN SCHOLARSHIP FOUNDATION

A Employer identification number: 68-6260880

Number and street (or P.O box number if mail is not delivered to street address): PO BOX 1225 Room/suite:

B Telephone number (see the instructions): (573) 875-2020

City or town: COLUMBIA State: MO ZIP code: 65205

C If exemption application is pending, check here ► ☐

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

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, column (c), line 16)* ► $ 64,438,686.

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) (see instructions).)*

		(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 (att sch)	21,230,342.			
	2 Ck ► ☐ if the foundn is not req to att Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	1,091,315.	1,091,315.	1,091,315.	
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain/(loss) from sale of assets not on line 10				
	b Gross sales price for all assets on line 6a				
	7 Capital gain net income (from Part IV, line 2)				
	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/(loss) (att sch)				
	11 Other income (attach schedule)				
	12 **Total.** Add lines 1 through 11	22,321,657.	1,091,315.	1,091,315.	
OPERATING AND ADMINISTRATIVE EXPENSES	13 Compensation of officers, directors, trustees, etc				
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach sch)				
	c Other prof fees (attach sch)				
	17 Interest				
	18 Taxes (attach schedule)(see instrs) FOREIGN TAXES	7,876.	7,876.	7,876.	
	19 Depreciation (attach sch) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings	10,643.			10,643.
	22 Printing and publications	1,572.			1,572.
	23 Other expenses (attach schedule) See Line 23 Stmt	7,693.		95.	7,598.
	24 **Total operating and administrative expenses.** Add lines 13 through 23	27,784.	7,876.	7,971.	19,813.
	25 Contributions, gifts, grants paid	104,158.			104,158.
	26 **Total expenses and disbursements.** Add lines 24 and 25	131,942.	7,876.	7,971.	123,971.
	27 Subtract line 26 from line 12:				
	a **Excess of revenue over expenses and disbursements**	22,189,715.			
	b **Net investment income** (if negative, enter -0-)		1,083,439.		
	c **Adjusted net income** (if negative, enter -0-)			1,083,344.	

618 10

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 (a) Book Value	End of year (b) Book Value	(c) Fair Market Value
ASSETS	1 Cash — non-interest-bearing	9,992.	16,081.	16,081.
	2 Savings and temporary cash investments	146,902.	188,687.	188,687.
	3 Accounts receivable ►			
	Less: allowance for doubtful accounts ►			
	4 Pledges receivable ►			
	Less. allowance for doubtful accounts ►			
	5 Grants receivable	127,289.	164,967.	164,967.
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7 Other notes and loans receivable (attach sch) ►			
	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)			
	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 ► L-15 Stmt)	33,261,965.	55,366,127.	64,068,951.
	16 **Total assets** (to be completed by all filers — see the instructions. Also, see page 1, item I)	33,546,148.	55,735,862.	64,438,686.
LIABILITIES	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, & other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ►)			
	23 **Total liabilities** (add lines 17 through 22)			
NET ASSETS OR FUND BALANCES	**Foundations that follow SFAS 117, check here ► [X] and complete lines 24 through 26 and lines 30 and 31.**			
	24 Unrestricted	33,458,996.	55,279,751.	
	25 Temporarily restricted	87,152.	456,111.	
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ► [ ] and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 **Total net assets or fund balances** (see instructions)	33,546,148.	55,735,862.	
	31 **Total liabilities and net assets/fund balances** (see instructions)	33,546,148.	55,735,862.	

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	33,546,148.
2	Enter amount from Part I, line 27a	2	22,189,715.
3	Other increases not included in line 2 (itemize) ►	3	
4	Add lines 1, 2, and 3	4	55,735,863.
5	Decreases not included in line 2 (itemize) ► ROUNDING	5	1.
6	Total net assets or fund balances at end of year (line 4 minus line 5) — Part II, column (b), line 30	6	55,735,862.

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 shares MLC Company)	(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1 a				
b				
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				

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

	(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (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**

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 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 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 (column (b) divided by column (c))
2010	87,948.	24,597,236.	0.003576
2009	55.	7,542,938.	0.000007
2008	0.	14.	0.000000
2007			
2006			

2 **Total** of line 1, column (d)	2	0.003583
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	0.001194
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	44,144,369.
5 Multiply line 4 by line 3	5	52,708.
6 Enter 1% of net investment income (1% of Part I, line 27b) . . .	6	10,834.
7 Add lines 5 and 6 . . .	7	63,542.
8 Enter qualifying distributions from Part XII, line 4 . . .	8	492,930.

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)

1 a 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 instrs)			
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	10,834.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (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	10,834.
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	10,834.
6 Credits/Payments:			
a 2011 estimated tax pmts and 2010 overpayment credited to 2011	6a		
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	
8 Enter any **penalty** for underpayment of estimated tax. Check here [X] if Form 2220 is attached		8	260.
9 **Tax due.** If the total of lines 5 and 8 is more than line 7, enter amount owed ►		9	11,094.
10 **Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the amount overpaid ►		10	0.
11 Enter the amount of line 10 to be: Credited to 2012 estimated tax ►	Refunded ►	11	

Part VII-A Statements Regarding Activities

		Yes	No
1 a 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 the instructions for definition)?	1b		X
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.			
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 ► $ ______ (2) On foundation managers ► $ ______			
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► $ ______			
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?	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, column (c), and Part XV*	7	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ► MO - Missouri			
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 2011 or the taxable year beginning in 2011 (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 make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If 'Yes,' attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ► www.hsfmo.org

14 The books are in care of ► DAN HAGAN Telephone no ► (573) 474-4815

Located at ► PO BOX 1225 COLUMBIA MO ZIP + 4 ► 65205-1225

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

			Yes	No
16	At any time during calendar year 2011, 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 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

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

			Yes	No
1 a	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 instructions)?	1b		X
	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 2011?	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 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? ☐ 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 instructions.)	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 2011 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 2011.)*	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 2011?	4b		X

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required *(continued)*

		Yes	No
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 instructions)?	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? ☐ 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		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?	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 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
DAN HAGAN PO BOX 1225 COLUMBIA MO 65205	TRUSTEE 10.00	0.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1— see 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				
0				
0				
0				
0				

Total number of other employees paid over $50,000 ► None

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 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	►	None

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	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 NONE	0.
2	
All other program-related investments. See instructions. 3	
Total. Add lines 1 through 3 ►	None

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	42,241,815.
b Average of monthly cash balances	1b	2,574,803.
c Fair market value of all other assets (see instructions)	1c	
d **Total** (add lines 1a, b, and c)	1d	44,816,618.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) 1e		
2 Acquisition indebtedness applicable to line 1 assets	2	
3 Subtract line 2 from line 1d	3	44,816,618.
4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	672,249.
5 **Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	44,144,369.
6 **Minimum investment return.** Enter 5% of line 5	6	2,207,218.

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

1 Minimum investment return from Part X, line 6		1	
2a Tax on investment income for 2011 from Part VI, line 5	2a		
b Income tax for 2011. (This does not include the tax from Part VI.)	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 instructions)		6	
7 **Distributable amount** as adjusted. Subtract line 6 from line 5 Enter here and on Part XIII, line 1		7	

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	123,971.
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	368,959.
4 **Qualifying distributions.** Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	492,930.
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 instructions)	5	10,834.
6 **Adjusted qualifying distributions.** Subtract line 5 from line 4	6	482,096.

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 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7				0.
2 Undistributed income, if any, as of the end of 2011:				
a Enter amount for 2010 only			0.	
b Total for prior years: 20___, 20___, 20___				
3 Excess distributions carryover, if any, to 2011:				
a From 2006 — 0.				
b From 2007 — 0.				
c From 2008 — 0.				
d From 2009 — 55.				
e From 2010 — 87,948.				
f Total of lines 3a through e	88,003.			
4 Qualifying distributions for 2011 from Part XII, line 4: ► $ 492,930.				
a Applied to 2010, but not more than line 2a				
b Applied to undistributed income of prior years (Election required — see instructions)				
c Treated as distributions out of corpus (Election required — see instructions)				
d Applied to 2011 distributable amount				
e Remaining amount distributed out of corpus	492,930.			
5 Excess distributions carryover applied to 2011 *(If an amount appears in column (d), the same amount must be shown in column (a).)*				
6 **Enter the net total of each column as indicated below:**				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	580,933.			
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				
d Subtract line 6c from line 6b. Taxable amount — see instructions		0.		
e Undistributed income for 2010. Subtract line 4a from line 2a. Taxable amount — see instructions			0.	
f Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	123,971.			
8 Excess distributions carryover from 2006 not applied on line 5 or line 7 (see instructions)	0.			
9 **Excess distributions carryover to 2012.** Subtract lines 7 and 8 from line 6a	456,962.			
10 Analysis of line 9				
a Excess from 2007 — 0.				
b Excess from 2008 — 0.				
c Excess from 2009 — 0.				
d Excess from 2010 — 0.				
e Excess from 2011 — 456,962.				

Part XIV Private Operating Foundations (see 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 2011, enter the date of the ruling ► 10/20/09

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

	Tax year	Prior 3 years			
	(a) 2011	(b) 2010	(c) 2009	(d) 2008	(e) Total
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed	1,083,344.	802,594.	300,444.		2,186,382.
b 85% of line 2a	920,842.	682,205.	255,377.		1,858,424.
c Qualifying distributions from Part XII, line 4 for each year listed	492,930.	87,948.	55.		580,933.
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	492,930.	87,948.	55.	0.	580,933.
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	1,471,479.	819,908.	251,431.	0.	2,542,818.
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 organization had $5,000 or more in assets at any time during the year – see 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).)

DAN HAGAN

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.

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 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:

THE HAGAN SCHOLARSHIP FOUNDATION C/O DAN HAGAN TRUSTEE
PO BOX 1225
COLUMBIA MO 65203 (573) 875-2020

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

SEE WEBSITE FOR FORMS & INSTRUCTIONS (AVAIL DURING APPL SEASON ONLY)

c Any submission deadlines

NOVEMBER 15

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

SEE WEBSITE FOR SCHOLARSHIP ELIGIBILITY CRITERIA

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				
SCHOLARSHIP RECIPIENTS VARIOUS VARIOUS MO 65205	NONE	N/A	SCHOLARSHIP AWARDS	65,398.
INTERVIEW RECIPIENTS VARIOUS VARIOUS MO 65205	NONE	N/A	CONSOLATION AWARDS	4,250.
WORKSHOP PARTICIPANTS VARIOUS VARIOUS MO 65205	NONE	N/A	COMPUTERS AND GIFT CERTIFICATES	34,510.
Total ► **3a**				104,158.
b Approved for future payment				
Total ► **3b**				

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 (See instructions)
	(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					
4 Dividends and interest from securities			18	1,091,315.	
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					
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)				1,091,315.	

13 **Total.** Add line 12, columns (b), (d), and (e) . . . 13 1,091,315.

(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). (See instructions.)

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

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

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) is based on all information of which preparer has any knowledge

[signature] 4-2-12 TRUSTEE

Signature of officer or trustee Date Title

May the IRS discuss this return with the preparer shown below (see instructions)? ☐ Yes ☐ No

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
WILLIAM G STOCKGLAUSNER	[signature]	3/29/2012		
Firm's name ► WILLIAM G STOCKGLAUSNER CPA PC			Firm's EIN ►	
Firm's address ► 2716 FORUM BLVD SUITE 3 COLUMBIA MO 65203			Phone no (573) 441-2421	

Schedule B (Form 990, 990-EZ, or 990-PF) Department of the Treasury Internal Revenue Service	**Schedule of Contributors** ► Attach to Form 990, Form 990-EZ, or Form 990-PF	OMB No 1545-0047 **2011**

Name of the organization	Employer identification number
THE HAGAN SCHOLARSHIP FOUNDATION	68-6260880

Organization type (check one):

Filers of:	**Section:**
Form 990 or 990-EZ	☐ 501(c)(____) (enter number) organization
	☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	☐ 527 political organization
Form 990-PF	☒ 501(c)(3) exempt private foundation
	☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
	☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule.**
Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, $5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

Special Rules

☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33-1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of **(1)** $5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II.

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than $1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc, purposes, but these contributions did not total to more than $1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc, purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc, contributions of $5,000 or more during the year ... . ► $ ____________

Caution: An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF) but it **must** answer 'No' on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on Part I, line 2, of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization
THE HAGAN SCHOLARSHIP FOUNDATION

Employer identification number
68-6260880

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) Number	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	DAN HAGAN PO BOX 1225 COLUMBIA MO 65205	$ 21,065,375.	Person [X] Payroll [ ] Noncash [X] (Complete Part II if there is a noncash contribution.)
2	THE HAGAN ENDOWMENT FOUNDATION PO BOX 1225 COLUMBIA MO 65205	$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
3	THE HAGAN TRUST PO BOX 1225 COLUMBIA MO 65205	$ 154,467.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

Name of organization: THE HAGAN SCHOLARSHIP FOUNDATION

Employer identification number: 68-6260880

Part II **Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
1	AMEREN CORP 50,000 SH	$ 1,653,500.	11/09/11
1	AMERICAN EXPRESS 25,000 SH	$ 1,251,000.	11/09/11
1	BB&T 75,000 SH	$ 1,764,750.	11/09/11
1	CONOCO PHILLIPS 75,000 SH	$ 5,307,750.	11/09/11
1	GANNETT 125,000 SH	$ 1,402,500.	11/09/11
1	INTEL CORPORATION 50,000 SH	$ 1,206,750.	11/09/11

Name of organization: THE HAGAN SCHOLARSHIP FOUNDATION

Employer identification number: 68-6260880

Part II **Noncash Property** (see instructions) Use duplicate copies of Part II if additional space is needed

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
1	RAYTHEON COMPANY 25,000 SH	$ 1,120,750.	11/09/11

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
1	SANOFI ADR 50,000 SH	$ 1,665,000.	11/09/11

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
1	STRYKER CORP 50,000 SH	$ 1,203,250.	11/09/11

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
1	TELUS CORP 25,000 SH	$ 1,262,750.	11/09/11

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
1	TORCHMARK CORP 37,500 SH	$ 1,552,875.	11/09/11

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
1	CHUBB CORPORATION 25,000 SH	$ 1,674,500.	11/10/11

Additional Information

PAGE 1, PART I, LINE 24; PAGE 5, PART VII-B, LINE 1a(3)

THE TRUST RECEIVES ADMINISTRATIVE SUPPORT FROM THE GRANTOR, DAN HAGAN, WITHOUT CHARGE. THE VALUE OF THESE SERVICES IS NOT RECORDED AS REVENUE OR EXPENSE BY THE TRUST.

Additional Information

PAGE 2, PART II, LINE 15

THE HAGAN SCHOLARSHIP FOUNDATION ASSETS ARE MANAGED BY THE HAGAN TRUST PURSUANT TO AN INVESTMENT MANAGEMENT AGREEMENT BETWEEN THE HAGAN TRUST AND THE HAGAN SCHOLARSHIP FOUNDATION. THE MARKET VALUE OF THE HAGAN SCHOLARSHIP FOUNDATION ASSETS MANAGED BY THE HAGAN TRUST AS OF DECEMBER 31, 2011 WAS $64,068,951. THE HAGAN TRUST DID NOT CHARGE AN INVESTMENT MANAGEMENT FEE IN 2011.

Form 990-PF, Page 1, Part I, Line 23
Line 23 Stmt

Other expenses:	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
BANK CHARGES	95.		95.	
BOOKS,SUBSCR,REF FEES	847.			847.
POSTAGE, MAILG SVC	2,500.			2,500.
SUPPLIES	501.			501.
OUTSIDE CONTRACT SVC	3,750.			3,750.
Total	7,693.		95.	7,598.

Form 990-PF, Page 2, Part II, Line 15
Other Assets Stmt

Line 15 - Other Assets:	Beginning Year Book Value	End of Year Book Value	End of Year Fair Market Value
ASSETS HELD/MANAGED BY THE HAGAN TRUST	33,261,965.	55,366,127.	64,068,951.
Total	33,261,965.	55,366,127.	64,068,951.

THE HAGAN SCHOLARSHIP FOUNDATION **EIN: 68-6260880**

ATTACHMENT TO FORM 990-PF
CALENDAR YEAR 2011

Statements required to establish set aside under §4942(g)(2)

(a) The start up period for The Hagan Scholarship Foundation is tax years 2009 thru 2013.

(b) The amount of $87,152, which is the sum of (i) 20% of the distributable amount of the first taxable year of the start of period ($51,075) and (ii) the amount received from the other foundations ($36,077) during 2010, was the amount set aside during 2010 (for 2009).

(c) The minimum investment return for 2010 - to be distributed in 2011 (the second year of the start up period) - is $819,908.

(d) For purposes of the "start up period minimum amount, forty percent (40%) of the Hagan Scholarship Foundation's distributable amount for the second taxable year of the start up period is $327,963.

(e) Payments for charitable purposes made during 2011 were $123,971.

(f) In addition, Hagan Scholarship Foundation was the recipient of distributions from Hagan Endowment (a private foundation), Hagan Community Foundation (a private foundation) and Hagan Trust (a private foundation) in the amount of $164,967 in calendar year 2011.

(g) The amount of $368,959, which is the sum of (i) 40% of the distributable amount of the second taxable year of the start of period ($327,963) less actual distributions for 2011 ($123,971) and (ii) the amount received from the other foundations ($164,967), is the amount being set aside for 2011 (for 2010).

(h) The purpose of the project for which the amount is to be set aside is the establishment and implementation of a scholarship program in several approved states in all counties of such states which have a population of 50,000 or less and the establishment of the Hagan Scholarship Academy. Each scholarship, once awarded, may be renewed up to seven (7) additional consecutive semesters if recipient fulfills renewal criteria.

(i) The amounts set aside will be paid within sixty (60) months after the date of the first set aside period.

(j) The project will not be completed before the end of the taxable year of the foundation in which the set aside is made.

(k) The redistribution of the amounts received from Hagan Endowment, Hagan Community Foundation and Hagan Trust will be made out of the corpus/principal of the Hagan Scholarship Foundation.

(l) Hagan Scholarship Foundation will provide to all donor foundations adequate records or other sufficient evidence that show that the redistribution has been made, the names and addresses of the recipients of the redistributed amount, and the amount received by each and that the redistribution is made from corpus/principal.

(m) No redistribution will be made to another Hagan controlled foundation.

<u>NEW SCHEDULE A</u>
<u>TO</u>
<u>THE HAGAN SCHOLARSHIP FOUNDATION</u>

[To be attached to the Second Restatement of
The Hagan Scholarship Foundation dated April 14, 2010]

Pursuant to the provisions of subparagraph 2 of paragraph M of Article XI of the Second Restatement of The Hagan Scholarship Foundation dated April 14, 2010, Grantor hereby amends said Second Restatement in the following respects:

I. Article IV of the Table of Contents is amended to read as follows:

ARTICLE IV

Additional Foundation Activities

A. ***New Scholarships*** 16

B. ***Hagan Scholarship Academy*** 16

C. ***Compliance*** 17

II. The third sentence of Paragraph A of Article I is amended to read as follows:

These students must graduate from public high schools located in rural counties having fewer than Fifty Thousand (50,000) residents, and located in an eligible state approved by this Trust for the awarding of Hagan Scholarships.

III. Paragraph A of Article II is amended to read as follows:

A. ***The Scholarship***. Each scholarship awarded under this Trust shall be in an amount sufficient to pay the unmet financial need of the recipient up to Five Thousand Dollars ($5,000) per academic semester, Fall and Spring. The unmet financial need of the recipient shall be determined by totaling the following:

a. **Recipient's Actual Cost for Tuition and Fees**

b. **School's published "Cost of Attendance" (COA) for Room and Board**

c. **$500 for Books and Supplies**

4-2-12

then deducting the amount of grants (excluding work-study grants), waivers, awards and scholarships received by the recipient, the dollar amount of the recipient's "Expected Family Contribution" (EFC) as determined by the "Free Application for Federal Student Aid" (FAFSA), and recipient's incurrence of "Excessive Debt." Personal Expenses and Transportation Costs are the responsibility of the recipient.

"Excessive Debt" is defined as debt in excess of the school's published "Cost of Attendance" (COA) for Personal Expenses and Transportation Expenses, and any unpaid costs for Tuition and Fees, Room and Board, and $500 for Books and Supplies **AFTER** crediting the dollar amount of the Hagan Scholarship.

Each scholarship may be renewed, at the discretion of the Trustee and Executive Director, for up to seven (7) additional consecutive semesters if the recipient fulfills the conditions for renewal of the scholarship.

Recipients who successfully renew their scholarship shall be eligible to apply for an International Study Grant.

The scholarship award amount may be increased to offset expiration of other scholarships, grants, awards and waivers received by the recipient up to a maximum of $5,000 per semester.

In order to receive funding of a Hagan Scholarship the parents/guardians of the recipient must first pay the full amount of their EFC for the current semester to the Office of Financial Aid of the college or university attended by recipient, and provide proof of such payment to the Trust. If the parents/guardians payment was funded by debt, repayment of such debt must be the <u>sole</u> responsibility of the parents/guardians and confirmation of such debt must be provided to the Trust. Failure of parents/guardians to pay their EFC shall result in **LOSS** of the scholarship, unless the reason for nonpayment is the result of recipient obtaining scholarships, grants, or awards negating the need for all or part of recipient's EFC. The dollar amount of each scholarship award shall be determined by the Trustee and Executive Director, and shall be subject to revision pursuant to the terms of this Trust Agreement.

IV. Paragraph D of Article II is amended to read as follows:

D. ***Award Criteria***. The Grant Committee shall only award scholarships to recipients who meet, and continue to meet, each of the following minimum criteria:

1. Each recipient of a scholarship must have graduated from an "Eligible Public High School" located in an "Eligible County" located in an "Approved State." An "Eligible Public High School" is defined as a public high school located in an "Eligible County." An "Eligible County" is defined as a county

4-2-12

having fewer than Fifty Thousand (50,000) residents as determined by the most recent U.S. Census. An "Eligible State" is defined as a state having more than 100,000 residents living in Eligible Counties. An "Approved State" is defined as an "Eligible State" authorized by The Hagan Scholarship Foundation to award scholarships.

After the Grantor's death or incompetency, the Trustee shall publish and thereafter maintain on the Foundation's web site: 1) a List of all Eligible and Approved states in alphabetical order and the number of "Eligible Residents" living in each state (an "Eligible Resident" is a resident residing in an Eligible County); 2) a List of eligible and ineligible counties located in each Approved state, and the number of "Residents" living in each county; and, 3) a List of all eligible Public High Schools located in each eligible county in each approved state. Upon the publication of each subsequent population survey by the U.S. Census Bureau **ALL** of the above information shall be updated by the Trustee.

After the Grantor's death or incompetency, <u>during the third week of August of each year</u>, the Trustee shall mail at USPS Standard Mail Nonprofit prices a one page informative letter about the Hagan Scholarship and a Hagan Scholarship Brochure to the high school principal and to the high school counselor of ALL public high schools located in all eligible counties in all approved states. The letter shall inform the recipient about the Hagan Scholarship and ask the recipient to inform and encourage ALL eligible students to apply for a scholarship.

After the Grantor's death or incompetency, during the first week of September, the Trustee shall mail at USPS Standard Mail Nonprofit prices a one page informative letter about the Hagan Scholarship and a Hagan Scholarship Brochure to ALL high school seniors of all eligible public high schools located in all eligible counties in all approved states. The List of Names shall be obtained from ACT and shall meet the following criteria: 1) each student must have achieved a Composite Score of 23 or higher on the ACT, 2) each student must have a cumulative GPA of 3.50 or higher, and 3) each student's Household Income must be less than $100,000. Commensurate with the mailing, the Trustee shall Email all students on the List of Names having an email address a Letter regarding the Hagan Scholarship and containing a Link to the Hagan Scholarship Brochure and The Hagan Scholarship Foundation website.

2. Each recipient must be a citizen of the United States.

3. Each recipient must have attended during their junior and senior years and must graduate from a public high school located in an eligible county.

4. Each recipient must have a cumulative high school grade point average of 3.50 or higher.

4-2-12

5. Each recipient must enroll in a four year college or university the first semester following high school graduation.

6. Each recipient must score 23 (Composite Score) or higher on the ACT, or the equivalent score on any current or successor standardized academic achievement test used to measure scholastic attainment in high school which places the recipient in the top quartile of all students taking such test and which test has been approved by the Trustee and by the Trustee of The Hagan Trust.

7. Each recipient must have an Expected Family Contribution (EFC) of less than Ten Thousand Dollars ($10,000).

8. Each recipient must apply for Federal and State entitlement grants (excluding work study grants), waivers and scholarships for which they are eligible, as well as any grants, waivers or scholarships recommended by the Trustee.

9. **Each recipient of a Hagan Scholarship must be a high achieving student in need of financial assistance in order to attend college who aspires to obtain a college education in order to achieve his or her full potential.**

10. Each first-time recipient of a scholarship must be accepted for enrollment and must enroll at a Four (4) year or higher not-for-profit accredited college or university, public or private, located in the United States for the fall semester immediately following recipient's high school graduation.

11. Each recipient must maintain an academic course load which will allow him or her to graduate from an eligible college or university in Four (4) years time, and a confirmation of such progress must be provided to the Executive Director at the end of each academic year using a Form provided by the Foundation. If a scholarship recipient can not maintain a Four (4) year graduation schedule the recipient shall forfeit his or her scholarship, unless a hardship variance is obtained by the recipient from the Trustee and Executive Director.

12. Each recipient must maintain a 3.00 cumulative grade point average (or equivalent). Each recipient must provide the Executive Director with a copy of his or her official transcript at the end of each academic semester. If a scholarship recipient can not maintain a 3.00 cumulative grade point average the recipient shall forfeit his or her scholarship.

13. Each recipient must declare an academic major prior to the commencement of their junior year of study.

14. Each participant must live in dormitory housing provided by the college or university during his or her freshman year, unless waived by the Executive Director.

4-2-12

15. Each recipient must cooperate and participate in any work shops, monitoring programs, the taking of class photos or other activities sponsored by this Trust and required by the Trustee and Executive Director which are intended to ensure that each recipient's educational experience and potential is maximized and which will enable this Trust to fulfill it's Purpose, unless excused from doing so by the Executive Director.

16. Prior to the start of each academic year, using a Form provided by the Foundation, each recipient must provide the Executive Director with a balanced budget for the upcoming year certified by the recipient listing all anticipated income, savings, grants, scholarships, and awards as well as all anticipated expenses.

17. At the end of each academic year, using a Form provided by the Foundation, each recipient must provide the Executive Director with a financial report certified by the recipient for the prior year listing all sources of income and expenses and all outstanding debts and assets.

18. At the end of each academic year, using a Form provided by the Foundation, each scholarship recipient must provide to the Executive Director an annual report describing the accomplishments and progress made by the recipient toward those goals represented to the Grant Committee as a part of his or her application for said scholarship and what they hope to accomplish in the upcoming year.

19. A recipient may not be related to the Grantor, Trustee, Executive Director, or to a person serving on the Grant Committee within the third degree of consanguinity.

20. A recipient must not have been convicted of a felony. No recipient while receiving scholarship funds shall act in a manner which brings discredit upon the Trustee or Executive Director of this Foundation or The Hagan Trust, himself or herself, upon other scholarship recipients or upon the college or university he or she attends. Each recipient must act in a manner which is consistent with the representations made by the recipient to the Grant Committee in applying for a Hagan Scholarship.

21. Each applicant and applicant's parents and guardians must authorize this Trust to use recipient's name and any photographs or writings provided to the Trust in any of its publication material, reports, press releases, website, and activities associated with its scholarship program, with or without attribution, in order to publicize the Hagan Scholarship and encourage other worthy applicants to apply for a Hagan Scholarship. This authorization must be on the signature page of the Hagan Scholarship Application.

Don Hagan 9-2-12

22. Each applicant, using a Form provided by the Foundation, must include a properly executed all-inclusive liability waiver with the applicant's Application Submittal Package for the benefit of this Trust, it's Grantor, its Trustee, it's Executive Director, Trustees of The Hagan Trust, Volunteers, members serving on it's interview and grant committees, and employees. The liability waiver must be signed by the applicant and applicant's custodial parents and guardians.

The all-inclusive liability waiver shall acknowledge that the applicant and applicant's custodial parents and guardians do not have a right to the grant of a scholarship or the renewal of a scholarship, that the Grant Committee shall have sole discretion to make determinations and to award scholarships, and that the recipient must abide by and remain current with the Scholarship Criteria and Recipient Responsibilities in order to continue receiving scholarship funds.

V. Paragraph E of Article II is amended to read as follows:

E. ***Scholarship Renewal.*** Each NEW scholarship may be renewed by the Grantor Dan Hagan while Dan Hagan is serving as Trustee or after the death of Grantor by the Trustee and Executive Director for up to Seven (7) additional consecutive semesters if the recipient fulfills the conditions for renewal of the scholarship. There shall not be any obligation on the part of the Grantor or the Trustee and Executive Director to continue the award of a scholarship to a recipient who, in the sole opinion of the Grantor or the Trustee and Executive Director, is not earnestly engaged in activities and studies that will help ensure that the recipient's goals will be realized. The Grantor and the Trustee and Executive Director shall carry out their work in an objective and non-discriminatory manner.

The dollar amount of each renewed scholarship shall be determined in the same manner as a new scholarship.

VI. The first sentence of subparagraph 1 of paragraph G of Article II is amended to read as follows:

Illness or events interrupt a recipient's ability to continue his or her college education and the interruption is for less than one year.

VII. Paragraph I of Article II is amended to read as follows:

I. ***Award Procedure***. The procedures adopted by the Grantor and this Trust shall not violate state or federal laws, or make this Trust ineligible for the tax benefits described in Article I, or make ineligible the income tax and estate tax contribution deductions to contributors to this Trust.

Until the Grantor's death or incompetency, the Grantor shall have discretion to determine the process to be used to select Finalists, interview Finalists, award

Dan Hagan 4-2-12

scholarships, renew scholarships and other matters when administering this Trust, but always on an objective and non-discriminatory basis, regardless of said applicant's race, creed, color, sexual orientation, religion, disability or sex. **The Grantor's right of discretion shall not pass on to a successor Trustee.**

After the Grantor's death or incompetency, the procedure for interviewing Finalists, awarding scholarships, and renewing scholarships shall be consistent with each of the following minimum criteria:

1. All scholarship awards shall be made by the Grant Committee which is described and which shall be constituted in the manner specified in Article III.

2. A. All applications received by the Trust shall be reviewed by the Trust for completeness, compliance with provided instructions, and applicant eligibility. Applications that are incomplete or not prepared pursuant to the provided instructions, or applications received from applicants who do not meet the eligibility requirements shall be rejected; the reasons for rejection shall be noted on the Application or File Cover containing the Application.

B. Applications not rejected shall be read and evaluated by Trust employees or volunteers pursuant to Guidelines provided by the Trust and then ranked as a 1,2, or 3, with 1 being the best. After evaluating and ranking ALL applications, the Executive Director and Trustee shall select the highest ranked applicants from each Approved State to be read a second time. The number of applications to be read a second time from each Approved State shall approximate THREE TIMES the number of scholarships that can be awarded in each state.

C. Applications to be read a second time shall be read by Readers who have the ability to evaluate the potential and ability of applicants to distinguish themselves. Each application shall be ranked as a 1,2, or 3, with 1 being the best by the Reader. One-Third of ALL applications for each Approved State shall be ranked as 1, One-Third shall be ranked as a 2, and One-Third shall be ranked as a 3. The highest ranked applicants from each Approved State shall be selected as Finalists and each Finalist shall be required to provide supplemental information to confirm each applicant's unmet financial need and continuing eligibility and shall include the following: signed copies of recipient's Parents and Guardians Tax Returns for the prior two years; parents and guardians Financial Statements; updated FAFSA Student Aid Report (SAR) for the current year showing recipient's Expected Family Contribution (EFC); copy of recipient's Birth Certificate and Drivers License; etc. The number of applicants selected as Finalists shall approximate TWO TIMES the number of scholarships that can be awarded. Finalists who provide supplemental information and whose eligibility is confirmed shall be interviewed by the Interview Committee.

 [signature] 4-2-12

3. All Finalists selected to be interviewed shall be interviewed by an Interview Committee. Each Interview Committee shall consist of three members who meet the eligibility criteria required of members serving on the Grant Committee as it relates to subparagraphs 1,2, 6, 7 and 8 of Paragraph D of Article III; and shall be subject to the same terms, conditions and limitations of members serving on the Grant Committee as it relates to Paragraphs E, F, G, H, and I of Article III.

The Trustee and Executive Director shall carefully review with all members of the Interview Committees the Trust Articles and attached New Schedule A which pertain to the Award Criteria and Award Process, prior to the start of the award process each year to ensure that ALL members of the Interview Committees have a firm and clear understanding of same.

4. The Executive Director shall provide each Interview Committee member with an informational package on each Finalist to be interviewed containing his or her:

A. Scholarship Application (first page only)

B. High school cumulative grade point average (GPA)

C. ACT Composite and Subset Scores

D. Personal Essay and List of Achievements, and

E. Letters of Recommendation.

5. **Each Finalist shall be interviewed, evaluated, and ranked based upon his or her character, academic ability, achievement in and out of school, personal goals that are meaningful and substantive, and future promise as shown to the Interview Committee.** Finalists from each Approved State shall be interviewed and ranked as a 1,2, or 3 with 1 being the best; a minus or plus may be used to further distinguish candidates. One-Third of all Finalists interviewed from each Approved State shall be ranked as a 1, One-Third shall be ranked as a 2, and One-Third shall be ranked as a 3. As a tie breaker, preferential consideration may be given to applicants who have significant work experience (working over 200 hours per year), or who have adverse familial or financial circumstances, or are first in their immediate family to attend college.

After all Finalists from each Approved State are interviewed and ranked, the Grant Committee shall award scholarships to the highest ranked Finalists. The number of scholarships to be awarded shall determined by the Trustee and Executive Director based upon the prior year average scholarship award amount to first year recipients, and the amount of funds budgeted for the awarding of new scholarships.

 4-2-12

Scholarships **SHALL NOT** be awarded to more than Two-Thirds (2/3rds) of all Finalists interviewed from each Approved State.

6. Each recipient of a new scholarship shall be promptly notified by certified mail return receipt requested (USPS) or by private courier that they have been awarded a Hagan Scholarship and that the Award Amount will be determined after October 1 (Fall Semester); after the Trust receives from the recipient ALL necessary information to determine the award amount, and has confirmed such information with recipient's college or university. The Award Letter shall also state that recipient's EFC must be paid in full by recipient's parents or guardians at the start of each semester in order to eligible for funding of a Hagan Scholarship.

7. Each scholarship recipient, using an acceptance Form provided by the Foundation and enclosed with the scholarship notification letter must acknowledge that he or she accepts the Hagan Scholarship offered to him or her within Fourteen Calendar Days (14) calendar days following receipt of notification or within Fourteen Calendar Days (14) after such notification is sent by certified mail return receipt requested (USPS) to the address of Applicant whichever shall first occur. The acceptance Form must be signed by the recipient and recipient's parents or legal guardians. The return envelope must be postmarked by the USPS no later than Fourteen Calendar Days (14) following delivery of the scholarship notification. Any Hagan Scholarship not accepted by the recipient in the manner set forth above shall be deemed rejected by the offeree and shall be immediately withdrawn by the Executive Director subject only to the approval of the Trustee.

8. Each new scholarship shall be awarded for the Fall academic semester only. Thereafter, each scholarship may be renewed at the discretion of the Trustee and Executive Director for up to Seven (7) additional consecutive semesters if the recipient continues to qualify for the scholarship or until the recipient graduates if sooner. The process for determining continued eligibility and renewal shall be determined by reference to the Award Criteria and the Award Procedures contained herein and as hereafter supplemented on attached New Schedule A.

9. No scholarship may be awarded without the prior signature approval of the Executive Director and Trustee. The approval of each scholarship, and the renewal of scholarships, shall be determined on an individual by individual basis.

10. Each Finalist interviewed by the Grant Committee and not awarded a scholarship shall receive a Five Hundred Dollars ($500) Award to be used by the recipient to further his or her education.

Don Hagan 4-2-12

VIII. Paragraph J of Article II is amended to read as follows:

J. *Number of Scholarships to be Awarded.* The number of scholarships that can be awarded each year shall be determined by the Trustee and Executive Director, with such determinations being based upon prior year award amounts, and the dollar amount of funds budgeted for the awarding of new scholarships. Scholarships SHALL NOT be awarded to more than Two-Thirds (2/3rds) of ALL Finalists interviewed.

IX. Paragraph K of Article II is amended to read as follows:

K. *Forfeited Scholarships.* The award of scholarships for successive semesters of study shall be contingent upon the recipient continuing to be eligible in the sole opinion of the Executive Director and Trustee. If a scholarship is no longer awarded to a recipient because the recipient no longer qualifies for a scholarship the trust shall not award the forfeited scholarship to a substitute recipient. The funds appropriated for a forfeited scholarship shall be retained by the Trustee for use in fulfilling the Purpose of this Trust in accordance with the terms of this Trust.

X. Paragraphs A, B, C, D, E, F, G, and H of Article III are amended to read as follows:

A. ***Membership of Grant Committee.*** The membership of the Grant Committee shall be determined by the Trustee and Executive Director pursuant to subparagraphs 1 and 2 of Paragraph B of this Article III.

B. ***Number of Members on Grant Committee.***

1. While the Grantor, Dan Hagan, is acting as Trustee of the Hagan Scholarship Foundation, the Grant Committee shall consist of Dan Hagan and at least two other members selected by the Grantor who meet the eligibility criteria of subparagraphs 1, 2, 5, 6, 7, and 8 of paragraph D of this Article III.

2. After the Grantor's death or incompetency, the Grant Committee for the awarding of scholarships <u>for each state</u> shall consist of the Trustee and ALL Chairpersons of Interview Committees that interviewed Finalists for that state, and shall consist of at least Five (5) members. Each member of the Grant Committee must meet the Eligibility Criteria for Members of the Grant Committee. The Executive Director of this Trust shall not be a member of the Grant Committee.

C. ***Duties of the Trustee and Executive Director.***

The Trustee and Executive Director shall carefully review with all members of the Grant Committees the Trust Articles and attached New Schedule A which pertain to the Award Criteria and Award Process, prior to

Dan Hagan 1-2-12

the start of the award process each year to ensure that ALL members of the Interview Committees have a firm and clear understanding of same.

The Trustee and Executive Director shall ensure that the criteria and procedures contained herein and hereafter adopted by the Grantor and incorporated in this Trust on New Schedule A are followed in determining who will receive a scholarship.

D. *Eligibility Criteria for Members of the Grant Committee.*

1. Each member of the Grant Committee must have attained the age of Twenty-One (21) years and have graduated from a college or university with an undergraduate degree equivalent to a Bachelor of Arts or Bachelor of Science degree.

2. Each member of the Grant Committee must have graduated from a public high school, preferably located in an eligible county.

3. One member of the Grant Committee must be a high school principal or counselor who is or has been employed by a public high school.

4. One member of the Grant Committee must be an upper level administrator who is or has been employed by a college or university.

5. Each member of the Grant Committee must have distinguished himself or herself in either his or her professional or civic life, be a person of good moral character, and be interested in the advancement of knowledge and education of students who qualify for a Hagan Scholarship. No member of the Grant Committee may have any economic incentive, direct or indirect, to award a scholarship to a recipient.

6. Each member of the Grant Committee must have experience in evaluating the potential and the ability of individuals to distinguish themselves.

7. A Grant Committee member may not participate in interviewing or determining whether or not to award a scholarship to a recipient who has attended an educational institution which employed that Grant Committee member within the prior Four (4) year period. In such event, Three (3) non-effected members of the Grant Committee must vote in favor of awarding the scholarship.

8. Each member of the Grant Committee shall affirm to the Trustee and Executive Director, using a Form provided by the Foundation the following:

4-2-12

a. said member's willingness to serve for the term appointed

b. independence from improper or undue influence by others

c. willingness to evaluate each applicant based upon applicant's character, academic ability, achievement in and out of school, personal goals, and his or her future promise; all on an objective and non-discriminatory basis, regardless of said applicant's race, creed, color, sexual orientation, religion, disability, or sex.

E. ***Term and Vacancies***. Each member of the Grant Committee shall serve until replaced by the Trustee, his or her death, disability, or resignation. The Trustee and Executive Director shall fill vacancies in any position on the Grant Committee that becomes vacant because of a member's death, disability, resignation, or because said member no longer meets the criteria for membership on the Grant Committee.

F. ***Removal***. A member of the Grant Committee may be removed by the Trustee and Executive Director, at any time, with or without cause. The Trustee and Executive Director may request removal of a member of the Grant Committee who either is not devoting sufficient time to his or her duties as a member of the Grant Committee or if he or she no longer meets the criteria for membership on the Grant Committee. Such removal shall be effective immediately upon receipt by said member of notice from the Trustee and Executive Director as to said member's removal or Five (5) days after such notice is sent by certified mail return receipt requested to the last known address of such member. The Trustee and Executive Director may thereupon replace said removed member with another member who is eligible and who meets the minimum criteria specified above in this Article. The replacement member shall serve until replaced by the Trustee, his or her death or resignation.

G. ***Compensation and Expense Reimbursement.*** The Executive Director may compensate each member of the Grant Committee at the rate of Ten Dollars ($10) for each Finalist interviewed, and may reimburse members of the Grant Committee for actual and reasonable expenses incurred by said members in traveling to and from meetings of the Grant Committee, to and from interviews of prospective scholarship recipients, and while pursuing their duties as members of the Grant Committee, upon receipt of a statement for such expenses. No other compensation or benefits shall be paid or provided by this Trust.

H. ***Scholarship Criteria***. The Grant Committee shall follow the procedures and award scholarships based on the Award Criteria as specified in this Trust agreement and attached New Schedule A. The Grant Committee shall not

4-2-12

materially deviate from the Award Criteria or attached New Schedule A in making awards of scholarships with funds from this Trust.

XI. Paragraph J of Article III is amended to read as follows:

J. ***Awards of Scholarships Within Budget***. The Grant Committee shall only award the number of scholarships authorized by the Trustee and Executive Director. In the event the Trust can not fully fund all new scholarships awarded by the Grant Committee the dollar amount of all awards shall be proportionally reduced to the amount of funds budgeted for the awarding of new scholarships.

The dollar amount awarded in each Approved State for new scholarships and the renewal of scholarships shall be limited to a dollar amount determined as follows: Total number of residents living in Eligible Counties Times Fifty Cents ($0.50); i.e. Missouri has 1,699,000 resident living in Eligible Counties: 1,699,000 X .50 = $850,000. Refer to attached Exhibit A for clarification and definitions.

XII. Paragraphs A, B, and C of Article IV are amended to read as follows:

A. ***Scholarship Activities***. Additional services provided to scholarship recipients by the Foundation may include any or all of the following:

a. Workshop on "Time Management and Financial Planning";

b. Workshop on "Investing for Financial Security";

c. Workshop on "Goal Setting and Achievement";

d. Field trips to inspire achievement;

e. Establishment of a web site to inform the general public and potential scholarship applicants about The Hagan Scholarship Foundation, its Purpose and The Hagan Scholarship

The Grantor reserves the sole right to establish new workshops until the Grantor's death or incompetency. **The right the Grantor has reserved to establish new workshops <u>shall not</u> pass on to a successor Trustee.**

B. ***Hagan Scholarship Academy.*** The Grantor reserves the sole right to establish the Hagan Scholarship Academy to provide advanced level curriculum to high achieving junior and senior high school students from Eligible Public High Schools located in Approved States who are in need of financial assistance and who aspire to obtain a college education. The academy shall provide for an all-expense paid education for each recipient's junior and senior years; including but not limited to tuition, fees, room, board, books and supplies. **The right the Grantor has**

4-2-12

reserved to establish The Hagan Scholarship Academy <u>shall not</u> pass on to a successor Trustee but, if established during the Grantor's lifetime the Hagan Scholarship Academy shall be continued pursuant to the provisions contained in it's Trust Agreement and attached Schedule A.

C. ***Compliance.*** All activities described in paragraphs A and B of this Article IV shall be consistent with the Purpose of this Trust and shall not adversely affect the treatment of this Trust for federal income tax Purpose as an "operating foundation" under Section 4942(j)(3) of the Code. The Foundation shall maintain a staff of paid employees and/or volunteers on an as needed basis to provide those services described herein for the benefit of its scholarship recipients. All such expenses shall be minimized to the extent reasonably possible in order to maximize the amount of Trust assets for Scholarship purposes.

XIII. The first paragraph of Paragraph A of Article VI is amended to change the date from February 15 to March 15 and said Paragraph A is further amended by adding the following two new paragraphs:

Any budget shortfall or surplus in one year shall be taken into consideration when determining the budget for the following year, i.e. if a surplus, the number of scholarships shall be increased the following year, if a deficit, the number of new scholarships shall be reduced the following year in order to maintain a balanced budget, from year to year, to the maximum extent possible.

If the amount of distributable income is insufficient to fund all outstanding scholarships, ALL scholarship award amounts shall be proportionately reduced to the amount Budgeted for the awarding of scholarships and, thereafter, new scholarships shall not be awarded until all existing scholarships are funded.

XIV. The last sentence of subparagraph 3 of Paragraph B of Article VI is amended to read as follows:

The Trust's distribution policy shall be based on the rolling average monthly value of the Trust's assets for the prior Thirty Six (36) months ending December 31.

XV. The last sentence of Paragraph C of Article VI is amended to read as follows:

An extraordinary expense is defined as a one-time non-recurring expense due to circumstances outside the control of the Trustee or Executive Director and in an amount in excess of Two Percent (2%) of the annual Budget.

4-2-12

XVI. Paragraph E of Article VI is amended to read as follows:

E. ***Scholarship Disbursement Procedures***. In making disbursements to fulfill the Purpose of this Trust, the Executive Director shall observe and follow the following procedures:

1. To the maximum extent possible, the Executive Director shall distribute the scholarship proceeds directly to the Office of Financial Aid of the college or university attended by the scholarship recipient, to be disbursed by the college or university in accordance with guidelines provided by this Trust. The distributable amount of each scholarship shall only be determined after receipt and confirmation of the information listed in subparagraphs 4 and 5 of this Paragraph E. All such information shall be confirmed by recipient's college or university and requested documentation provided. Failure to provide **ALL** requested information following thirty days' written notice by USPS certified mail return receipt requested to the recipient and recipient's college or university shall result in loss of the scholarship.

When determining the Award Amount of each scholarship, **ALL** grants, scholarships, awards and waivers received by a recipient in amounts less than $1,000 shall be applied toward reducing the cost of attendance the semester received. If such amounts are greater than $1,000 one-half of such amount shall be used the semester received and one-half for the subsequent semester.

2. Funds for room and board, if a recipient is not living in a college dormitory, shall be limited to the COA for room and board as published on the schools website LESS $1,000. Each recipient must account for the expenditure of such funds at the end of each semester to the satisfaction of the Executive Director using a Form provided by the Foundation.

3. Prior to disbursing funds at the start of a recipient's first academic year, each recipient must provide the Executive Director a written four (4) year Degree Plan which has been approved and certified to by the college counselor or Registrar certifying as to its feasibility and that if said plan is followed it will lead to the award of a degree to the scholarship recipient within a four (4) year period of time. Any material change in a recipient's four (4) year Degree Plan must be promptly reported to the Executive Director and if such change will prevent the recipient from graduating in four (4) years time the scholarship shall be forfeited unless the recipient can attend the upcoming summer school to make up any deficiency and if by doing so can maintain a four (4) year graduation schedule. All costs incurred by the recipient to attend summer school shall be borne by the recipient.

4-2-12

XVII. The first three sentences of Paragraph F of Article VI are deleted and the following two sentences are substituted in lieu thereof:

The Executive Director, subject to Trustee approval, shall have the authority to approve or disapprove changes in the amount of a scholarship to be awarded due to a change in the recipient's circumstances. Each recipient shall be responsible for promptly notifying the Executive Director of any change in circumstances which could result in a change in the basis upon which the original scholarship was awarded.

XVIII. The last two sentences of the first paragraph of Article VIII are deleted and the following is substituted in lieu thereof:

After the death or incompetency of the Grantor, the successor Trustees shall always be selected by the Trustee of The Hagan Trust. **Any successor Trustee of The Hagan Scholarship Foundation shall be subject to removal at any time, with or without cause, by the Trustee of The Hagan Trust.**

XIX. Paragraph A of Article IX is hereby amended to read as follows:

A. That this Trust shall be managed solely for the benefit of students graduating from public high schools located in counties having fewer than 50,000 residents and located in approved states pursuant to attached New Schedule A;

XX. Paragraph D of Article X is amended to read as follows:

D. ***Trust Shall Remain Independent.*** The Trustee <u>**SHALL NOT**</u> enter into any agreement with a college, university or other entity or person which eliminates, restricts, bypasses, influences or impedes the responsibilities of the Trustee to manage the affairs of this Trust pursuant to the provisions of this Trust Agreement and attached New Schedule A. **The Trustee, Executive Director, and members of the Grant Committee shall carry out their respective duties and obligations under this Trust at all times independent of influence of any high school, college, university or other entity or person.**

XXI. Subparagraph b of subparagraph 3 of Paragraph M of Article XI is amended to read as follows:

b. A copy of the signed original document must be filed with the Department of the Treasury as an attachment to Form 990-PF by USPS certified mail return receipt requested on the date the document is signed by the Grantor. The signed cover letter to the Department of the Treasury must display the USPS unique mail identifier and identify that submitted Form 990-PF for the calendar year ending prior to the filing of the 990-PF for the Foundation.

Ken Hagan 4-2-12

XXII. A new paragraph is added to Article XII to read as follows:

M. ***Executive Director.*** Executive Director means Grantor while Grantor is serving as Trustee.

XXIII. The attachments to the Second Restatement are deleted and in lieu thereof the following is substituted:

1. Approved States: Missouri, Kansas, Nebraska, Iowa, Arkansas and Oklahoma.

2. A list of Eligible Counties in each Approved State is available on the Trust website at www.hsfmo.org, Eligible Institutions, High Schools, List of Eligible Counties.

3. "Exhibit A" - Award Limitations and Plan for Expansion into Additional States.

IN WITNESS WHEREOF, the said Dan Hagan has subscribed his name to this New Schedule A and Exhibit A and signature pages, consisting collectively of twenty-two (22) pages, each page of which he has identified by signing his name and date on the bottom of each page all on the day and year last above written.

Dan Hagan

Dan Hagan, Grantor

STATE OF MISSOURI)
) SS.
COUNTY OF BOONE)

On this 2nd day of April, 2012, before me, a Notary Public, in and for said county and state, personally appeared Dan Hagan, known to me to be the person who executed the foregoing New Schedule A and Exhibit A, which is attached, as Grantor of The Hagan Scholarship Foundation, and after being duly sworn acknowledged to me that he executed the same as his free act and deed in his capacity as Grantor for the purposes therein stated, and that the statements contained therein are true to the best of his knowledge and belief.

JO ELLEN GRACE
NOTARY PUBLIC
SEAL
STATE OF MISSOURI

JO ELLEN GRACE
Notary Public - Notary Seal
State of Missouri
Commissioned for Boone County
My Commission Expires: December 15, 2014
Commission Number: 10425944

Jo Ellen Grace

Jo Ellen Grace, Notary Public
Boone County, State of Missouri
My commission expires: 12-15-2014

Dan Hagan 4-2-12

We hereby certify that the foregoing New Schedule A and the attached Exhibit A was signed on this 2nd day of April, 2012 by Dan Hagan, in his capacity as Grantor of The Hagan Scholarship Foundation, in our presence, who, at his request and in his presence and in the presence of each other, have subscribed our names below as witnesses thereto, believing Dan Hagan at the time of so signing to be of sound mind and memory.

Karen S. Steinbeck Signature	Karen S. Steinbeck Name (Print)
	1926 Lake Dr. Street Address
	Fulton, MO 65251 City/State/Zip Code
Linda Wright Granger Signature	Linda Wright Granger Name (Print)
	2719 Mayflower Dr. Street Address
	Columbia, MO 65202 City/State/Zip Code
Karen E. Hajicek Signature	Karen E. Hajicek Name (Print)
	4604 Royal Lytham Dr. Street Address
	Columbia, MO 65203 City/State/Zip Code
H. C. Willbrand Signature	H. C. Willbrand Name (Print)
	500 W. Covered Bridge Rd Street Address
	Columbia, MO. 65203 City/State/Zip Code

Dan Hagan 4-2-12

STATE OF MISSOURI)
) SS.
COUNTY OF BOONE)

I, the undersigned, an officer authorized to administer oaths, certify that Karen S. Steinbeck, Linda Wright Granger, Karen E. Hajicek and H. C. Willbrand, the witnesses, respectively, whose names are signed to the foregoing New Schedule A, which New Schedule A is to be attached to The Hagan Scholarship Foundation, having appeared together before me and having been first duly sworn, each then declared to me that Dan Hagan, the Grantor of The Hagan Scholarship Foundation, signed and executed the New Schedule A, including the Exhibit A attached thereto, to The Hagan Scholarship Foundation, and that he had willingly signed and that he executed it as his free and voluntary act for the purposes therein expressed; and that each of the witnesses, in the presence and hearing of Dan Hagan signed the foregoing New Schedule A to The Hagan Scholarship Foundation as witness, and that to the best of his or her knowledge Dan Hagan was at the time of sound mind, and under no constraint or undue influence.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on this 2nd day of April, 2012.

JO ELLEN GRACE
Notary Public - Notary Seal
State of Missouri
Commissioned for Boone County
My Commission Expires: December 15, 2014
Commission Number: 10425944

Jo Ellen Grace
Jo Ellen Grace, Notary Public
Boone County, State of Missouri
My commission expires: 12-15-2014

Dan Hagan 4-2-12

EXHIBIT A
TO
NEW SCHEDULE A
TO
THE HAGAN SCHOLARSHIP FOUNDATION

Award Limitations and Plan for Expansion into Additional States

4-2-12

EXHIBIT A

33012

The Hagan Scholarship Foundation

Award Limitations and Plan for Expansion into Additional States

Formula: The annual dollar amount for awarding new scholarships and to fund the renewal of existing scholarships in each Approved State shall be limited to a dollar amount determined as follows: **Total number of residents living in Eligible Counties Times Fifty Cents ($0.50);** i.e. Missouri has 1,699,000 residents living in eligible counties: 1,699,000 Times .50 = $850,000. After the annual award amount for an Approved State is determined that award amount shall remain fixed until the subsequent U.S. Census Bureau Survey. Upon the publication of each subsequent population survey by the U.S. Census Bureau the eligibility of each state shall be re-determined and each approved state's award amount shall be re-determined using the above Formula.

Expansion: During the Grantor's lifetime, expansion to states listed below shall be at Grantor discretion. After the Grantor's death or incompetency, the Trustee shall expand to other states in the order shown as funding permits. Next to each state is the number of eligible residents, in millions, residing in counties having <u>fewer</u> than 50,000 residents; **Approved States are in bold font.**

1. MO	**1.699**	11. NM	.379	21. AL	.969	31. OR	.383		
2. KS	**1.031**	12. CO	.596	22. LA	.989	32. WA	.376		
3. NE	**.795**	13. WY	.372	23. AZ	.107	33. AK	1.165		
4. IA	**1.516**	14. MT	.396	24. UT	.353	34. HI	.117		
5. AR	**1.172**	15. WI	.340	25. NV	.216	35. ME	.229		
6. OK	**1.342**	16. IL	1.523	26. ID	.567	36. VT	.290		
7. SD	.526	17. IN	1.744	27. MI	1.128	37. NH	.122	41. NC	1.217
8. ND	.300	18. KY	2.071	28. OH	1.341	38. NY	.504	42. SC	.571
9. MN	1.369	19. TN	1.547	29. WV	.879	39. MD	.274	43. GA	2.212
10. TX	2.959	20. MS	1.517	30. CA	.339	40. VA	2.018	44. FL	.633

Distributable Funds: After awarding scholarships in ALL eligible states (44 states) <u>excess distributable funds</u> shall be proportionally distributed among eligible states and used to award <u>additional</u> scholarships. In the event distributable funds are insufficient to fund all scholarships in all approved states ALL scholarship award amounts shall be proportionally reduced to the amount Budgeted for the awarding of scholarships and, thereafter, new scholarships shall not be awarded until all existing scholarships are fully funded.

4-2-12

Approved States

State	Year [1]	Award Amount [2]
Missouri	2010	$850,000
Kansas	2011	$500,000
Nebraska	2012	$400,000
Iowa	2012	$750,000
Arkansas	2012	$550,000
Oklahoma	2012	$650,000

1 Year in which first applications can be accepted
2 Annual dollar amount for new scholarships and renewal of scholarships

Definitions

An eligible state is a state having 100,000 or more residents living in eligible counties.
An eligible county is a county having fewer than 50,000 residents.
An eligible resident is a resident living in an eligible county
An approved state is a state in which The Hagan Scholarship Foundation has authorized the awarding of scholarships.

Don Hagan 4-2-12

22h