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Form **990-PF**Department of the Treasury
Internal Revenue Service**Return of Private Foundation**

or Section 4947(a)(1) Trust Treated as Private Foundation

Do not enter social security numbers on this form as it may be made public.

Information about Form 990-PF and its separate instructions is at www.irs.gov/form990pf

OMB No. 1545-0052

2014**Open to Public Inspection**

For calendar year 2014 or tax year beginning

01/10, 2014, and ending

12/31, 2014

Name of foundation

LARRY & FRANKIE HAGER TRUST 2

A Employer identification number

46-4550119

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

Room/suite

B Telephone number (see instructions)

PO BOX 609

City or town, state or province, country, and ZIP or foreign postal code

PITTSBURGH, PA 15230-9738

G Check all that apply:

☒

Initial return

Initial return of a former public charity

☐

Final return

Amended return

☐

Address change

Name change

H Check type of organization:

☐ Section 501(c)(3) exempt private foundation☒

Section 4947(a)(1) nonexempt charitable trust

☐

Other taxable private foundation

I Fair market value of all assets at

end of year (from Part II, col. (c), line

16) \$ 1,056,384.

J Accounting method: ☒ Cash ☐ Accrual☐ Other (specify) _____

(Part I, column (d) must be on cash basis.)

C If exemption application is pending, check here ☒D 1. Foreign organizations, check here ☐2. Foreign organizations meeting the 85% test, check here and attach computation ☐E If private foundation status was terminated under section 507(b)(1)(A), check here ☐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)
1 Contributions, gifts, grants, etc., received (attach schedule)	1,000,000.			
2 Check <input type="checkbox"/> if the foundation is not required to attach Sch. B				
3 Interest on savings and temporary cash investments				
4 Dividends and interest from securities	30,000.	30,000.		STMT 1
5a Gross rents				
b Net rental income or (loss)				
6a Net gain or (loss) from sale of assets not on line 10	742,929.			
b Gross sales price for all assets on line 6a	1,068,237.			
7 Capital gain net income (from Part IV, line 2)		742,929.		
8 Net short-term capital gain				
9 Income modifications				
10a Gross sales less returns and allowances				
b Less Cost of goods sold				
c Gross profit or (loss) (attach schedule)				
11 Other income (attach schedule)				
12 Total. Add lines 1 through 11	1,772,929.	772,929.		
13 Compensation of officers, directors, trustees, etc.	9,275.	7,420.		1,855.
14 Other employee salaries and wages		NONE	NONE	
15 Pension plans, employee benefits		NONE	NONE	
16a Legal fees (attach schedule)	1,334.	NONE	NONE	1,334.
b Accounting fees (attach schedule)				
c Other professional fees (attach schedule)				
17 Interest				
18 Taxes (attach schedule) (see instructions)	76.	76.		
19 Depreciation (attach schedule) and depletion				
20 Occupancy				
21 Travel, conferences, and meetings		NONE	NONE	
22 Printing and publications		NONE	NONE	
23 Other expenses (attach schedule)				
24 Total operating and administrative expenses. Add lines 13 through 23.	10,685.	7,496.	NONE	3,189.
25 Contributions, gifts, grants paid	22,386.			22,386.
26 Total expenses and disbursements. Add lines 24 and 25	33,071.	7,496.	NONE	25,575.
27 Subtract line 26 from line 12.	1,739,858.			
a Excess of revenue over expenses and disbursements				
b Net investment income (if negative, enter -0-)		765,433.		
c Adjusted net income (if negative, enter -0-)				

JSA For Paperwork Reduction Act Notice, see instructions.

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions.)		Beginning of year	End of year	
				(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash - non-interest-bearing				
	2	Savings and temporary cash investments			32,222.	32,222.
	3	Accounts receivable ▶				
		Less: allowance for doubtful accounts ▶				
	4	Pledges receivable ▶				
		Less: allowance for doubtful accounts ▶				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)				
	7	Other notes and loans receivable (attach schedule) ▶				
		Less: allowance for doubtful accounts ▶	NONE			
	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)			607,538.	679,196.
	c	Investments - corporate bonds (attach schedule)			330,000.	325,688.
	Liabilities	11	Investments - land, buildings, and equipment basis Less: accumulated depreciation (attach schedule) ▶			
12		Investments - mortgage loans				
13		Investments - other (attach schedule)			20,000.	19,278.
14		Land, buildings, and equipment basis Less: accumulated depreciation (attach schedule) ▶				
15		Other assets (describe ▶)				
16		Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)			989,760.	1,056,384.
17		Accounts payable and accrued expenses				
18		Grants payable				
19		Deferred revenue				
20		Loans from officers, directors, trustees, and other disqualified persons				
21	Mortgages and other notes payable (attach schedule)					
22	Other liabilities (describe ▶)					
23	Total liabilities (add lines 17 through 22)			NONE		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.					
	24	Unrestricted				
	25	Temporarily restricted				
	26	Permanently restricted				
	Foundations that do not follow SFAS 117, . . . ▶ <input checked="" type="checkbox"/> check here and complete lines 27 through 31.					
	27	Capital stock, trust principal, or current funds			989,760.	
	28	Paid-in or capital surplus, or land, bldg., and equipment fund				
	29	Retained earnings, accumulated income, endowment, or other funds				
30	Total net assets or fund balances (see instructions)			989,760.		
31	Total liabilities and net assets/fund balances (see instructions)			989,760.		

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	
2	Enter amount from Part I, line 27a	2	1,739,858.
3	Other increases not included in line 2 (itemize) ▶ <u>ROUNDING ADJUSTMENT</u>	3	1.
4	Add lines 1, 2, and 3	4	1,739,859.
5	Decreases not included in line 2 (itemize) ▶ <u>ADJUSTMENT TO TAX VALUE</u>	5	750,099.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	989,760.

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Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)			(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a PUBLICLY TRADED SECURITIES					
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 1,068,237.		325,308.	742,929.		
b					
c					
d					
e					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))		
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any			
a			742,929.		
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	742,929.	
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

N/A

(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 (col. (b) divided by col. (c))
2013			
2012			
2011			
2010			
2009			
2 Total of line 1, column (d)			2
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
4 Enter the net value of noncharitable-use assets for 2014 from Part X, line 5			4
5 Multiply line 4 by line 3			5
6 Enter 1% of net investment income (1% of Part I, line 27b)			6
7 Add lines 5 and 6			7
8 Enter qualifying distributions from Part XII, line 4 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.			8

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

1a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter _____ (attach copy of letter if necessary - see instructions)	1	15,309.
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b.		
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-) . . .	2	
3	Add lines 1 and 2.	3	15,309.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-) . . .	4	NONE
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5	15,309.
6	Credits/Payments:		
a	2014 estimated tax payments and 2013 overpayment credited to 2014.	6a	20,000.
b	Exempt foreign organizations - tax withheld at source.	6b	NONE
c	Tax paid with application for extension of time to file (Form 8868).	6c	NONE
d	Backup withholding erroneously withheld.	6d	
7	Total credits and payments. Add lines 6a through 6d.	7	20,000.
8	Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached.	8	154.
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	4,537.
11	Enter the amount of line 10 to be: Credited to 2015 estimated tax <input type="checkbox"/> NONE <input type="checkbox"/> Refunded <input type="checkbox"/>	11	4,537.

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ► \$ _____ (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.		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ► KY		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2014 or the taxable year beginning in 2014 (see instructions for Part XIV)? If "Yes," complete Part XIV.		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	X	

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Part VII-A Statements Regarding Activities (continued)

11		X
12		X
13	X	

Website address **N/A**

14 The books are in care of **PNC BANK NA** Telephone no. **(216) 257-4714**
 Located at **PO BOX 609, PITTSBURGH, PA** ZIP+4 **15230-9738**

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here ☒ **15**
 and enter the amount of tax-exempt interest received or accrued during the year.

16 At any time during calendar year 2014, 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** Yes No **X**
 See the instructions for exceptions and filing requirements for FinCEN Form 114, (formerly 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
1a During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	1b	X
Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>		
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 2014?	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 2014, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2014?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
If "Yes," list the years		
b Are there any years listed in 2a for which the foundation is 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	X
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here.		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b If "Yes," did it have excess business holdings in 2014 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 2014.)	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 2014?	4b	X

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

5a During the year did the foundation pay or incur any amount to:

- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No
- (2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No
- (3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No
- (4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? (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)? ☐ Yes ☒ NoOrganizations 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 ☐ Nob Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☐ No

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 ☐ Nob If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? ☐ Yes ☐ No**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
PNC BANK NA PO BOX 609, PITTSBURGH, PA 15230-9738	TRUSTEE 2	9,275.	-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		NONE	NONE	NONE

Total number of other employees paid over \$50,000 ☐ NONE

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Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3 Five highest-paid independent contractors for professional services (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		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 NONE	
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	
2	
All other program-related investments See instructions.	
3 NONE	
Total. Add lines 1 through 3	

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	1,068,856.
b	Average of monthly cash balances	1b	NONE
c	Fair market value of all other assets (see instructions).	1c	NONE
d	Total (add lines 1a, b, and c)	1d	1,068,856.
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	NONE
3	Subtract line 2 from line 1d	3	1,068,856.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions).	4	16,033.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,052,823.
6	Minimum investment return. Enter 5% of line 5	6	52,641.

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

1	Minimum investment return from Part X, line 6	1	52,641.
2a	Tax on investment income for 2014 from Part VI, line 5	2a	15,309.
b	Income tax for 2014. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	15,309.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	37,332.
4	Recoveries of amounts treated as qualifying distributions	4	NONE
5	Add lines 3 and 4	5	37,332.
6	Deduction from distributable amount (see instructions).	6	NONE
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	37,332.

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	25,575.
b	Program-related investments - total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	NONE
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	NONE
b	Cash distribution test (attach the required schedule)	3b	NONE
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	25,575.
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	
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	25,575.

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 2013	(c) 2013	(d) 2014
1 Distributable amount for 2014 from Part XI, line 7				37,332.
2 Undistributed income, if any, as of the end of 2014				
a Enter amount for 2013 only			NONE	
b Total for prior years 20____, 20____, 20____		NONE		
3 Excess distributions carryover, if any, to 2014:				
a From 2009	NONE			
b From 2010	NONE			
c From 2011	NONE			
d From 2012	NONE			
e From 2013	NONE			
f Total of lines 3a through e	NONE			
4 Qualifying distributions for 2014 from Part XII, line 4: ► \$ 25,575.				
a Applied to 2013, but not more than line 2a			NONE	
b Applied to undistributed income of prior years (Election required - see instructions)		NONE		
c Treated as distributions out of corpus (Election required - see instructions)	NONE			
d Applied to 2014 distributable amount				25,575.
e Remaining amount distributed out of corpus	NONE			
5 Excess distributions carryover applied to 2014 (If an amount appears in column (d), the same amount must be shown in column (a))	NONE			NONE
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	NONE			
b Prior years' undistributed income. Subtract line 4b from line 2b		NONE		
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		NONE		
d Subtract line 6c from line 6b. Taxable amount - see instructions		NONE		
e Undistributed income for 2013. Subtract line 4a from line 2a. Taxable amount - see instructions			NONE	
f Undistributed income for 2014. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2015				11,757.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions)	NONE			
8 Excess distributions carryover from 2009 not applied on line 5 or line 7 (see instructions)	NONE			
9 Excess distributions carryover to 2015. Subtract lines 7 and 8 from line 6a	NONE			
10 Analysis of line 9.				
a Excess from 2010	NONE			
b Excess from 2011	NONE			
c Excess from 2012	NONE			
d Excess from 2013	NONE			
e Excess from 2014	NONE			

Form 990-PF (2014)

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

NOT APPLICABLE

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2014, enter the date of the ruling

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

	Tax year	Prior 3 years			(e) Total
	(a) 2014	(b) 2013	(c) 2012	(d) 2011	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test - enter					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i).					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties).					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii).					
(3) Largest amount of support from an exempt organization.					
(4) Gross investment income					

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

N/A

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.

N/A

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 or e-mail address of the person to whom applications should be addressed:

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

c Any submission deadlines:

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

Part XV • Supplementary Information (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
KENTUCKY WESLEYAN COLLEGE FBO KWC SCHOLARSHIP FUND OWENSBORO KY 42301	N/A	PUBLIC	SCHOLARSHIPS	22,386.
Total			▶ 3a	22,386.
b Approved for future payment				
Total			▶ 3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.		Unrelated business income		Excluded by section 512, 513, or 514		(e)
		(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	Related or exempt function income (See instructions.)
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			14	30,000.	
5	Net rental income or (loss) from real estate:					
a	Debt-financed property					
b	Not debt-financed property					
6	Net rental income or (loss) from personal property .					
7	Other investment income					
8	Gain or (loss) from sales of assets other than inventory			18	742,929.	
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)				772,929.	
13	Total. Add line 12, columns (b), (d), and (e)				772,929.	772,929.

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

[illegible]

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

Form **990-PF** (2014)

Schedule B(Form 990, 990-EZ,
or 990-PF)Department of the Treasury
Internal Revenue Service**Schedule of Contributors**

OMB No. 1545-0047

2014▶ **Attach to Form 990, Form 990-EZ, or Form 990-PF.**▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and its instructions is at www.irs.gov/form990

Name of the organization

Employer identification number

LARRY & FRANKIE HAGER TRUST 2

46-4550119

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 foundationCheck 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, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

- ☐ For an organization described in section 501(c)(3) 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), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions 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 an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *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 an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled 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 totaling \$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 its Form 990-PF, Part I, line 2, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization

LARRY & FRANKIE HAGER TRUST 2

Employer identification number

46-4550119

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

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	LAWRENCE W HAGER JR 325 WILDWOOD DRIVE OWENSBORO, KY 42303-6149	\$ 500,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2	FRANKIE SCOTT HAGER 325 WILDWOOD DRIVE OWENSBORO, KY 42303-6149	\$ 500,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES
=====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----
AT&T INC	184.	184.
AMGEN INC	92.	92.
APPLE INC	94.	94.
BB&T CORP	120.	120.
BAXTER INTERNATIONAL INC	77.	77.
BLACKSTONE GROUP LP THE	99.	99.
BLACKROCK STRATEGIC INCOME OPPORTUNITIES	3,631.	3,631.
BOEING CO	110.	110.
CA INC	125.	125.
CAPITAL ONE FINANCIAL CORP	90.	90.
CHEVRON CORPORATION	983.	983.
CHUBB CORP COM	125.	125.
CISCO SYS INC COM	219.	219.
COLGATE-PALMOLIVE CO	92.	92.
CONOCOPHILLIPS	323.	323.
CORNING INC	60.	60.
DISCOVER FINANCIAL W/I	84.	84.
DODGE & COX INCOME FUND	3,745.	3,745.
DRIEHAUS ACTIVE INCOME FUND FUND 640	479.	479.
DU PONT E I DE NEMOURS & CO	23.	23.
EATON VANCE FLOATING RATE FUND CLASS I	1,401.	1,401.
ENTERPRISE PRODS PARTNERS L P COM UNIT	108.	108.
EXXON MOBIL CORP	416.	416.
FIDELITY NATIONAL FINANCIAL INC EXCH 6/3	54.	54.
FNF GROUP-W/I	18.	18.
FIRST NIAGARA FINL GROUP INC NEW	36.	36.
FOOT LOCKER INC	99.	99.
FORD MTR CO DEL COM PAR \$0.01	88.	88.
GENERAL DYNAMICS CORP	93.	93.
GENERAL ELEC CO COM	473.	473.
GLAXO WELLCOME PLC SPONSORED ADR	204.	204.
HCP INC REIT	109.	109.
FAX609 N23R 11/12/2015 09:59:56	715-21750804798443	

FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES
=====

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
-----	-----	-----
HELMERICH & PAYNE INC COM	31.	31.
HOME DEPOT INC COM	94.	94.
HUNTINGTON BANCSHARES INC	25.	25.
ING EQUITY TR REAL ESTATE FUND CLASS I	154.	154.
INTEL CORP	68.	68.
INTERNATIONAL BUSINESS MACHS CORP	138.	138.
INTERNATIONAL PAPER CO COM	73.	73.
ISHARES TR RUSSELL MIDCAP INDEX FD	1,296.	1,296.
ISHARES TR RUSSELL 2000	536.	536.
J P MORGAN CHASE & CO COM	354.	354.
JOHNSON & JOHNSON COM	138.	138.
JOHNSON CONTROLS INC	22.	22.
LILLY ELI & CO	147.	147.
M&T BK CORP	140.	140.
MAINSTAY EPOCH GLOBAL EQUITY YIELD FUND	1,959.	1,959.
MARATHON PETROLEUM CORP	21.	21.
MCDONALDS CORP COM	164.	164.
MERCK & CO INC	330.	330.
METLIFE INC COM	88.	88.
MICROSOFT CORP	392.	392.
NATIONAL FUEL GAS CO N J COM	115.	115.
NEXTERA ENERGY INC	145.	145.
OCCIDENTAL PETE CORP COM	216.	216.
PNC INTERNATIONAL EQUITY FUND CLASS I FU	1,287.	1,287.
PEPSICO INC COM	94.	94.
PFIZER INC COM	260.	260.
PHILIP MORRIS INTERNAT-W/I	50.	50.
PINNACLE WEST CAPITAL CORP	173.	173.
PLUM CREEK TIMBER CO INC	44.	44.
POTASH CORP SASK INC LESS EXCHANGE RATE	53.	53.
PROCTER & GAMBLE CO	290.	290.
QUALCOMM	81.	81.
ROGERS COMMUNICATIONS INC CL B	188.	188.

FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES
=====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----
SAFEWAY INC NEW	434.	434.
SYMANTEC CORP COM	60.	60.
TJX COS INC NEW COM	203.	203.
TEMPLETON GLOBAL BOND FUND AD FUND	3,216.	3,216.
TEVA PHARMA INDS ADR 1 ADR REPRESENTS 10	102.	102.
3M COMPANY COM	177.	177.
US BANCORP DEL COM NEW	132.	132.
UNITED PARCEL SERVICE INC CL B	67.	67.
UNITED TECHNOLOGIES CORP COM	487.	487.
VENTAS INC	297.	297.
VERIZON COMMUNICATIONS COM	81.	81.
VOYA REAL ESTATE FUND CLASS I	485.	485.
WALGREEN CO COM	16.	16.
WELLS FARGO & CO NEW COM	263.	263.
WISCONSIN ENERGY CORP	78.	78.
WYNDHAM WORLDWIDE CORP	70.	70.
BLACKROCK LIQUIDITY FUNDS TEMPFUND	5.	5.
EATON CORP PLC SEDOL B8QN82	98.	98.
ENSCO PLC CLASS A SEDOL B4VLR19	300.	300.
INVESCO LTD ISIN BMG491BT1088 SEDOL B28X	113.	113.
ACE LIMITED ISIN CH0044328745 SEDOL B3BQ	65.	65.
GARMIN LTD ISIN CH0114405324 SEDOL B3Z5T	96.	96.
LYONDELLBASELL INDUSTRIES N.V. ISIN NL00	135.	135.
	-----	-----
TOTAL	30,000.	30,000.
	=====	=====

FORM 990PF, PART I - LEGAL FEES
=====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----	ADJUSTED NET INCOME -----	CHARITABLE PURPOSES -----
LEGAL FEES - PRINCIPAL (ALLOCA	1,334.			1,334.
TOTALS	1,334.	NONE	NONE	1,334.
	=====	=====	=====	=====

FORM 990PF, PART I - TAXES
=====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----
FOREIGN TAXES	76.	76.
TOTALS	76.	76.
	=====	=====



LARRY & FRANKIE HAGER TRUST 2
 IRREVOCABLE CHARITABLE TRUST STATEMENT
 Account number 21-75-080-4798443
 December 1, 2014 - December 31, 2014

Summary

Portfolio value

Income	Principal	Total
Income on December 31	Principal on December 31	Total portfolio value on December 31
\$7,141.05	\$1,049,244.19	\$1,056,385.24
Income on December 1	Principal on December 1	Total portfolio value on December 1
20,190.94	1,063,178.04	1,083,368.98
Change in value	Change in value	Total change in value
-\$13,049.89	-\$13,933.85	-\$26,983.74

Portfolio value by asset class

Income	Value Dec 31	Value Dec 1	Change in value	Tax cost*
Cash and cash equivalents	\$7,141.05	\$20,190.94	-\$13,049.89	\$7,141.05
Principal	Value Dec 31	Value Dec 1	Change in value	Tax cost*
Cash and cash equivalents	\$25,081.25	\$22,962.60	\$2,118.65	\$25,081.25
Fixed income	325,688.07	332,700.99	-7,012.92	330,000.00
Equities	679,196.42	688,013.98	-8,817.56	607,537.81
Alternative investments	19,278.45	19,500.47	-222.02	20,000.00
Total	\$1,056,385.24	\$1,083,368.98	-\$26,983.74	\$989,760.11

* We use tax cost to calculate the cost of your portfolio. When this information is not available for all assets, your portfolio's tax cost may be understated. To determine if we have tax cost information for all your assets, call Laura Gockel, your Account Advisor.

21 75 080
4798443

IRREVOCABLE TRUST AGREEMENT

THE LARRY AND FRANKIE HAGER CHARITABLE TRUST NO. 2

(FBO KENTUCKY WESLEYAN COLLEGE GENERAL SCHOLARSHIP FUND)

Dated January 10, 2014

IRREVOCABLE TRUST AGREEMENT

THE LARRY AND FRANKIE HAGER CHARITABLE TRUST NO. 2

(FBO KENTUCKY WESLEYAN COLLEGE GENERAL SCHOLARSHIP FUND)

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IRREVOCABLE TRUST AGREEMENT

THE LARRY AND FRANKIE HAGER CHARITABLE TRUST NO. 2

(FBO KENTUCKY WESLEYAN COLLEGE GENERAL SCHOLARSHIP FUND)

THIS IS AN IRREVOCABLE TRUST AGREEMENT, dated and effective as of January 10, 2014, by and between (1) **LAWRENCE W. HAGER, JR. and FRANKIE SCOTT HAGER**, his wife, both of 300 Wildwood Drive, Owensboro, Daviess County, KY 42303 ("Settlers"), and (2) **PNC BANK, N.A.**, of Louisville, Kentucky ("Trustee").

For and in consideration of the mutual promises and benefits contained herein, including the Settlers' joint wish and desire to establish an endowment fund or trust for the benefit of the Kentucky Wesleyan College General Scholarship Fund (discussed below) and the Trustee's agreement to faithfully perform its fiduciary duties as Trustee of an endowment fund and trust for the benefit of such charity, the parties agree as follows:

SECTION 1

INTRODUCTION; ESTABLISHMENT OF THE TRUST

1.1 Trust Established. This Irrevocable Trust Agreement is by and between the Settlers and the Trustee and all reference to the term "Trust" in this Trust Agreement unless otherwise stated shall refer to the Charitable Endowment Trust established by the terms of this Trust Agreement. All references to the Trustee shall refer to the initial Trustee

named hereinabove, or to the initial Trustee's successors in trust as provided in this Trust Agreement.

1.2 Purpose of the Charitable Trust. The Settlers, Lawrence ("Larry") W. Hager, Jr. and Frankie Scott Hager (sometimes referred to as the Settlers or the Hagers) have contributed their time, talents and money for many years in assisting and supporting Kentucky Wesleyan College, Owensboro, Kentucky, and most recently have considered and determined to fund \$1 million for the general support of the Kentucky Wesleyan College's General Scholarship Fund. The Hagers wish to further commit and fund their pledge and commitment as set forth above by establishing a charitable endowment trust fund for the benefit of the Kentucky Wesleyan College General Scholarship Fund.

1.3 Trust Assets. The Hagers have conveyed and delivered to the Trustee, Trust assets listed on Annex A hereto and made a part hereof by this reference and signed by the Hagers. More specifically, Lawrence W. Hager, Jr. has funded one-half (1/2) of such \$1 million fund from his Revocable Trust (with PNC Bank, N.A.) and Frankie Scott Hager has funded one-half (1/2) of such \$1 million fund from her Revocable Trust (with PNC Bank, N.A.), both of which are in separate revocable Trusts held by the Trustee. The Trustee acknowledges receipt of the trust assets and covenants to hold and invest, reinvest, administer and distribute the funds and any assets added hereto, on the charitable uses and trusts herein provided.

1.4 Irrevocability of Trust. This Charitable Trust is irrevocable and shall not be subject to amendment, modification, alteration or revocation by anyone, except as specifically provided in this Trust Agreement.

1.5 Definitions. The following terms shall have the following meanings:

1.5.1 Trustee. "Trustee" means the initial Trustee and each successor Trustee, and any other trust company designated by the Trustee to serve hereunder in any jurisdiction where Trustee is unable to serve due to restrictions of applicable law. Trustee is authorized to designate such institution as Trustee, in its sole discretion, determines to serve in any such jurisdiction.

1.5.2 Trust Assets. "Trust Assets" means all assets Trustee holds and administers under this Agreement.

1.5.3 Code. "Code" means the Internal Revenue Code of 1986, as amended from time to time.

1.5.4 KWC. "KWC" means the Kentucky Wesleyan College, a Kentucky non-profit corporation organized under KRS Chapter 273 and exempt from federal and Kentucky income taxes under Code Section 501(c)(3), EIN: 61-0477613, with principal offices at 3000 Frederica Street, Owensboro, Kentucky 42301.

1.5.5 Scholarship Fund. "Scholarship Fund" means the Wesleyan General Scholarship Fund affiliated with KWC.

1.5.6 Charity. "Charity" means any entity qualifying as a "Public Charity" and determined by the Internal Revenue Service to be exempt from the federal income taxation under Code Section 501(c)(3), for which contributions are deductible under Code Section 170.

SECTION 2.

INITIAL CONTRIBUTION

2.1 Funding. The Hagers hereby transfer to the Trustee the Trust property described in Annex A attached to this Trust Agreement, which generally consists of:

2.1.1 Larry's transfer of \$500,000.00 in stocks, securities and other investments from his Revocable Trust (at PNC Wealth Management, Account No. 80-80-001-1929009); and

2.1.2 Frankie's transfer of \$500,000.00 in stocks, securities and other investments from her Revocable Trust (at PNC Wealth Management, Account No. 80-001-1926001).

2.2 Acceptance, Administration and Distribution. All property interests transferred, assigned, conveyed and/or delivered to the Trustee shall be subject to all of the terms and conditions set forth in this Trust Agreement and shall be distributed as herein provided.

2.3 Perpetual Endowment Fund. This Charitable Trust is a perpetual Endowment Fund for the benefit of the KWC Scholarship Fund (as well as any successor charities under and pursuant to Section 3.3 herein), and in these regards:

2.3.1 No assets, properties or funds comprising the principal of this Endowment Fund shall be expended or distributed to the Charity, but rather shall be invested by the Trustee with income to be distributed to or for the benefit of the KWC Scholarship Fund in accordance with the terms herein.

2.3.2 This Charitable Trust shall be perpetual.

2.4 Determination of Fair Market Value. In computing the net fair market value of the assets and properties comprising the Trust for any reason or purpose, the

Trustee shall take into account all trust assets and liabilities without regard to whether particular items are taken into account in determining the income of such Trust. All determinations of the Trust's net fair market value shall be in accordance with generally accepted fiduciary accounting principles and any regulations governing charitable trusts. In any conflict between or among such regulations and generally accepted accounting principles, such regulations shall prevail over generally accepted accounting principles and any inconsistent provisions of and under this Trust Agreement.

Section 3

CHARITABLE TRUST PROVISIONS

3.1 Income Only. For so long as KWC is and qualifies as a Charity, and to the extent of distributions made to the Scholarship Fund, so long as the Scholarship Fund is and qualifies as a Charity (independently or as part of KWC), the Trustee shall pay the entire net income of, from and generated by the Trust to or for the benefit of the KWC Scholarship Fund, it being the Settlers' wish and desire (but not a requirement) that to the extent consistent with the rules and regulations of the KWC Scholarship Fund (the "Scholarship Rules"), such income (for the KWC Scholarship Fund) be utilized to benefit:

3.1.1 First, graduates of high schools in Owensboro-Daviess County;

3.1.2 Second, graduates of high schools in the counties surrounding and/or adjoining Daviess County (including Southern Indiana); and

3.1.3 Taking into account and consideration any recommendations of the Trust Committee as to other scholarship criteria consistent with the Scholarship Rules.

3.2 Income Distributions. The Trustee shall distribute the net income from its Trust assets not less frequently than annually.

3.3 Successor Charities. If for any reason and from time to time, KWC and/or the Scholarship Fund (or any other successor organization) receiving any net income from the Trust, ceases to qualify as a Charity or to perform the charitable function imposed upon it, then such ineligible charity shall be replaced with an eligible Charity (or Charities) as determined by the Trust Committee under Section 5 herein giving preference to charitable organizations within Owensboro-Daviess County, Kentucky whose charitable activities are substantially similar to those of the Scholarship Fund and/or KWC.

SECTION 4

TRUSTEE'S POWERS AND LIMITATIONS.

4.1 Trustee's Powers. In addition to the powers and duties conferred or imposed upon the Trustee by law or by other provisions of this Trust Agreement, the Trustee, and any successor Trustee, shall have the following powers and duties

4.1.1 Kentucky's Uniform Trustees' Powers Act. The Trustee shall have those powers, duties and discretions as provided in KRS 386.800, et seq. (Kentucky's Uniform Trustees' Powers Act), as amended from time to time.

4.1.2 Original Assets. To retain, without liability for loss or depreciation, original property received by the Trustee from the Settlor and any property received in exchange therefor through merger, consolidation, reorganization or recapitalization, or additions thereto by way of stock dividends or through exercise of stock rights, although such property might not, but for this paragraph, constitute a proper Trust investment, and although such property may represent the whole or a large part of any Trust estate hereunder.

4.1.3 Investments. To invest and reinvest any Trust estate hereunder in any property of any nature whatsoever, whether real or personal and wheresoever

located, but in thus investing and reinvesting any Trust estate hereunder, the Trustee shall use the degree of judgment and care that a prudent man would use if he were the owner of the Trust assets. Notwithstanding the generality of the foregoing, the Trustee shall only invest assets of any Trust hereunder in investments that (1) can be distributed in kind, or (2) can be transferred to a successor Trustee, or (3) can be converted to cash within ninety (90) days; provided, however, that the Trustee is specifically authorized to invest in any commingled Trust Fund maintained by the Trustee for joint investment of assets of Trusts such as the ones created under this Trust Agreement.

4.1.4 Sale and Lease. To sell or lease (for any term irrespective of the term of this Trust), publicly or privately, for cash or credit, without any order of court, upon such terms and conditions as to the Trustee shall seem best, any property, real or personal, belonging to any Trust estate hereunder; to make all proper deliveries, assignments and conveyances incident to such sale or lease; and no purchaser or lessee from the Trustee shall be responsible for the proper application of any consideration which the Trustee is authorized to receive, and no right or title acquired from the Trustee for such consideration shall be invalid because of a misapplication by the Trustee.

4.1.5 Accounting. The Trustee shall keep accurate books of account showing the condition of each Trust estate hereunder, and these books of account shall be open at all reasonable times during usual business hours to inspection by each Charity entitled to receive, in the Trustee's discretion or otherwise, the net income from any Trust estate hereunder or his or his duly accredited representative. The Trustee shall also, from time to time, furnish to each Charity entitled to receive, in the Trustee's discretion or otherwise, net income from any Trust estate hereunder a detailed statement of all receipts and disbursements on account of the Trust estate, and annually a statement which will show the manner and form in which the Trust estate is then invested.

4.1.6 Brokerage and Bank Account Powers. The Trustee is authorized to buy, sell and trade in securities of any nature, but shall not engage in short sales or borrow on margin. The Trustee is authorized to establish and maintain bank accounts of all types in one or more banking or financial institutions that the Trustee may choose.

4.1.7 Business Powers. The Trustee may participate in the operation of any productive business or other enterprise, but only in a passive capacity. The Trustee may incorporate, dissolve or in any other manner change the form of a business. The Trustee shall not cause either by commission or omission the Trust to conduct an active trade or business.

4.1.8 Common Fund Powers. For the purpose of convenience with

regard to the administration and investment of the trust properties, the Trustee may hold any assets created under this Trust Agreement as a common fund. The Trustee may enter into any transaction authorized by this Section, with fiduciaries of other trusts or estates in which any beneficiary hereunder has an interest even though such fiduciary is also a Trustee under this Trust Agreement.

4.1.9 Compromise and Settlement. The Trustee may compromise, settle or adjust any claim or demand by or against any Trust created under this Trust Agreement and may agree to any rescission or modification of any contract or agreement affecting the Trust.

4.2 Principal and Income. Except to the extent otherwise specifically directed by this Trust Agreement, the allocation and apportionment of receipts and disbursements of principal and income shall be governed by the Kentucky Uniform Principal and Income Act, Kentucky Revised Statutes, Chapter 387, as amended from time to time. If the Trustee has a reasonable doubt in regard to the manner of allocating any credit or charge to principal or income under applicable law, the Trustee shall have the power, exercisable as a fiduciary in good faith:

4.2.1 to determine whether assets received shall be treated as principal or income, provided that distributions of capital gains by regulated investment companies, capital gains on the sale of assets and stock dividends in stock of the declaring corporation shall be allocated to principal;

4.2.2 to charge or apportion expenses or losses to principal or income (with any compensation and fees paid to members of the Trust Committee under Section 5.4.1 herein, to be charged to principal);

4.2.3 to establish and maintain reasonable reserves for depreciation, depletion, amortization and obsolescence, and if any portion of the trust estate consists of a wasting asset, to establish and maintain reasonable reserves for such asset; and

4.2.4 to amortize or not to amortize both premiums and discounts on investments.

4.3 Tax Provisions. This Trust is intended to qualify as a Charitable Trust with the funding, contributions and additions thereto being deductible for federal and Kentucky income and estate tax purposes. Accordingly, notwithstanding any other provisions of the Trust Agreement, the Trust and the Trustee are subject to the following provisions:

4.3.1 Trustee shall not engage in any act of self-dealing as defined in Code Section 4941(d), and shall not make any tax expenditures as defined in Code Section 4945(d);

4.3.2 Except as to the extent provided in Code Section 4947(b)(3), Trustee shall not retain any excess business holdings as defined in Code Section 4943(c), which would subject the Trust to tax under Code Section 4943, nor shall Trustee acquire any assets which would subject the Trust to tax under Code Section 4944, or retain any assets which would, if acquired by Trustee, subject the Trust to tax under Code Section 4944; and

4.3.3 If Code Section 4942 is at any time applicable to this Trust, Trustee shall make such distributions at such time and in such manner as not to subject the Trust to tax under Code Section 4942.

4.4 Fiscal Year. The fiscal year of the Trust for accounting, tax and other purposes shall be the same as the fiscal year of KWC (presently a fiscal year ending May 30 of each year).

SECTION 5

SUCCESSOR TRUSTEE; TRUST COMMITTEE

5.1 Trust Committee. There shall be a Trust Committee with powers and duties hereinafter set forth. Such Trust Committee shall consist of Allen Holbrook, Rodney Berry and Keith Sanders. Upon the death, incompetence or resignation of any one member of the Trust Committee, the remaining Members shall fill the vacancy. If for any reason there is no surviving member of the Trust Committee, then the Trust Committee shall consist of three members (two of whom shall be full time residents of Daviess County) as appointed by the Chief Judge of the Circuit Court of Daviess County, Kentucky.

5.2 Action By Trust Committee. The Trust Committee shall act as follows:

5.2.1 Meetings. Meetings of the Trust Committee may be called by the Trustee or any one (1) member of the Trust Committee. The person or persons authorized to call meetings of the Trust Committee may fix any place, either within or without the Commonwealth of Kentucky, as the place for holding any meeting of the Trust Committee called by them.

5.2.2 Notice. Notice of any meeting shall be given at least three (3) days previous thereto by written notice delivered personally or mailed to each member of the Trust Committee at his or her last known address. The attendance of a member at a meeting shall constitute a waiver of notice of such meeting.

5.2.3 Quorum. A majority of the members of the Trust Committee shall constitute a quorum for the transaction of business at any meeting, except where unanimous action is required of the Trust Committee.

5.2.4 Trust Committee's Fiduciary Capacity. The powers conferred upon the members of the Trust Committee by this Trust Agreement are conferred upon them in a fiduciary capacity, shall be held and exercised by them solely as fiduciary powers and must be exercised by them solely for the benefit of the beneficiaries under this Trust Agreement.

5.2.5 Trustee's Resignation. Trustee and any successor Trustee may resign at any time by written notice to the Trust Committee or, if there is then no Trust Committee, by written notice to each beneficiary hereunder. If there is then a Trust Committee, the Trust Committee shall appoint a successor Trustee within thirty (30) days after receipt of such written notice of resignation. If there is then no Trustee, the beneficiaries given notice under this paragraph may, by a majority vote, appoint a successor Trustee within thirty (30) days after their receipt of such written notice of resignation. If the Trust Committee or such beneficiaries, as the case may be, have not appointed a successor Trustee, the resigning Trustee may appoint a successor Trustee.

5.2.6 Trustee's Removal. The Trust Committee may, at any time and from time to time, with or without just cause, remove any initial or successor Trustee, and appoint a successor Trustee; provided, however, that any such action shall require the unanimous action of the entire Trust Committee. This power in the Trust Committee to remove the then Trustee and to appoint a successor Trustee shall be a continuing power and shall not be exhausted by use.

5.2.7 Succession Procedure. The successor Trustee's written acceptance of the terms and provisions of the Trusts herein, and the delivery by the Trustee of all of the property comprising the Trust estate or the Trust estates held hereunder and the receipt of such successor Trustee acknowledging the delivery of such property, accompanied by the approval of the Trustee's accounting by all of the beneficiaries hereunder, shall constitute a complete discharge and acquittal of the Trustee hereunder. No successor Trustee shall be obligated to examine the accounts, records and acts of the previous Trustee or Trustees or any allocation of any Trust estate; nor shall any successor Trustee in any way be responsible for any act or omission to act on the part of any previous Trustee or Trustees. The Trustee making transfer hereunder to a successor Trustee shall have a reasonable period of time to make such transfer, not exceeding sixty (60) days.

5.2.8 Successor Trustee. All powers, discretions and duties vested in or imposed upon the original Trustee shall be vested in, exercisable by and binding upon any successor Trustee.

5.3 Good Faith Standard Imposed. The authority of the Trust Committee is conferred in a non-fiduciary capacity and the members of the Trust Committee are not liable for any good faith act, omission or forbearance.

5.4 Compensation of Trust Committee. The members of the Trust Committee shall be entitled:

5.4.1 To reasonable compensation, as determined by the Trustee, in its sole discretion (taking into account the time and effort expended by such Trust

Committee members), from the Trust Assets for carrying out their duties and responsibilities hereunder;

5.4.2 To be reimbursed from the Trust Assets for any reasonable expenses incurred by such members for carrying out their respective duties and responsibilities hereunder; and

5.4.3 To be wholly indemnified and held harmless out of the Trust Assets from any losses, expenses, fees, damages, or judgment arising out of the performance of such members' duties hereunder or out of any action or suit in a court of law based upon or in connection with the Trust Committee's powers and duties under this Trust Agreement.

SECTION 6

POWERS TO AMEND

6.1 Powers to Amend. Notwithstanding the irrevocability of this Trust Agreement, the Trustee and the Trust Committee, with respect to each separate trust and/or bequest or share herein, from time to time held hereunder, by unanimous vote and action, may from time to time amend this instrument for the following purposes, subject to the following conditions:

6.1.1 To insure at all times that the Trust qualifies as a Charitable Trust exempt from federal income tax and/or Code Section 501(a) as an organization described in Code Section 501(c)(3), and that the Charitable Trust as an organization described in Code Section 509(a)(3) is not a private foundation within the meaning of Code Section 509(a) and is not subject to the excise taxes under Chapter 42 of the

Code:

6.1.2 To address changes in federal or estate tax law or other circumstances which may affect such Trust and its charitable beneficiaries;

6.1.3 To delete provisions rendered obsolete due to changes in law or charitable beneficiary circumstances; and

6.1.4 With such amendments being subject to approval of the Daviess Circuit Court, to change, amend, modify or clarify any provisions of this Trust Agreement.

In exercising such powers and discretions, the Trustee and the Trust Committee shall consider the overall best interest of the present and future beneficiaries (individuals and/or charities) and shall be guided, in their sole discretion, by what would have been the Settlers' intent in light of such change of circumstances.

6.2 Any such amendment made by its terms shall apply retroactively to the inception of the Trust Agreement and shall not in any way affect the irrevocable nature of transfers made to the Trust by the Settlers.

SECTION 7

MISCELLANEOUS

7.1 **Compensation of Trustee.** The Trustee shall be entitled to receive for its services hereunder the compensation provided by its standard schedule of fees for Trust estates of like size and character, in effect when the services are rendered, for ordinary services in effect when the services are rendered, for ordinary services rendered by it as Trustee of Trusts under which the Trustee has duties and responsibilities similar to those

required of it hereunder. The Trustee shall also be entitled to receive reasonable additional compensation for extraordinary services required of it.

7.2 Additions. Larry and/or Frankie may add other assets and properties to the Trust Assets held hereunder either by inter vivos grant and/or by his or her respective Last Wills. [including a testamentary addition by beneficiary designation for and in relation to Larry's individual retirement accounts]. Any such additions, together with all of the proceeds and reinvestments thereof, and all accumulations thereon, shall be held, managed and disposed of, both as to income and as to principal, in all respects as part of the Trust Assets to which such property is added.

7.3 Spendthrift Clause. The right of any beneficiary to receive income of any Trust under this Trust Agreement shall not be alienable by that beneficiary and shall not be subject to alienation by operation of law or legal process. The right of any beneficiary to receive, at a future time, principal of any Trust under this Trust Agreement shall not be alienable by that beneficiary and shall not be subject to alienation by operation of law or legal process.

7.4 Governing Law. The validity, interpretation, construction and administration of this Trust Agreement and of each Trust created hereunder shall be governed by the laws of the Commonwealth of Kentucky.

7.5 Irrevocability. This Trust shall be irrevocable and shall not be subject to alteration or amendment, except that:

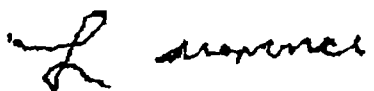
7.5.1 the Trustee upon notice to the Trust Committee, may in writing amend this instrument at any time or times to enable the Trust hereunder to continue to qualify as a Charitable Trust under the Code, regulations thereunder and decisional law;

and

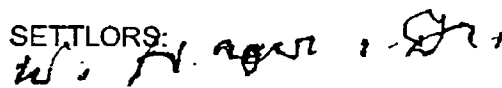
7.5.2 as to all other matters, by action of the Trustee and the Trust Committee, pursuant to Section 6.1 herein.

7.6. **Title.** The Trust shall be known as "The Larry And Frankie Hager Charitable Trust No. 2 (fbo the Kentucky Wesleyan College General Scholarship Fund)" or "The Larry and Frankie Hager Charitable KWC Scholarship Trust".

IN WITNESS WHEREOF, the Settlers and the Trustee have executed duplicate originals of this Trust Agreement on the date set forth below each of their respective signatures, but effective as of January 10, 2014.

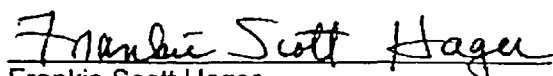


SETTLORS:



Lawrence W. Hager, Jr.

Date: January 10, 2014



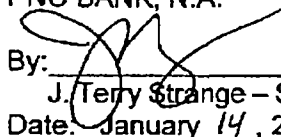
Frankie Scott Hager

Date: January 10, 2014

TRUSTEE

PNC BANK, N.A.

By:



J. Terry Strange – Sr. VP and Market Director

Date: January 14, 2014

The foregoing instrument was signed by Lawrence W. Hager, Jr. and Frankie Scott Hager in our presence; and, at their request, in their presence and in the presence of each other, we hereunto subscribed our names as attesting witnesses at

Owensboro, Kentucky, on January 10, 2014.

Judy C. Raley
Name

100 St. Ann, Owensboro, Ky
Address

Deane E. Mullins
Name

100 St. Ann Owensboro, Ky
Address

COMMONWEALTH OF KENTUCKY
COUNTY OF DAVIESS

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me by
Lawrence W. Hager, Jr., and Frankie Scott Hager, as Settlers, on this January 10, 2014.

[Signature]
Notary Public, State of Kentucky at Large

My commission expires: July 9, 2017

Notary ID No. 4895107

THIS INSTRUMENT PREPARED BY:

[Signature]
Jesse T. Mountjoy
SULLIVAN/MOUNTJOY, STAINBACK
& MILLER, P.S.C.
100 St. Ann Building
P. O. Box 727
Owensboro, KY 42302-0727
(270) 927-4000

ANNEX A

TO

TRUST AGREEMENT

THE LARRY AND FRANKIE HAGER CHARITABLE TRUST NO. 2

(FBO KENTUCKY WESLEYAN COLLEGE GENERAL SCHOLARSHIP FUND)

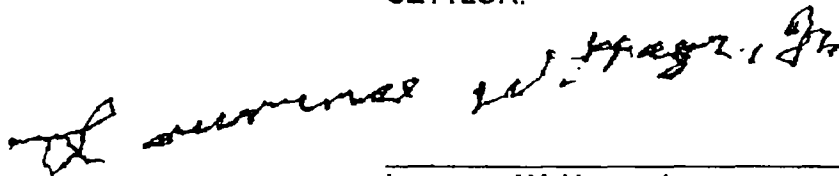
The following assets are hereby transferred, assigned, conveyed and delivered to, and accepted by, the Trustee of and for the Trust herein:

Stocks, securities and investments
Transferred from the Lawrence W. Hager, Jr.
Revocable Trust (U/A 8/2/1993)
Account No. 80-80-001-1929009 \$500,000.00

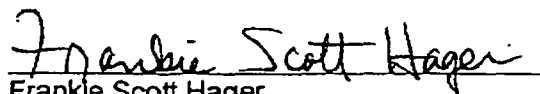
Stocks, securities and investments
Transferred from the Frankie Scott Hager
Revocable Trust (U/A 8/2/1993)
Account No. 80-001-1926001 \$500,000.00

This January 10, 2014.

SETTLOR:



Lawrence W. Hager, Jr.
Date: January 10, 2014



Frankie Scott Hager
Date: January 10, 2014

TRUSTEE

PNC BANK, N.A.

By: 

J. Terry Strange – Sr. VP and Market Director

Date: January 14, 2014

SULLIVAN, MOUNTJOY, STAINBACK & MILLER PSC
ATTORNEYS AT LAW

Ronald M. Sullivan
Jesse T. Mountjoy
Frank Stainback
James M. Miller
Michael A. Fiorella
Alice W. Holbrook
R. Michael Sullivan
Bryan R. Reynolds*
Tyson A. Kamuf
Mark W. Starnes
C. Ellsworth Mountjoy

*Also Licensed in Indiana

PNC Bank, NA
Attn: Debra Ausley and
Terry Strange
101 South Fifth Street, 4th Floor
Louisville, Kentucky 40202

**RE: LARRY AND FRANKIE HAGER CHARITABLE TRUST NO. 1 (FBO
INTERNATIONAL BLUEGRASS MUSEUM, INC.) AND
LARRY AND FRANKIE HAGER CHARITABLE TRUST NO. 2
(FBO KENTUCKY WESLEYAN COLLEGE GENERAL
SCHOLARSHIP FUND)**

Dear Ms. Ausley and Mr. Strange:

I met with Mr. and Mr. Hager today for the execution of their Charitable Trust Agreements and related documents. In that regard enclosed herein please find the following documents:

1. One executed original Charitable Trust No. 1, for your signature and records along with additional original signature pages for you to sign and return to my office.
2. One executed original Charitable Trust No. 2, for your signature and records, along with original signature pages for you to sign and return to my office.
3. The original letter of instruction to PNC Bank from Mr. and Mrs. Hager.
4. The original Fee Letter signed by Mr. and Mrs. Hager for the Charitable Trust No. 1.
5. The original Fee Letter signed by Mr. and Mrs. Hager for the Charitable Trust No. 2.

Telephone: (270) 925-4000
Telecopier: (270) 683-6694

100 St. Ann Building
PO Box 727
Owensboro, Kentucky
42302-0727

www.wcskylaw.com

SULLIVAN, MOUNTJOY, STAINBACK & MILLER PSC

January 10, 2014

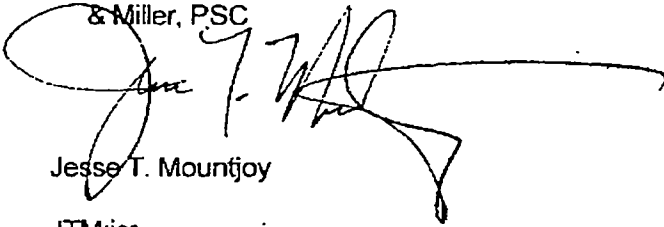
Page 2

Please do not hesitate to contact me if you have any questions regarding these matters.
Very truly yours,

Sullivan, Mountjoy, Stainback
& Miller, PSC

Jesse T. Mountjoy

JTM:jcr

A handwritten signature in black ink, appearing to read "Jesse T. Mountjoy", is written over the printed name. The signature is stylized with a large, looping initial "J" and a long horizontal stroke extending to the right.

ANNEX A

TO

TRUST AGREEMENT

THE LARRY AND FRANKIE HAGER CHARITABLE TRUST NO. 2
(FBO KENTUCKY WESLEYAN COLLEGE GENERAL SCHOLARSHIP FUND)

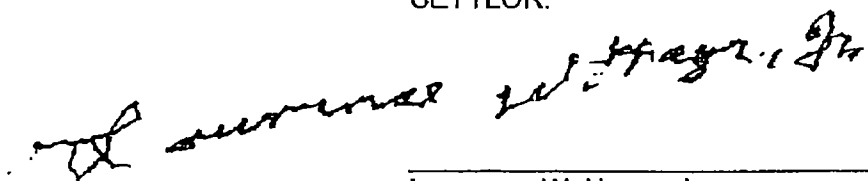
The following assets are hereby transferred, assigned, conveyed and delivered to, and accepted by, the Trustee of and for the Trust herein:

Stocks, securities and investments
Transferred from the Lawrence W. Hager, Jr.
Revocable Trust (U/A 8/2/1993)
Account No. 80-80-001-1929009 \$500,000.00

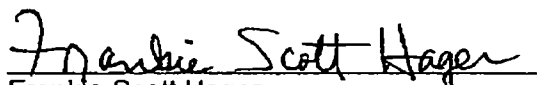
Stocks, securities and investments
Transferred from the Frankie Scott Hager
Revocable Trust (U/A 8/2/1993)
Account No. 80-001-1926001 \$500,000.00

This January 10, 2014.

SETTLOR:



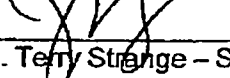
Lawrence W. Hager, Jr.
Date: January 10, 2014



Frankie Scott Hager
Date: January 10, 2014

TRUSTEE

PNC BANK, N.A.

By: 
J. Terry Strange – Sr. VP and Market Director
Date: January __, 2014

ANNEX A

TO

TRUST AGREEMENT

THE LARRY AND FRANKIE HAGER CHARITABLE TRUST NO. 1

(FBO INTERNATIONAL BLUEGRASS MUSIC MUSEUM, INC.)

The following assets are hereby transferred, assigned, conveyed and delivered to, and accepted by, the Trustee of and for the Trust herein:

Stocks, securities and investments
Transferred from the Lawrence W. Hager, Jr.
Revocable Trust (U/A 8/2/1993)
Account No. 80-80-001-1929009 \$500,000.00

Stocks, securities and investments
Transferred from the Frankie Scott Hager
Revocable Trust (U/A 8/2/1993)
Account No. 80-001-1926001 \$500,000.00

This January 10, 2014.

SETTLOR:

Lawrence W. Hager, Jr.

Lawrence W. Hager, Jr.
Date: January 10, 2014

Frankie Scott Hager

Frankie Scott Hager
Date: January 10, 2014

TRUSTEE:

PNC BANK, N.A.

By: 

J. Terry Strange – Sr. VP and Market Director

Date: January __, 2014

LAWRENCE W. HAGER, JR. AND FRANKIE SCOTT HAGER
300 WILDWOOD DRIVE
OWENSBORO, KENTUCKY 42303

January 10, 2014

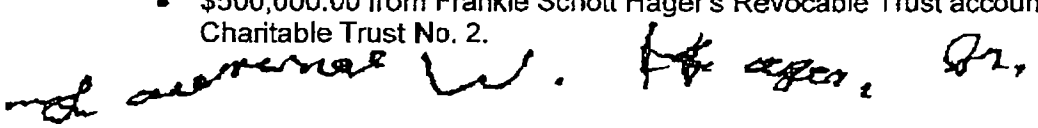
PNC Bank, NA
Attn: Debra Ausley and
Terry Strange
101 South Fifth Street, 4th Floor
Louisville, Kentucky

**RE: LARRY AND FRANKIE HAGER CHARITABLE TRUST NO. 1 (FBO
INTERNATIONAL BLUEGRASS MUSEUM, INC.) AND
LARRY AND FRANKIE HAGER CHARITABLE TRUST NO. 2 (FBO
KENTUCKY WESLEYAN COLLEGE GENERAL SCHOLARSHIP FUND)**

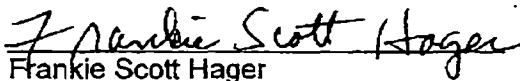
Dear Ms. Ausley and Mr. Strange:

You are hereby authorized and directed to transfer from our respective Revocable Trust accounts with your bank to new trust accounts set up for the above charitable trusts, those stocks, securities and investments more particularly described in the attached Annexes A to the Trust Agreements, namely

- \$500,000.00 from Larry Hager's Revocable Trust account to the Hager Charitable Trust No. 1;
- \$500,000.00 from Larry Hager's Revocable Trust account to the Hager Charitable Trust No. 2;
- \$500,000.00 from Frankie Scott Hager's Revocable Trust account to the Hager Charitable Trust No. 1; and
- \$500,000.00 from Frankie Schott Hager's Revocable Trust account to the Hager Charitable Trust No. 2.



Lawrence W. Hager, Jr.


Frankie Scott Hager

Attachment