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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

2016

Open to Public Inspection

For calendar year 2016 or tax year beginning , 2016, and ending ,

Name of foundation: 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 instructions): (573) 875-2020
City or town, state or province, country, and ZIP or foreign postal code: COLUMBIA MO 65205
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 ► ☐

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, column (c), line 16) ► $ 215,242,799.

J Accounting method: ☒ Cash ☐ Accrual ☐ Other (specify) (Part I, column (d) must be on cash basis)

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 (attach schedule)	410,865.			
2	Check ► ☐ if the foundation is not required to attach Sch B				
3	Interest on savings and temporary cash investments				
4	Dividends and interest from securities	3,167,020.	3,167,020.	3,167,020.	
5 a	Gross rents				
b	Net rental income or (loss)				
6 a	Net gain or (loss) from sale of assets not on line 10	7,753.	L-6a Stmt		
b	Gross sales price for all assets on line 6a 397,716.				
7	Capital gain net income (from Part IV, line 2)		7,753.		
8	Net short-term capital gain			7,753.	
9	Income modifications				
10 a	Gross sales less returns and allowances				
b	Less Cost of goods sold				
c	Gross profit or (loss) (attach schedule)				
11	Other income (attach schedule) See Line 11 Stmt	33,517,086.	33,517,086.	6,465,710.	
12	Total Add lines 1 through 11	37,102,724.	36,691,859.	9,640,483.	
OPERATING AND ADMINISTRATIVE EXPENSES					
13	Compensation of officers, directors, trustees etc				
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16 a	Legal fees (attach schedule) L-16a Stmt	10,092.	0.	0.	10,092.
b	Accounting fees (attach sch) L-16b Stmt	3,682.	0.	0.	3,682.
c	Other professional fees (attach sch)				
17	Interest				
18	Taxes (attach schedule)(see instrs) See Line 18 Stmt	125,918.	31,773.	31,773.	94,145.
19	Depreciation (attach schedule) and depletion L-19 Stmt	322.			
20	Occupancy				
21	Travel, conferences, and meetings	46,476.	0.	0.	46,476.
22	Printing and publications	9,423.	0.	0.	9,423.
23	Other expenses (attach schedule) See Line 23 Stmt	1,186,305.	0.	0.	1,186,305.
24	Total operating and administrative expenses Add lines 13 through 23	1,382,218.	31,773.	31,773.	1,350,123.
25	Contributions, gifts grants paid	2,285,170.			2,285,170.
26	Total expenses and disbursements Add lines 24 and 25	3,667,388.	31,773.	31,773.	3,635,293.
27	Subtract line 26 from line 12				
a	Excess of revenue over expenses and disbursements	33,435,336.			
b	Net investment income (if negative, enter -0-)		36,660,086.		
c	Adjusted net income (if negative, enter -0-)			9,608,710.	

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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		844,970.	721,638.	721,638.
	2	Savings and temporary cash investments		474,340.	108,596.	108,596.
	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 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 ►	2,898.			
		Less accumulated depreciation (attach schedule) L-14 Stmt ►	2,898.	322.	0.	0.
	15	Other assets (describe ► L-15 Stmt)		156,934,995.	190,859,729.	214,412,565.
	16	**Total assets** (to be completed by all filers — see the instructions Also, see page 1, item I)		158,254,627.	191,689,963.	215,242,799.
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 ► ☒ and complete lines 24 through 26 and lines 30 and 31.**				
	24	Unrestricted		158,254,627.	191,689,963.	
	25	Temporarily restricted				
	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, bldg , and equipment fund				
	29	Retained earnings, accumulated income, endowment, or other funds				
	30	**Total net assets or fund balances** (see instructions)		158,254,627.	191,689,963.	
	31	**Total liabilities and net assets/fund balances** (see instructions)		158,254,627.	191,689,963.	

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	158,254,627.
2	Enter amount from Part I, line 27a	2	33,435,336.
3	Other increases not included in line 2 (itemize) ►	3	
4	Add lines 1, 2, and 3	4	191,689,963.
5	Decreases not included in line 2 (itemize) ►	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) — Part II, column (b), line 30	6	191,689,963.

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 (mo , day, yr)	(d) Date sold (mo , day yr)
1 a	SCHOLAR ACCOUNT ACTIVITY	P	Various	12/31/16
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	397,716.		389,963.	7,753.
b				
c				
d				
e				

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

	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a	0.	0.	0.	7,753.
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	7,753.
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	7,753.

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 (col (b) divided by col (c))
2015	3,824,221.	185,954,416.	0.020565
2014	2,755,476.	174,036,261.	0.015833
2013	11,692,238.	139,197,913.	0.083997
2012	1,142,350.	70,808,104.	0.016133
2011	482,096.	44,144,369.	0.010921

2	Total of line 1, column (d) . . .	2	0.147449
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	0.029490
4	Enter the net value of noncharitable-use assets for 2016 from Part X, line 5. . . .	4	193,899,924.
5	Multiply line 4 by line 3 . . .	5	5,718,109.
6	Enter 1% of net investment income (1% of Part I, line 27b) . . .	6	366,601.
7	Add lines 5 and 6. . . .	7	6,084,710.
8	Enter qualifying distributions from Part XII, line 4 . . .	8	3,635,293.

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 04/16/08 (attach copy of letter if necessary – see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b	1	733,202.
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	2	0.
3	Add lines 1 and 2	3	733,202.
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	733,202.
6	Credits/Payments		
a	2016 estimated tax pmts and 2015 overpayment credited to 2016 — 6 a		
b	Exempt foreign organizations – tax withheld at source — 6 b		
c	Tax paid with application for extension of time to file (Form 8868) — 6 c		
d	Backup withholding erroneously withheld — 6 d		
7	Total credits and payments Add lines 6a through 6d	7	
8	Enter any **penalty** for underpayment of estimated tax Check here ☒ if Form 2220 is attached	8	21,360.
9	**Tax due** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶	9	754,562.
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 2017 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?	1 a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)?	1 b		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?	1 c		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
4 a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4 a	X	
b	If 'Yes,' has it filed a tax return on **Form 990-T** for this year?	4 b	X	
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If 'Yes,' attach the statement required by General Instruction T.*	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If 'Yes,' complete Part II, col (c), and Part XV*	7	X	
8 a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ 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*	8 b	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 2016 or the taxable year beginning in 2016 (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

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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 2016, 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 FinCEN Form 114 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)?	1 b		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 2016?	1 c		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 2016, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2016? ☐ 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)	2 b		
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__			
3 a	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 2016 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 2016.)*	3 b		
4 a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4 a		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 2016?	4 b		X

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

5 a 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)? **5 b**

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)

6 a 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? **6 b** X

If 'Yes' to 6b, file Form 8870

7 a 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? **7 b**

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				

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
RAMSA 460 W 34th ST NEW YORK NY 10001	ARCHITECTURAL DESIGN	986,296.
DELTA SYSTEMS GROUP INC 204 CORPORATE LAKE DR ST LOUIS MO 72570-48	WEBSITE & COMPUTER PROGRAMMING	72,570.
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	0.
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	1 a	125,338,689.
b	Average of monthly cash balances	1 b	16,869,941.
c	Fair market value of all other assets (see instructions)	1 c	54,644,085.
d	**Total** (add lines 1a, b, and c)	1 d	196,852,715.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) 1 e		
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	196,852,715.
4	Cash deemed held for charitable activities Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	2,952,791.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	193,899,924.
6	**Minimum investment return.** Enter 5% of line 5	6	9,694,996.

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	
2 a	Tax on investment income for 2016 from Part VI, line 5 2 a		
b	Income tax for 2016 (This does not include the tax from Part VI) 2 b		
c	Add lines 2a and 2b	2 c	
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	1 a	3,635,293.
b	Program-related investments — total from Part IX-B	1 b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes	2	0.
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3 a	
b	Cash distribution test (attach the required schedule)	3 b	
4	**Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	3,635,293.
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	0.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	3,635,293.

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 2015	(c) 2015	(d) 2016
1 Distributable amount for 2016 from Part XI, line 7					0.
2 Undistributed income, if any, as of the end of 2016					
a Enter amount for 2015 only				0.	
b Total for prior years 20___, 20___, 20___					
3 Excess distributions carryover, if any, to 2016					
a From 2011	0.				
b From 2012	0.				
c From 2013	0.				
d From 2014	0.				
e From 2015	0.				
f **Total** of lines 3a through e		0.			
4 Qualifying distributions for 2016 from Part XII, line 4 ► $	0.				
a Applied to 2015, 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 2016 distributable amount					
e Remaining amount distributed out of corpus		0.			
5 Excess distributions carryover applied to 2016 *(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		0.			
b Prior years' undistributed income Subtract line 4b from line 2b			0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed					
d Subtract line 6c from line 6b Taxable amount — see instructions			0.		
e Undistributed income for 2015 Subtract line 4a from line 2a Taxable amount — see instructions				0.	
f Undistributed income for 2016 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2017					0.
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)					
8 Excess distributions carryover from 2011 not applied on line 5 or line 7 (see instructions)		0.			
9 **Excess distributions carryover to 2017.** Subtract lines 7 and 8 from line 6a		0.			
10 Analysis of line 9					
a Excess from 2012	0.				
b Excess from 2013	0.				
c Excess from 2014	0.				
d Excess from 2015	0.				
e Excess from 2016	0.				

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

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2016, enter the date of the ruling . . . ► 04/16/08

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) 2016	(b) 2015	(c) 2014	(d) 2013	
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed	9,608,710.	4,508,097.	3,792,800.	3,501,787.	21,411,394.
b 85% of line 2a	8,167,404.	3,831,882.	3,223,880.	2,976,519.	18,199,685.
c Qualifying distributions from Part XII, line 4 for each year listed	3,635,293.	3,824,221.	2,755,476.	11,727,257.	21,942,247.
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	3,635,293.	3,824,221.	2,755,476.	11,727,257.	21,942,247.
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	6,463,331.	6,198,481.	5,801,209.	4,639,931.	23,102,952.
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))

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

HAGAN SCHOLARSHIP FOUNDATION C/O DAN HAGAN TRUSTEE
PO BOX 1225
COLUMBIA MO 65205 (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	1,889,868.
INTERVIEWS VARIOUS VARIOUS MO 65205	NONE	N/A	STUDENT TRAVEL, LODGING & AWARDS	114,988.
WORKSHOPS VARIOUS VARIOUS MO 65205	NONE	N/A	STUDENT TRAVEL & LODGING	108,299.
STUDY ABROAD VARIOUS VARIOUS MO 65205	NONE	N/A	STUDENT STUDY ABROAD	172,015.
Total ► 3a				2,285,170.
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	3,167,020.	
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	7,753.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue					
a COIN LAUNDRY	812300	9,580.			
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)		9,580.		3,174,773.	

13 **Total.** Add line 12, columns (b), (d), and (e) . . . 13 3,184,353.

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

2 a 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 of officer or trustee

Date

TRUSTEE 11-7-17

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	WILLIAM G STOCKGLAUSNER	11/1/2017		P01448879

Firm's name ► WILLIAM G STOCKGLAUSNER CPA PC

Firm's EIN ► 43-1852875

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

OMB No 1545-0047

2016

Name of the organization	Employer identification number
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, 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 for 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 Don't 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 isn't covered by the General Rule and/or the Special Rules doesn't 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 doesn't meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF)

Schedule B (Form 990, 990-EZ, or 990-PF) (2016) Page 1 of 1 of Part I

Name of organization
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	HAGAN TRUST PO BOX 1225 COLUMBIA , MO 65205	$ 403,000.	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)
2	HAGAN ENDOWMENT PO BOX 1225 COLUMBIA MO 65205	$ 7,500.	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)

Form 990-PF
Part I, Line 6a

Net Gain or Loss From Sale of Assets

2016

Name: HAGAN SCHOLARSHIP FOUNDATION

Employer Identification Number: 68-6260880

Asset Information:

Description of Property . . . . . . SCHWAB SCHOLAR ACCOUNT ACTIVITY
Date Acquired . Various   How Acquired . . . Purchased
Date Sold . . . 12/31/16   Name of Buyer . . .
Sales Price . . 397,716.   Cost or other basis (do not reduce by depreciation) . . . 389,963.
Sales Expense . .   Valuation Method . . . .
Total Gain (Loss) . . 7,753.   Accumulation Depreciation . . .

Description of Property . . . . . .
Date Acquired .   How Acquired . . .
Date Sold . . .   Name of Buyer . . .
Sales Price . .   Cost or other basis (do not reduce by depreciation) . . .
Sales Expense . .   Valuation Method . . . .
Total Gain (Loss) . .   Accumulation Depreciation . . .

Description of Property . . . .
Date Acquired .   How Acquired . . .
Date Sold. . . .   Name of Buyer . . .
Sales Price . .   Cost or other basis (do not reduce by depreciation) . . .
Sales Expense . .   Valuation Method . . . .
Total Gain (Loss) . .   Accumulation Depreciation . . .

Description of Property . . . . . .
Date Acquired. .   How Acquired . . .
Date Sold. . . .   Name of Buyer. . . .
Sales Price . .   Cost or other basis (do not reduce by depreciation) . . .
Sales Expense . .   Valuation Method . . . .
Total Gain (Loss) . .   Accumulation Depreciation . . .

Description of Property . . . . . .
Date Acquired .   How Acquired . . .
Date Sold . . .   Name of Buyer . . .
Sales Price . .   Cost or other basis (do not reduce by depreciation) . . .
Sales Expense . .   Valuation Method . . . .
Total Gain (Loss) . .   Accumulation Depreciation. . . .

Description of Property . . . .
Date Acquired .   How Acquired . . .
Date Sold . . .   Name of Buyer . . .
Sales Price . .   Cost or other basis (do not reduce by depreciation) . . .
Sales Expense . .   Valuation Method . . . .
Total Gain (Loss) . .   Accumulation Depreciation . . .

Description of Property . . . .
Date Acquired .   How Acquired . . .
Date Sold. . . .   Name of Buyer . . .
Sales Price . .   Cost or other basis (do not reduce by depreciation) . . .
Sales Expense . .   Valuation Method . . . .
Total Gain (Loss) . .   Accumulation Depreciation . . .

Description of Property . . . . . .
Date Acquired .   How Acquired . . .
Date Sold . . .   Name of Buyer . . .
Sales Price . .   Cost or other basis (do not reduce by depreciation) . . .
Sales Expense . .   Valuation Method . . . .
Total Gain (Loss) . .   Accumulation Depreciation . . .

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, 2016 WAS $199,329,319. THE HAGAN TRUST DID NOT CHARGE AN INVESTMENT MANAGEMENT FEE IN 2016.

Form 990-PF, Page 1, Part I, Line 11

Line 11 Stmt

Other income:	Rev/Exp Book	Net Inv Inc	Adj Net Inc
PARKING LOT RENTAL	50,000.	50,000.	50,000.
REAL ESTATE INVESTMENT	1,473,273.	1,473,273.	1,473,273.
SCHOLAR ACCOUNTS	76,193.	76,193.	76,193.
ALLOCATED GAINS	31,917,620.	31,917,620.	4,866,244.
Total	33,517,086.	33,517,086.	6,465,710.

Form 990-PF, Page 1, Part I, Line 18

Line 18 Stmt

Taxes	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
EXCISE TAXES	94,145.	0.	0.	94,145.
FOREIGN TAXES	31,773.	31,773.	31,773.	
Total	125,918.	31,773.	31,773.	94,145.

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	142.	0.	0.	142.
POSTAGE, MAILG SVC	3,615.	0.	0.	3,615.
OUTSIDE CONTRACT SVC	104,220.	0.	0.	104,220.
VOLUNTEERS	31,970.	0.	0.	31,970.
GROUNDS MAINT (HSA)	3,760.	0.	0.	3,760.
ARCHITECTURAL DESIGN (HSA)	1,025,390.	0.	0.	1,025,390.
OFFICE SUPPLIES	14,853.	0.	0.	14,853.
TELEPHONE & TELECOMM	925.	0.	0.	925.
OPERATIONS-OTHER	1,430.	0.	0.	1,430.
Total	1,186,305.	0.	0.	1,186,305.

Form 990-PF, Page 1, Part I

Line 16a - Legal Fees

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
BW	LEGAL	10,092.	0.	0.	10,092.
Total		10,092.	0.	0.	10,092.

Form 990-PF, Page 1, Part I

Line 16b - Accounting Fees

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
WGSCPA PC	ACCTG & TAX	3,682.	0.	0.	3,682.
Total		3,682.	0.	0.	3,682.

Form 990-PF, Line 19

Allocated Depreciation

Description	Date Acquire	Cost or Basis	Prior Yr Depr	Mthd	Life	Current Depr	Net Invest Income	Adjusted Net Income
WEBSITE	09/10/13	2898	1127	SL	3.00	322		
Total								

Form 990-PF, Page 2, Part II, Line 14

L-14 Stmt

Line 14b - Description of Land, Buildings, and Equipment	(a) Cost/Other Basis	(b) Accumulated Depreciation	(c) Book Value
WEBSITE	2,898.	2,898.	0.
Total	2,898.	2,898.	0.

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	142,967,458.	176,143,288.	199,329,319.
RENTAL REAL ESTATE APPRAISAL FEE	1,250.	1,250.	1,250.
HAGAN SCHOLARSHIP ACADEMY	11,835,191.	11,835,191.	11,860,191.
SCHWAB SCHOLAR ACCOUNTS	2,130,000.	2,880,000.	3,221,805.
CREDIT CARD ACCOUNT CREDIT BALANCE	1,096.	0.	0.
Total	156,934,995.	190,859,729.	214,412,565.

Supporting Statement of:

Form 990-PF, p1/Line 1(a)

Description	Amount
HAGAN TRUST	403,000.
HAGAN COMMUNITY FOUNDATION	365.
HAGAN ENDOWMENT	7,500.
Total	410,865.

hsfl10717dh

Hagan
Scholarship Foundation

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Fourth Restatement of
Hagan
Scholarship Foundation

Dan Hagan, of Columbia, Missouri (the "Grantor") hereby transfers to himself as Trustee, and his successors in trust (the "Trustee"), One Thousand Dollars ($1,000) plus any property which the Grantor elects to transfer to the Trustee from time to time hereafter. All such property shall be held by the Trustee, in trust, pursuant to the terms and conditions hereafter set forth. Said sum of One Thousand Dollars ($1,000) plus any property hereafter added to the principal of this Trust shall constitute the principal of Hagan Scholarship Foundation (the "Foundation" or "HSF"). Because this Foundation has been organized and shall operate hereafter as an irrevocable trust, it is also referred to in this document as the "Trust." The Trust agreement was executed and the Trust created on the 18th day of January, 2008 (the "Effective Date") and thereafter restated in its entirety on September 30, 2009 and on April 14, 2010 and on April 18, 2013 and then modified on May 8, 2014 and on May 13, 2015. This restatement restates in its entirety the original trust agreement and all prior restatements and modifications and shall be designated the fourth restatement and is dated November 7th, 2017.

ARTICLE I

PURPOSE OF TRUST AND INTENTIONS OF GRANTOR

This Trust agreement has been executed and created by the Grantor in order to fulfill the Purpose hereafter recited. The intentions of the Grantor in creating this Trust are recited in this Article. All provisions of this Trust shall be construed in a manner which is consistent with the Purpose and the Grantor's intentions as set forth below in this Article:

A. ***Purpose***. This Trust has been created in order to award Hagan Scholarships and to establish the Hagan Academy (Academy) and to provide those services described herein in order to ensure that each recipient of a Hagan Scholarship and each student attending the Academy will have the opportunity to obtain a college education and achieve his or her full potential without incurring burdensome debt. Recipients of these

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scholarships and Academy students shall be high achieving students in need of financial assistance in order to attend college. These students must graduate from or attend public high schools located in counties in the United States having fewer than Fifty Thousand (50,000) residents. The sole Purpose of this Trust is to award Hagan Scholarships and to establish the Hagan Academy and to provide those services described herein in a manner which is consistent with this Trust Agreement.

B. ***Intentions of Grantor***. The Grantor intends that this Trust shall be administered in such a manner that all scholarships awarded and the establishment of the Hagan Academy and all activities undertaken in the furtherance of the Purpose of this Trust and all procedures adopted by the Trustee shall be consistent with the following:

1. The Grantor shall not be a beneficiary of this Trust.

2. No person who is within the third degree of consanguinity with the Grantor, the Trustee or the Executive Director shall be a beneficiary of this Trust.

3. The Grantor while acting as Trustee of this Trust shall be entitled to an annual fee for acting as Trustee of this Trust, but never in excess of Four Tenths of One Percent (.40%) of the market value of the assets of this Trust. The value of the Trust assets for this purpose shall be the value of the Trust assets used to determine this Trust's annual expenditure limitation for charitable Purposes; Article VII.

4. This Trust shall be considered as a "Private Foundation" within the meaning of Section 509 of the Internal Revenue Code of 1986 (the "Code"), as amended, from time to time (26 U.S.C. Section 509). The Grantor believes that substantially all of the funding for the Trust's activities will come from gifts to this Trust by the Grantor during the Grantor's lifetime, from gifts or transfers made to this Trust from other trusts (both charitable and noncharitable) created by the Grantor, or from gifts made on account of Grantor's death. The Grantor intends that this Trust continues to qualify as a "Private Operating Foundation" as defined in Section 4942 (j)(3) of the Code.

5. This Trust shall exist indefinitely and in perpetuity for so long as it has funding and can carry out its Purpose.

6. This Trust shall qualify as an entity to which "charitable gifts" may be made within the meaning of Sections 170 and 2055 of the Code, i.e., the Grantor intends that this Trust be an "exempt organization" as described in Section 501(c)(3) of the Code,

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[redacted]

as a "foundation" described in Section 170(c)(2) of the Code, as a trust described in Section 2055(a)(3) of the Code, and as a trust described in Section 2522(a)(2) of the Code.

7. The Grantor intends that this Trust be irrevocable and that this Trust continue to qualify under the provisions of the Code for the favorable tax treatment recited above in paragraph 6 of this paragraph B, including any substitute or successor sections of the Code.

8. This Trust shall be subject to amendment and restatement by the Grantor at any time and from time to time during the Grantor's remaining lifetime in accordance with paragraph L of Article XII. However, no such restatement shall have the effect of causing this Trust Agreement to violate paragraph A or subparagraphs 1 through 7 of paragraph B of this Article.

C. ***Related Trusts***. This Trust, while independent, is related to Hagan Endowment, Hagan Trust, and the to-be-built and operated Hagan Academy, as all have been created by Dan Hagan, Grantor. Each of said organizations have their separate organizational structure and each have their own distinct charitable purpose and separate board of trustees, but all were created to cooperate in "helping rural students graduate college debt-free."

ARTICLE II

SCHOLARSHIPS TO BE AWARDED

Each scholarship awarded under this Trust shall be known and referred to as a "Hagan Scholarship." The awarding of scholarships shall be subject to sufficient distributable funds being available under this Trust to do so and subject to modifications to New Schedule A of this Trust.

A. ***The Scholarship***. Each scholarship awarded under this Trust shall be in an amount sufficient to pay the unmet financial need of the recipient for tuition and fees, room and board, and books and supplies up to Five Thousand Dollars ($5,000) per academic semester, Fall and Spring semesters only. The unmet financial need of the recipient shall be determined each semester as follows:

1. **Cost for Tuition and Fees, Books and Supplies**. The cost for tuition and fees, books and supplies shall be calculated using the published Annual Cost of Attendance (COA) provided by the National Center of Educational Statistics (NCES)

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for recipient's institution. The cost for tuition and fees, books and supplies shall be totaled then divided by thirty (30) to arrive at a cost per credit hour for tuition and fees, books and supplies. Then, the cost per credit hour shall be multiplied by the number of credit hours enrolled by recipient to arrive at recipient's cost for tuition and fees, books and supplies.

2. **Cost for Room and Board.** The cost for room and board shall be the published Annual Cost of Attendance (COA) for room and board provided by the National Center of Educational Statistics (NCES). First year, first semester recipients must live on campus in school provided housing to be eligible to receive funds for room and board; unless a waiver is provided by the Executive Director.

3. **Award Calculation**. The award amount for each semester shall be determined by totaling recipients cost for tuition and fees, books and supplies, and room and board; then deducting: 1) the dollar amount of ALL scholarships, awards, grants (excluding work study grants), and institution waivers received by recipient for the current semester only, and 2) one-half of recipient's Expected Family Contribution" (EFC) as determined by the Free Application for Federal Student Aid (FAFSA), and shown on recipient's Student Aid Report (SAR.) The unpaid balance, if any, represents the dollar amount of the Hagan Scholarship for that semester, up to $5,000. Recipients are responsible for ALL other costs including Personal Expenses and Transportation Costs.

4. **Renewable Scholarship**. Each scholarship shall be renewable for up to seven (7) additional consecutive semesters if the recipient fulfills the conditions for renewal of the scholarship.

5. **Mandatory Workshops.** Recipients must attend a mandatory free summer workshop in July prior to the start of each academic year of college. The summer workshops are intended to help recipients obtain a practical understanding of important life skills not typically taught as a part of the school curriculum. The Hagan Scholarship Foundation shall provide funds to help offset the cost of travel and lodging to the workshops; the dollar amount of funds provided shall be determined by recipients home state and not otherwise, unless an exception is provided by the Executive Director. To be eligible for lodging reimbursement, recipients must provide a copy of their paid lodging receipt during registration for the last day of the workshop.

6. **Schwab Scholar Account.** Recipients who successfully renew their

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scholarship shall be provided with a $10,000 Schwab Scholar Account the first semester of their second year of college in order to provide recipients with the opportunity to learn "hands-on" how to invest to provide for their long-term financial security. After graduation from college and fulfillment of all recipient responsibilities, ALL stock appreciation and dividends in each Schwab Scholar Account shall be transferred to the recipient's personal Schwab Brokerage Account, after the recipient provides a current copy of their personal Schwab brokerage account statement confirming the $1,000 provided by the Foundation was invested in two stocks pursuant to Guidelines provided at the time the account was established. Failure of a recipient to invest the $1,000 in two stocks shall result in the deduction of $1,000 from their Schwab Scholar Account earnings, if any. Recipients shall not be responsible for any loss in their Schwab Scholar Account.

7. **Study Abroad Award.** Recipients who successfully renew their scholarship and have achieved a 3.50 Cumulative Grade Point Average (CGPA) after their second year of college shall be eligible to receive a Study Abroad Award; subject to providing the Foundation with a Study Abroad Application, meeting Study Abroad criteria, and being current with Recipients Responsibilities at the time of commencement of the Study Abroad. The award amount shall pay all program costs; Tuition and Fees, Room and Board, Round Trip Airfare, and Published Incidental Expenses; up to $8,000 per Award. Study Abroad shall be encouraged but it is not a mandatory requirement of the scholarship.

8. **Personal Schwab Brokerage Account.** Recipients who successfully renew their scholarship for the fourth year of college shall open a personal Schwab brokerage account at the start of the fall semester of their fourth year of college. After the accounts are opened the Hagan Scholarship Foundation shall deposit One Thousand Dollars ($1,000) in each account so recipients can start investing for their long term financial security. Upon receiving $1,000 in their account each recipient must invest at least $950 of the funds in two stocks in different Global Industry Classification Standard (GICS) sectors in similar dollar amounts pursuant to Guidelines provided at the time the $1,000 was provided.

B. ***Scholarship Application.*** Each Applicant's eligibility must be confirmed by a "qualified educator" affiliated with the high school attended by Applicant. A "qualified educator" for this purpose is either a teacher who taught said applicant in high school or the high school counselor or the high school principal.

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C. ***Awarding of Scholarship.*** All Scholarships awarded and funded by this Trust shall be awarded only to recipients who are selected by the Grant Committee. The Grant Committee shall be selected in the manner hereafter specified in Article III. The Grant Committee must follow the procedures and observe the criteria hereafter set forth.

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 "Eligible 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 in the United States having fewer than Fifty Thousand (50,000) residents as determined by the most recent U.S. Census. An "Eligible State" is a state having one or more counties having a population of fewer than 50,000 residents.

Each recipient must attend an "Eligible College or University." An eligible college or university is any not-for-profit four year college or university accredited by one of six regional accreditors in the United States.

The Trustee shall publish and thereafter maintain on the Foundation's web site: 1) A List of Eligible States; 2) A List of Eligible Counties in each Eligible State; 3) A List of Eligible Public High Schools located in each eligible county in each eligible state; and 4) A List of Eligible Colleges and Universities, and a "Fast Facts" PDF for each college and university. Upon the publication of each subsequent national population survey by the U.S. Census Bureau **ALL** of the above information contained in items 1 through 3 shall be updated by the Trustee. Every fifth year, starting with 2022, the information contained in item 4 shall be updated.

2. After the Grantor's death or incompetency, during the first week of September of each year, the Trustee or Executive Director shall continue to mail at USPS Standard Mail Nonprofit prices a one page informative letter about the Hagan Scholarship, a Hagan Scholarship Brochure and a three card insert to the high school principal and to the high school director of counselors of ALL eligible public high schools located in all eligible counties in all eligible states. The letter shall inform the principal or counselor about the Hagan Scholarship and ask that they inform, encourage, and provide a card to

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their highest achieving self-motivated students having the highest goals, and greatest financial need.

After the Grantor's death or incompetency, during the first week of September of each year, the Trustee or Executive Director shall continue to mail at USPS Standard Mail Nonprofit prices a one page informative letter about the Hagan Scholarship and a Hagan Scholarship Brochure to eligible high school seniors in all eligible public high schools. The List of Names shall be obtained from ACT or a similar national testing entity and shall meet the following criteria: 1) the list of names shall be obtained using the zip codes for eligible public high schools, 2) each student must have achieved a Composite Score of 23 or higher on the ACT or comparable college entrance examination, 3) each student must have a cumulative high school GPA of 3.50 or higher, and 4) each student's Household Income must be less than $80,000.

One week prior to the mailings, the Trustee shall continue to send an email to all students on the List of Names having an email address notifying them about the Hagan Scholarship and that they will soon receive a letter and Hagan Scholarship brochure, and provide a Link to the Hagan Scholarship Brochure and Hagan Scholarship Foundation website.

3. Each recipient of a scholarship must be a citizen of the United States.

4. Each recipient must attend and must graduate from a public high school located in an eligible county.

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

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 twenty percent of all students taking such test and which test has been approved by the Trustee and by the Trustee of Hagan Trust.

7. Each recipient must complete the FAFSA using prior year tax return information, and provide a complete copy of the Student Aid Report (SAR) showing the Expected Family Contribution (EFC) to the Foundation. To be eligible the applicant's EFC must not exceed $6,500.

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8. Each recipient must apply for Federal and State entitlement grants, waivers and scholarships for which they are eligible.

9. **Each recipient of a Hagan Scholarship must be a high achieving self-motivated student with high goals in need of financial assistance in order to attend college.**

10. Each first-time recipient of a scholarship must be accepted for enrollment and must enroll at an eligible 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) consecutive years**, and a confirmation of such progress must be provided to the Trustee or Executive Director each Fall semester 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 or medical waiver is obtained by the recipient from Executive Director; waivers shall be limited to one year.

12. **Each recipient must achieve a 3.00 Grade Point Average (GPA) each academic semester; must maintain a 3.25 Cumulative Grade Point Average (CGPA) after the first semester**; and must provide the Executive Director with an Official Copy of their grade transcript after the completion of each academic semester. Failure to achieve a 3.00 grade point average each semester or failure to maintain a 3.25 cumulative grade point average after the first semester shall result in the loss of the scholarship. NO EXCEPTIONS.

13. **Each recipient must complete 30 GPA credit hours each academic year, fall and spring semester only**; regardless of the number of GPA credit hours earned by recipient. Summer school credit hours shall not be counted toward the 30 GPA credit hour requirement. However, recipients may take an intercession course between fall and spring semesters, or a course during spring break to make up any credit hour deficiency. At least 14 GPA credit hours must be completed each semester unless a wavier is obtained from the Executive Director.

14. Online courses shall be minimized and must be approved by the Executive Director. Online courses must be degree requirements, not electives.

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

16. **Each participant must live in dormitory housing provided by the college or university during the first semester of his or her freshman year**. Failure to live in dormitory housing for the first semester shall result in the recipient not being eligible to receive funding for room and board for that semester, unless a waiver is obtained from the Executive Director.

17. Each recipient must cooperate and participate in any work shops, monitoring programs, surveys and questionnaires, the taking of class photos or other activities sponsored by this Trust and required by the Trustee 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.

18. At the end of each academic year, using a Form provided by the Foundation, each recipient must provide the Executive Director with a personal Financial Statement listing all assets and liabilities.

19. 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 Progress 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 the Hagan Scholarship and what they hope to accomplish in the upcoming year.

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

21. 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 Foundation, the Trustee or Executive Director of this Foundation or 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.

22. Each applicant and applicant's parents or guardians must authorize this Trust to use recipient's name and any photographs and writings provided to the Trust

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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.

23. Each applicant, using the Form currently being used by the Foundation, must include a properly executed all-inclusive liability waiver with applicant's Hagan Scholarship Application for the benefit of this Trust, it's Grantor, its Trustee, it's Executive Director, Trustees of Hagan Trust, Volunteers, Members serving on it's Review and Grant committees, and Employees. The liability waiver must be signed by the applicant and applicant's custodial parents or 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 and that the Grant Committee and Trustee shall have sole discretion to make final 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.

24. All scholarship applications received by the Foundation shall be assigned an HSF ID number and shall be permanently retained in the Foundation records.

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 scholarship renewed shall be determined in the same manner as a new scholarship.

F. ***Scholarship Recipient Must Contribute.*** Each scholarship recipient must personally contribute toward the cost of his or her education by working a minimum of Two Hundred Forty (240) hours of traditional employment prior to the start of each academic year. Traditional employment is defined as regularly scheduled work performed under supervision for compensation. Volunteer work shall not be counted toward the 240

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hours work requirement. Confirmation of each recipient's employment shall be provided to the Executive Director using a Form provided by the Foundation. Failure of a recipient to fulfill their work requirement or failure to provide proof of employment shall result in the loss of the scholarship.

G. ***Illness or Interruption of Instruction***. Each scholarship may be reinstated in the following situations:

1. Illness or events interrupt a recipient's ability to continue his or her college education and the interruption is for one year or less. In such event, the recipient must apply after recovery for reinstatement of the scholarship by the start of the next academic year. Any such reinstatement shall be evaluated upon the merits of each individual case and any reinstatement shall be at the discretion of the Executive Director.

2. A college or university closes for any part of a normal academic year and the recipient is unable to obtain satisfactory course instruction or grades. In such event, any reinstatement shall be at the discretion of the Executive Director.

H. ***Eligible Colleges and Universities.*** To ensure that each scholarship recipient can attend a college or university best suited to his or her intended field of study and personal preference, a scholarship recipient may attend, subject to Trustee approval, any eligible four (4) year or higher not-for-profit accredited college or university, public or private, in any state of the United States.

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, at Grantor discretion, the Grantor shall determine the number of scholarships to be awarded, the process to be used to select Finalists, award scholarships, renew scholarships and all 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 to a successor Trustee.**

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

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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. The Process:

a. Each scholarship application received shall be assigned an HSF ID number and shall be permanently retained in the Foundation records. All applications received shall be reviewed by the Trust for completeness, compliance with provided instructions, and applicant eligibility.

b. Incomplete applications, applications not prepared pursuant to provided instructions, and applications received from ineligible applicants shall be rejected, and removed from further consideration.

c. After all applications have been reviewed the Trustee shall select the best applications from the highest achieving students having the greatest financial need and obtain Supplemental Information from the selected applicants. The Supplemental information to be obtained shall include the following:

1) Copy of applicant's current FAFSA SAR

2) Copy of applicant's drivers license

3) Copy of applicant's birth certificate

4) Copy of applicant's parents Tax Returns filed by with the Internal Revenue Service for the two years prior to the application year: i.e. if the application Deadline was November 15, 2017; tax returns for 2015 and 2016 must be provided.

4) Parents Financial Statement. Form provided by HSF.

5) List of ALL scholarships, awards, grants received by applicant. Form provided by HSF.

6) Letter from Applicant's employer if applicant worked during the application year; i.e. if the application Deadline was November 15, 2017 a letter form the employer regarding job description, hours worked, hourly pay, and total pay for the calendar year 2017. Form provided by HSF.

7) Parent or Guardian Liability Waiver. Form provided by HSF.

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d. The number of applicants selected to provide supplemental information shall be a number equal to **Two Times** the number of scholarships to be awarded. After receipt of supplemental information and the elimination of applicants no longer meeting the eligibility criteria, all remaining eligible applications shall be read and ranked by the Review Committee pursuant to Guidelines provided by the Trust. Each applicant shall be ranked as a 1,2, or 3, with 1 being the best and 3 being the worst; using a single plus or single minus to differentiate similar applicants ranked 1 or 2 only. Each application shall be read and independently ranked by two members of the Review Committee.

e. After ALL applications have been read, evaluated, and ranked by the Review Committee, a Seven Member Grant Committee comprised of the Trustee and six Review Committee members selected by the Trustee shall select and award scholarships to the highest ranked applicants. Scholarships shall not be awarded to more than **Two-Thirds** of the number of applications ranked by the Review Committee and subsequently reviewed by the Grant Committee.

3. **The Trustee and Executive Director shall carefully review with all members of the Review Committee and Grant Committee 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 Review Committee and Grant Committee have a firm and clear understanding of their responsibilities.**

4. The Executive Director shall provide each Review and Grant Committee member with the following applicant information, in the following order:

a. Cover Page with Applicant's HSFID, Name, and Photo
b. Applicant Particulars
c. Official High School Transcript
d. ACT Report showing Composite Score and subset scores
e. Applicant's Personal Essay
f. List of Honors and Achievements
g. Applicant's Narrative Four Year Plan

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h. Two Letters of Recommendation

5. **Each applicant shall be evaluated and ranked based upon his or her academic ability, achievement in and out of school, personal goals, and future promise.** Preferential consideration, limited to a plus or minus only, may be given to applicants who have worked over 240 hours; have adverse familial or financial circumstances; or will be the first in their immediate family to attend or graduate college.

After all applicants are ranked, the Grant Committee shall award scholarships to the highest ranked applicants having the greatest financial need pursuant to Paragraph J below, "Number of Scholarships to be Awarded."

6. Each applicant awarded a scholarship shall be promptly notified by USPS regular mail, mailed "Return Service Requested", that they have been awarded a Hagan Scholarship and that the Award Amount will be determined after the start of the upcoming Fall semester pursuant to Recipient Responsibilities published on the HSF website; after the Trust receives from recipient ALL necessary information to determine the award amount and after HSF has confirmed such information with recipient's college or university. All Award Notices shall be mailed the same day; a copy of an envelope containing an award notification and showing the postage imprint shall be retained by HSF as proof of the date mailed.

7. Each scholarship recipient and recipient's parents or guardians must sign the original Award Letter and return said award letter using the return envelope currently being provided. The return envelope must be postmarked by USPS no more than Ten Calendar Days (10) after the postmark on the envelope used by HSF to mail the Award Notifications. 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 each subsequent consecutive semester at the discretion of the Trustee for up to Seven (7) additional semesters if the recipient continues to qualify for the scholarship. There shall be no limit as the number of credit hours a recipient may take. Recipients graduating in less than four years shall be entitled to continue using the Hagan Scholarship to attend graduate school or a

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professional school; up to a total of eight semesters; regardless of class standing or number of degrees obtained. 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 Trustee. The approval of each scholarship, and the renewal of each scholarship, shall be determined on an individual by individual basis.

J. ***Number of Scholarships to be Awarded.*** After the death or incompetency of Grantor, the number of scholarships that can be awarded each year shall be determined by the Trustee and Executive Director as follows:

1. The number of new scholarships to be awarded shall be determined by dividing the dollar amount budgeted for awarding new scholarships by the prior year average award amount for first year scholarships.

2. Scholarships SHALL NOT be awarded to more than Two-Thirds(2/3rds) of the number of applications reviewed by the Grant Committee.

K. ***Distributable Funds.*** During the Grantor's lifetime, the annual dollar amount budgeted to fund Foundation operating costs, the renewal of existing scholarships, study abroad awards, personal brokerage accounts, and new scholarships shall be determined by the Grantor. After the Grantor's death or incompetency, the annual budget shall be determined by the Trustee of Hagan Trust, pursuant to provisions contained in this Trust Agreement and not otherwise.

If budgeted funds are insufficient to fund the estimated cost to renew existing scholarships, study abroad awards, personal brokerage accounts, and new scholarships; the funding of new scholarships shall be secondary to the others. Estimated disbursement amounts shall be determined as follows:

1. Renewal of existing scholarships. The dollar amount to be set aside for existing scholarships shall be determined using the prior year average award amount for each of three award years (Sophomore, Junior, Senior)

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times the estimated number of scholarships eligible for renewal for the upcoming year.

2. Study Abroad Awards. The dollar amount to be set aside for Study Abroad Awards shall be determined by multiplying the estimated number of Study Abroad Awards to be awarded times the prior year average Study Abroad Award.

3. Personal Brokerage Accounts. The dollar amount to be set aside for the establishment of personal Schwab brokerage accounts shall be determined by multiplying the estimated number of fourth year recipients times $1,000.

4. Award of new scholarships. The number of new scholarships to be awarded shall be determined by dividing the dollar amount available for awarding new scholarships by the prior year average award amount for first year scholarships.

L. ***Forfeited Scholarships.*** The award of scholarships for successive semesters of study shall be contingent upon the recipient continuing to be eligible, as determined by 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. Funds for forfeited scholarships shall be retained by the Trustee for use in fulfilling the Purpose of this Trust in accordance with the terms of this Trust.

ARTICLE III

REVIEW COMMITTEE AND GRANT COMMITTEE

The Review Committee and Grant Committee shall be charged with the responsibility of selecting and awarding Hagan Scholarships. The Committees shall be subject to the following terms, conditions, and limitations:

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A. ***Membership of the Committees***. The membership of the Review Committee and Grant Committee shall be determined by the Trustee 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 Hagan Scholarship Foundation, the Review Committee and Grant Committee shall consist of Dan Hagan and at least two other members selected by the Grantor who meet the eligibility criteria for members serving on the Review Committee and Grant Committee.

2. After the Grantor's death or incompetency the Review Committee shall be comprised of members selected by the Trustee. Each Review Committee member shall read, evaluate, and rank forty-five (45) scholarship applications; and may review one additional set of forty-five applications subject to Trustee approval. The Grant Committee shall be comprised of the Trustee and six Review Committee members selected by the Trustee. The Executive Director of this Trust shall not be a member of the Review Committee or Grant Committee.

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

The Trustee and Executive Director shall carefully review with all members of the Review Committee and Grant Committee 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 Review and Grant 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 Committees.***

1. The Trustee shall select all Hagan Scholarship Foundation Volunteers, and all Review and Grant Committee members.

2. Review Committee and Grant Committee members shall be selected from Trustees, Trustees of other exempt organizations established by Grantor,

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Faculty members of Hagan Academy and the Head of School of Hagan Academy once established, Hagan Scholarship Foundation Volunteers, and Hagan Alumni. After the Hagan Academy is established at least two-thirds of all Review and Grant Committee members shall consist of faculty members of Hagan Academy, the Head of School of Hagan Academy, and Hagan Scholarship Alumni. Hagan Alumni are defined as Hagan Scholarship recipients who graduated college while a Hagan Scholar.

3. Each member of the Review and Grant Committee must have attained the age of Twenty-One (21) years and must have graduated from a four-year college or university.

4. Each member of the Review and Grant Committee must have distinguished himself or herself in their academic, 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 Review or Grant Committee may have any economic incentive, direct or indirect, to award a scholarship to a recipient.

5. Each member of the Review and Grant Committee using a Form provided by the Trust shall affirm and conform to the following criteria in order serve as a member on the Review or Grant Committee:

a. Must independently evaluate and rank each applicant pursuant to provided Guidelines and Criteria

b. Must keep ALL provided information in a Confidential manner

c. Must not make copies of provided Information

d. Must not contact any applicant or person named in provided documents

e. Must return all provided Information, Evaluation Sheets, Summary Evaluation Sheets, and Rankings to the Trust at the conclusion of Award Process or upon the Foundation's request if sooner, and

f. Must evaluate each applicant based upon their academic ability, achievement in and out of school, personal goals, and future promise; all on an objective

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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 Review and Grant Committee shall serve until replaced by the Trustee. The Trustee shall fill vacancies in any position on the Review Committee or Grant Committee that becomes vacant because of a member's death, disability, resignation, or because the member no longer meets the criteria for membership on the Committee.

F. ***Removal***. A member of the Review or Grant Committee may be removed by the Trustee at any time, with or without cause. The Trustee may request removal of a member of the Review Committee or Grant Committee who either is not devoting sufficient time to his or her duties as a member of the Committee or if he or she no longer meets the criteria for membership on the Committee. Such removal shall be effective immediately upon receipt by the member of notice from the Executive Director as to said member's removal or Three (3) days after such notice is sent by certified mail return receipt requested to the last known address of such member. The Trustee may thereafter replace the 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 shall provide as compensation to each member of the Review Committee Ten Dollars ($10) for each application read, evaluated and ranked; and One Thousand Dollars ($1,000) to each member of the Grant Committee, after the awarding of all Hagan Scholarships each year, and may reimburse members of the Committees for actual and reasonable expenses incurred by said members in traveling to and from meetings of the Committees and while pursuing their duties as members of the Committees, upon receipt of a statement for such expenses. No other compensation or benefits shall be paid or provided by this Trust to members of the Committees.

H. ***Scholarship Award Criteria***. The Grant Committee shall award scholarships to the highest ranked Applicants. The Grant Committee shall not materially deviate from the Award Criteria or the most recent attached New Schedule A in making awards of scholarships with funds from this Trust.

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I. ***Powers of Grant Committee***. The Grant Committee shall have those powers and duties assigned by the Trustee as they relate to membership on the Grant Committee.

J. ***Awards of Scholarships Within Budget***. The Grant Committee shall only award the number of scholarships authorized by the Trustee. The dollar amount awarded for new scholarships and the renewal of scholarships shall be limited to a dollar amount determined pursuant to the provisions of this Trust Agreement, as determined by the Trustee subject to approval by the Trustee of Hagan Trust.

ARTICLE IV

HAGAN ACADEMY

A. ***Purpose.*** The Hagan Scholarship Foundation is in the process of establishing the Hagan Academy (Academy) to help students similar to Hagan Scholarship Recipients, but two years earlier. The Academy will be a private boarding school for high achieving junior and senior high school students from public high schools whose students are eligible for Hagan Scholarships. Admitted students must be high achieving, self-motivated with high goals, and Pell Grant eligible. Admitted students will attend the Academy without cost to them or their parents; all tuition and fees, room and board, books and supplies, and funds for travel and lodging once each semester to and from home shall be fully paid by Hagan Scholarship Foundation. Funds for travel and lodging shall be determined in the same manner as Hagan Scholarship Recipients. Personal expenses shall be the students responsibility.

B. ***Eligibility Criteria***. Each Academy Student (student) must meet criteria similar to Hagan Scholarship criteria, including:

1. Each student's eligibility must be confirmed by a "qualified educator" affiliated with the high school attended by the student. A "qualified educator" for this purpose is either a teacher who taught said applicant in high school or the high school counselor or the high school principal.

2. Academy Scholarships shall be awarded only to students who are interviewed by the Grant Committee. The members serving on the Grant Committee shall

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be selected in the manner set forth in Article III of this Trust Agreement. The Grant Committee shall follow the procedures and observe the criteria set forth in Article III of this Trust Agreement.

3. Each student must have attended an "Eligible Public High School" located in an "Eligible County" located in an "Eligible State."

4. Each student must be a citizen of the United States.

5. Each student must have attended as a freshman and sophomore an eligible public high school.

6. Each student must have a high school cumulative grade point average (CGPA) of 3.75 or higher.

7. Each student must score 24 (Composite Score) or higher on the ACT, or the equivalent score on any similar 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.

8. Each student must enroll in the Academy following their sophomore year of high school.

9. Each student must complete the FAFSA and qualify for a Pell Grant.

10. A student 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.

11. A student must not have been convicted of a felony. No student, while receiving funds from the Academy, shall act in a manner which brings discredit upon its Grantor, Trustee, Executive Director of the Academy, the Academy, Hagan Scholarship Foundation, or Hagan Trust, himself or herself, or other students. Each student must act in a manner which is consistent with the representations and goals made by the student to the Grant Committee.

12. Each student and student's custodial parents and guardians must grant permission to the Academy to use the student's name, photographs and writings at the Academy's discretion in any of its publications, reports, press releases, activities, and

website, with or without attribution, in order to publicize the Academy and encourage other worthy students to apply for admission to the Academy.

13. Each student's parents or guardians, using a Form provided by the Academy, must provide a properly executed all-inclusive liability waiver with the student's Application for the benefit of the Academy, this Trust, it's Grantor, its Trustee, it's Executive Director, Trustees of Hagan Trust, Volunteers, Members serving on it's grant committee, 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 student and student's custodial parents and guardians do not have a right to the grant of a scholarship to attend the Academy or the renewal of a scholarship, that the Grant Committee shall have sole discretion to make award determinations, and that the recipient of a scholarship must abide by and remain current with Scholarship Criteria and Student Responsibilities in order to keep their scholarship.

14. Each student must contribute toward the cost of his or her education by working one hundred hours during the twelve months prior to the start of each academic year. Confirmation of each student's employment shall be provided to the Academy using a Form provided by the Academy. Failure of a recipient to fulfill their work requirement or to provide confirmation of work performed shall result in the loss of the Academy Scholarship.

15. Each Applicant interviewed by the Grant Committee and not awarded a scholarship to attend the Academy shall receive One Thousand Dollars ($1,000) to be used by the recipient to further his or her education.

C. ***Mandatory Summer School.*** Students awarded a scholarship to attend the Academy must attend and successfully complete a four week summer school at the Academy to be eligible to enroll at the Academy for the fall semester. The decision to admit or not admit first year students for the fall semester following summer school at the Academy shall be at Academy discretion; notices regarding each students status shall be mailed to the student within two weeks following completion of summer school; decisions made by the Academy shall be final and not subject to appeal. The purpose for this requirement is twofold:

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1. To confirm that incoming students have the academic ability to successfully complete Academy curriculum at a high-level, and

2. To determine if the student is of good character and would be a good fit at the Academy.

Regarding the former, in the opinion of the Academy, if the student is not capable of completing Academy curriculum at a high-level, he or she shall not be admitted to the Academy for the fall semester; but instead, shall attend their home school. Regardless, all students attending summer school shall receive a transcript from the Academy for courses taken and credit hours earned. Students not invited back to the Academy for fall enrollment shall not be replaced by alternates. ALL first year students enrolling at the Academy must attend and successfully complete the mandatory summer school. Regarding the latter, four weeks should be sufficient time to determine if the student is of good character and would be a good fit at the Academy; time enough to determine if the student can live independently of their family and not subject to homesickness; time enough to determine if the student has disciplinary issues or a lack of respect for authority figures; children of helicopter parents shall not be admitted to the Academy.

The summer school curriculum shall be sufficiently diverse and challenging to confirm to Academy Faculty and the Head of School that recipients accepted for fall enrollment at the Academy have the academic ability to complete Academy curriculum at a high-level without the necessity for tutoring or special assistance; and that admitted students are self-motivated and have high goals as it relates to their career objectives. It shall be a requirement that, in order to graduate from the Academy, each student must be accepted for enrollment at a four year not-for-profit college or university accredited by one of the six regional accrediting agencies, for the fall semester following Academy graduation.

D. ***Operational Particulars***.

1. The Trustee shall publish on the Hagan Academy web site: 1) A List of Eligible States; 2) A List of Eligible Counties in each Eligible State; and, 3) A List of Eligible Public High Schools located in each eligible county in each eligible 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.

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2. In early September of each year, the Trustee shall mail at USPS Standard Mail Nonprofit prices a one page informative letter about the Academy and an Academy Brochure to the high school principal and to the director of high school counselors of ALL eligible public high schools located in all eligible counties in all eligible states. The letter shall inform the recipient about the Academy and ask the recipient to inform and encourage ALL eligible students who may have an interest in attending the Hagan Academy to apply for a scholarship.

3. In early September of each year, the Trustee shall mail at USPS Standard Mail Nonprofit prices a one page informative letter about the Academy and an Academy Brochure to ALL eligible students of all eligible public high schools located in all eligible counties in all eligible states. The letter shall inform the student about the Academy and ask the student to apply if they have an interest in attending the Academy. The List of Names shall be obtained from ACT or a similar testing entity or service provider; using zip codes for all eligible public high schools. To the maximum extent possible, each student contacted shall meet the following criteria: 1) each student must have achieved a Composite Score of 24 or higher on the ACT or comparable college entrance examination; 2) each student must have a cumulative grade point average of 3.75 or higher; and, 3) each student's Adjusted Household Income (AGI) must be less than $50,000. One week prior to the mailing the Trustee shall send an Email to all students with an email address, a Letter about the Academy and Links to the Academy Brochure, Academy website, and Hagan Scholarship Foundation website.

4. Each Academy student must achieve a 3.00 grade point average each semester, and maintain a 3.25 cumulative grade point average after the first semester. Failure to achieve a 3.00 grade point average each semester or failure to maintain a 3.25 cumulative grade point average after the first semester shall result in the loss of the scholarship.

5. Each student must cooperate and participate in all work shops, surveys and questionnaires, taking of class photos, or other activities sponsored by the Academy which are intended to ensure that each student'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.

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6. At the end of each academic year, using a Form provided by the Foundation, each student must provide to the Executive Director an annual Progress Report describing the accomplishments and progress made by the student toward those goals represented to the Grant Committee and what they hope to accomplish in the upcoming year.

7. Until the Grantor's death or incompetency, at Grantor discretion, the Grantor shall determine the number of Academy Scholarships to be awarded, the process to be used to select Finalists, interview Finalists, award scholarships, renew scholarships and all other matters pertaining to the Academy, 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 to a successor Trustee.**

8. After the Grantor's death or incompetency, the number of students attending the Academy shall be limited to a maximum of Sixty (60) Students at any one time; or, the number of students enrolled at the time of Grantor's death or incompetency if greater.

9. Hagan Academy enrollment shall be limited to students starting their junior year of high school and who currently attend high schools whose students are eligible for Hagan Scholarships.

10. Students shall attend the Hagan Academy without cost to the student or their parents. All tuition, fees, room and board, books and supplies, and travel and lodging expense to the Academy once each semester shall be fully paid by the Academy.

11. All courses shall be taught for college credit by a first rate college faculty having strong "teaching" backgrounds. All faculty and staff must be employees of the Hagan Academy, or contracted to teach at the Academy.

12. The Hagan Academy shall be accredited as a College. The Core Curriculum shall enable Academy students to graduate with an Associate Degree. Curriculum shall be taught on a semester basis and shall be broad based, in order to fulfill most general credits required for a bachelor's degree.

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13. High School accreditation shall not be a requirement since Hagan Academy will be accredited as a College.

14. Core Curriculum shall be fixed at the time of Grantor's death or incompetency and shall not be changed, except to meet minimum Missouri high school graduation requirements.

15. Elective courses may be taught each semester. Elective courses shall be selected by students attending the prior semester from a List of twelve (12) courses provided by Hagan Academy. A minimum of six students must sign up to take an elective course before the course can be taught.

16. Students achieving a 3.25 GPA the prior semester may take one elective course the subsequent semester. Students achieving a 3.5 GPA the prior semester may take two elective courses the subsequent semester.

17. During the second semester each year, students may take one elective course of their choosing at the University of Missouri-Columbia or Stephens College with Academy approval. The elective course must not interfere with the Academy course schedule.

18. Preferential consideration shall be given to high achieving self-motivated students with high goals having the greatest financial need.

19. Admitted students must have strong academic credentials, leadership qualities, some work experience, aspire to obtain a four-year or higher college education in order to achieve his or her goals, and show a promise of future distinction.

20. The Hagan Academy shall provide students with the opportunity to obtain a practical understanding of important life skills not usually taught as a part of the school curriculum by providing: 1) Free Workshops, 2) Free Schwab Investment Accounts, and 3) Free Study Abroad Awards sponsored by the Academy as follows:

a. The Hagan Academy shall provide Free Workshops on Time Management, Study Strategies, College Finances, How to Succeed at College, Work/Life Balance, and Career Planning (Resumes, Interviews, and Internships.)

b. The Hagan Academy shall provide each student with the opportunity to learn "hands-on" how to invest and manage money in order to provide for

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their lifelong financial security. Each student shall be provided with a $5,000 Schwab Investment Account during the Fall semester of their first year at the Hagan Academy. Each student shall learn how to select common stock in which to invest; research and write investment reports; and, how to purchase and sell common stock. Each student shall manage their Schwab Account pursuant to provided Guidelines until graduation from the Academy. After graduation from the Hagan Academy and fulfillment of all School and Schwab Account Responsibilities, each student shall receive all stock appreciation and dividends in their Schwab Account as an Award, without further obligation to the Academy, in recognition of their financial education. Students shall not be responsible for any loss in their Schwab Account. Failure to manage their Schwab Account pursuant to provided Guidelines shall result in the loss of their Schwab Account and Academy Scholarship.

c. The Hagan Academy shall provide a study abroad opportunity for students successfully completing their first year at the Academy. Students receiving a study abroad opportunity will visit and explore another country and experience its culture, art, and history firsthand while meeting new people. A study abroad experience will help increase each student's confidence and independence, and help build their resume.

21. The Trustees of the Academy shall have sole responsibility for management oversight of the Academy. No outside person, college, university, or other entity shall have responsibility or control, directly or indirectly, for management oversight of the Academy.

E. Academy Facilities.

1. Construction of the Hagan Academy shall be pursuant to plans being developed by Grantor. The Academy must be constructed during Grantor's lifetime while Grantor is serving as Trustee of the Hagan Scholarship Foundation. In the event of Grantor's death or incompetency during construction of the Academy, the Academy shall be completed pursuant to plans developed and approved by Grantor and for which Grantor obtained construction permits and not otherwise.

2. If the Academy is not being constructed at the time of Grantor's death or incompetency the Academy **SHALL NOT** be built; instead, all resources of the

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Foundation shall be used to award Hagan Scholarships, including Workshops, Study Abroad Awards, and Schwab Accounts.

If the Academy is not being constructed at the time of Grantor's death or incompetency the Successor Trustee shall:

a. Try to negotiate with Stephens College and Stephens Foundation to secure their release of the deed restrictions set forth in the deeds wherein Grantor purchased said property as it relates to Lots 1 and 2 of Academy Subdivision, such that **the only remaining deed restriction would prohibit building student rental apartments on the property.** The Successor Trustees are authorized to pay to Stephens College or Stephens Foundation for said releases up to a maximum of Fifteen Percent (15%) of the then Fair Market Value of said Lots subject to the restriction. The value shall be determined using the average of two independent appraisals prepared by MAI certified appraisers from different firms selected by the parties and not otherwise.

b. In the event Stephens College and Stephens Foundation do not agree to the releases referred to in the previous subparagraph a. within six (6) months from the date first requested then the Successor Trustees **MUST ALLOW** the land to sit idle for twenty (20) years, after which they shall again attempt to negotiate a release from Stephen College and Stephens Foundation upon the same terms and conditions as set forth in subparagraph a. above. In the event Stephens College and Stephens Foundation do not agree to the releases within six (6) months from the second attempted negotiation the Successor Trustees **MUST ALLOW** the land to sit idle for an additional twenty (20) years, after which they shall again attempt to negotiate a release from Stephens College and Stephens Foundation; if the releases are not provided the Successor Trustees **MUST ALLOW** the land to site idle until the releases are no longer required. Until such time the releases are provided or no longer required the property shall be retained as a passive investment of the Foundation.

3. After the Hagan Academy is established on Lot 1 of Academy Subdivision, Columbia, Missouri, the Hagan Academy <u>SHALL NOT BE EXPANDED</u>; except by the Grantor during Grantor's lifetime. In the event of Grantor's death or incompetency prior to Grantors' development of Lot 2 of Academy Subdivision the property SHALL NOT be sold. The property shall be used instead for Academy parking,

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and rental of parking spaces until such time the property can be ground leased on a net basis, and developed in such a manner that the developed property would visually complement and not detract from the Academy established on Lot 1 of Academy Subdivision; thereby providing a good view from Academy Administrative offices and classrooms, and a long term income to Hagan Academy Trust; all resulting net income shall be used to fund operation costs of Hagan Academy. In the event the property is ground leased, Hagan Academy Trust shall be prohibited from incurring debt or subordinating its assets to be used as collateral.

4. After the Academy is operational, all Assets designated as Hagan Academy on the books of Hagan Scholarship Foundation except for cash and cash equivalents shall be conveyed debt free to a tax exempt single purpose entity "Hagan Academy Trust." The Hagan Academy Trust shall be prohibited from incurring debt of any kind, and shall be prohibited from subordinating its assets to be used as collateral. The Board of Trustees of Hagan Endowment shall serve as sole Trustee of Hagan Academy Trust. After conveyance of Academy assets to Hagan Academy Trust, the Hagan Academy Trust shall then lease all Academy assets, except for Lot 2 Academy Subdivision, to the Hagan Academy for $1,000 per calendar year, for as long as the Academy shall remain in existence, and operating pursuant to the terms and provisions of this Trust Agreement. The Academy shall be prohibited from incurring debt and shall be prohibited from selling Academy assets having a fair market value greater than $10,000 without the prior written consent of the Trustee of Hagan Academy Trust.

5. After the Academy is operational, the Hagan Scholarship Foundation shall establish and fund a Sixty Million Dollar ($60,000,000) endowment called "Hagan Academy Endowment." The Hagan Academy Endowment shall be set up as an independent tax exempt single purpose entity to solely provide funds for operational expenses of the Hagan Academy in perpetuity. Annual distributions from the Hagan Academy Endowment shall be limited to the minimum distributable amount necessary to maintain its tax exemption recognition, provided however, if the required minimum distributable amount is in excess of the amount necessary to pay operating expenses of the Hagan Academy, said excess shall be distributed to Hagan Scholarship Foundation as principal funds. If the minimum distributable amount is less than the amount necessary to pay operating expenses of the Hagan Academy any deficiency shall be paid by Hagan

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Scholarship Foundation. The Trustee of Hagan Endowment shall serve as sole Trustee of Hagan Academy Endowment.

6. Prior to making each annual distribution, the Hagan Academy Board of Trustees must provide a Budget for the upcoming year to the Hagan Academy Endowment Board of Trustees. After Budget approval, the Hagan Academy Endowment shall provide that year's operating funds to Hagan Academy. The Budget must include reasonable set asides to establish reserves for depreciation, maintenance and other deferred costs which shall be maintained in a segregated account to be used solely for such purposes and which account shall be managed by the Hagan Academy Endowment, Board of Trustees. Each year's Budget shall be reviewed for cost efficiency, but in keeping with the Grantor's intent to maintain a first rate faculty and staff, first rate campus facilities and landscaping with no deferred maintenance.

7. Documents used to establish any entity pursuant to this Article after Grantor's death or incompetency, <u>SHALL SPECIFICALLY PROHIBIT</u> any outside person, educational institution, or other entity from possessing, managing, or having any say regarding the use or disposition of the assets of entities created pursuant to this Article. Entities established pursuant to this Article shall be solely managed by the Board of Trustees of the Hagan Endowment.

F. Racial and Nondiscriminatory Policy.

The Hagan Academy will include a statement of its racially and nondiscriminatory policy as to students in all of its brochures dealing with student admissions, programs and scholarships, and will also include the following nondiscriminatory policy on its website. The Hagan Academy nondiscriminatory policy will read as follows:

"The Hagan Academy admits students of any race, color, national and ethnic origin to all the rights, privileges, programs, and activities generally accorded or made available to students at the Academy. It does not discriminate on the basis of race, color, national and ethnic origin in administration of its educational policies, admissions policies, scholarship and loan programs, and athletic and other school-administered programs.

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ARTICLE V

ADDITIONAL FOUNDATION ACTIVITIES

A. ***Scholarship Activities***. The Foundation shall provide workshops on the following topics to help recipients obtain a practical understanding of important life skills not usually taught as a part of the school curriculum:

Time Management, College Finances, Study Strategies, Financial Planning, Investing for Financial Security, Study Abroad, Planning for Retirement, Work/Life Balance, Career Planning (Resume, Interviews, Internships), Characteristics of a good company to work for, Choosing and getting accepted into graduate school, Preparing for future employment, Owning vs. Renting.

The Grantor reserves the sole right to change or 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 to a successor Trustee.**

B. ***Compliance.*** All activities described in paragraphs A of this Article V 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.

ARTICLE VI

NEW SCHOLARSHIPS

The Grantor reserves the sole right to establish new scholarships until the Grantor's death or incompetency. The Grantor may establish different criteria and different types of scholarships (e.g., post-graduate scholarships, scholarships awarded out of the United States, non-traditional scholarships, scholarships with different criteria for awards than as stated in this Trust Agreement, etc.) as well as criteria and procedures to be used by the Grant Committee in awarding such scholarships by modifying Schedule A to this effect.

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The right the Grantor has reserved to establish new scholarships shall not pass to a successor Trustee.

ARTICLE VII

DISBURSEMENTS AND RECORDS

A. ***Budget***. After the Grantor's death or incompetency, the Trustee of Hagan Trust shall determine, by May 1 of each year, the amount of distributable funds that will be available for this Trust for the current year, taking into account paragraph B and paragraph D of this Article VII, and shall provide such information to the Trustee and Executive Director. Upon receipt of such information, the Trustee and Executive Director shall prepare an annual budget for the current fiscal year and submit to the Trustee of Hagan Trust by June 1 of each year for it's review, revision if deemed necessary, and signature approval. The Executive Director shall manage the operations of the Foundation pursuant to the Budget approved by the Trustee of Hagan Trust.

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.

B. ***Charitable Expenditure Limitation.*** After the Grantor's death or incompetency, the Trust's annual expenditures for charitable Purposes (qualifying distributions) shall be limited to, and shall not exceed, the lesser of:

1. The Trust's minimum distributable amount, Endowment Method for an "operating foundation" under Section 4942(j)(3) of the Code and Treasury Regulation 53.4942(b)-1(a)(1), including any substitute or successor sections; or,

2. In the event the Trust does not qualify as an "operating foundation", the Trust's annual expenditures shall be limited to the Trust's minimum distributable amount for an exempt private foundation under Section 501 (c)(3) of the Code, including any substitute or successor sections of the Code; until such time that the Trust can again

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qualify as an "operating foundation" and make distributions in accordance with paragraph 1 above.

3. To the extent that liability for additional tax under said Section 4942 can be avoided, to minimize distribution volatility due to unusual gains or losses in the investment portfolio and to smooth out annual expenditures, adjustments shall be made periodically to the above targeted spending levels to reduce accumulated shortfalls or overages in distributions of prior years. 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.

C. ***Operating and Administrative Expenses.*** After the Grantor's death or incompetency, the total annual expenditures of this Trust for operating and administrative expenses for charitable and non-charitable purposes shall be minimized to the extent reasonably possible.

D. ***Distribution of Gifts***. In the event this Trust is named as the recipient of funds from the Grantor or from another trust, endowment or foundation established by the Grantor and the terms under which such gift has been made state that such funds shall be used immediately for scholarship grant purposes for the current year or upcoming year, then the Executive Director shall consider such funds as distributable income and not principal for the Purpose of this Trust and shall utilize and distribute said funds in the year designated for the awarding of scholarships. Furthermore, the distribution of any such funds shall be in addition to the Trust's annual expenditures for charitable Purposes as determined by paragraph B of this Article VII. Gifts to this Trust which are not so designated shall be considered by the Executive Director as principal and shall be invested and reinvested in accordance with of Article VIII, Paragraph A, subparagraph 2 and subparagraph 3.

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. 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

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guidelines provided by this Trust, and in the following order: First- to pay any unpaid educational costs for the current semester; Second-to pay any outstanding educational loans; and Third - deposit any remaining funds into recipients school account. The distributable amount of each scholarship shall be determined only 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 using Forms currently being used by the Foundation. Failure to provide requested information following fifteen days' written notice by USPS Certified Mail or by email request to the recipient and recipient's college shall result in loss of the scholarship.

2. Funds for off-campus room and board, if a recipient is not living in school provided housing, shall be determined using the institutions Cost of Attendance (COA) for room and board as published by the National Center for Educational Statistics, or equivalent entity.

3. Prior to disbursing funds for the fall semester each academic year, each recipient must provide the Executive Director with a written confirmation from recipient's college advisor or college Registrar confirming that recipient is on schedule to graduate college within a four (4) year period of time.

4. **By October 1 each year (Fall Semester)**, the Recipient shall provide to the Trustee the following information:

a. Written confirmation from recipient's Advisor or College Registrar, confirming recipient is on schedule to graduate college within four years*;

b. Recipient's Bill for Tuition, Fees, Room and Board for the current semester to confirm recipient enrollment only, disbursements shall be determined using the institutions's Cost of Attendance (COA) and number of credit hour enrolled by recipient.

c. Recipient's Employment Report documenting 240 hours of traditional work (defined as regularly scheduled work, performed under supervision for compensation) in the twelve months prior to the start of the current academic year*;

d. List of **ALL** scholarships, grants, awards, and waivers received for the current semester*;

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e. Recipient's current FAFSA SAR Report showing recipient's Expected Family Contribution (EFC), complete copy;

f. Recipient's Financial Statement listing all assets and liabilities*;

g. Recipient's Annual Progress Report documenting progress toward those goals represented to the Grant Committee (sophomore, junior and senior years only)*;

h. Recipient's FERPA Release; authorization for institution to release recipient information to HSF*.

*Form provided by the Trust

5. **By March 1 each year (Spring Semester)**, the Recipient shall provide to the Trustee the following information:

a. Bill for Tuition, Fees, Room and Board for the current semester;

b. Recipient's confirmation of membership in a campus organization (freshman year only)*;

c. Recipient's Official Grade Transcript after completion of the prior Fall semester showing courses taken, hours credited, grades receive, Grade Point Average (GPA); total credit hours earned, and Cumulative Grade Point Average (CGPA);

d. List of **ALL** scholarships, grants, awards, and waivers received for the current semester*;

*Form provided by the Trust

6. **By June 10 each year**, the Recipient must provide to the Trustee the following information: Recipient's Official Grade Transcript after completion of the spring semester showing courses taken, hours credited, grades receive, Grade Point Average (GPA) by semester; total credit hours earned, and Cumulative Grade Point Average (CGPA);

F. ***Changes in Scholarship Disbursements***. 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

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change in circumstances which could result in a change in the basis upon which the original scholarship was awarded, or change in scholarship disbursement. Such changes which are required to be reported by a recipient to the Executive Director shall include, but not be limited to: changes in number of enrolled credit hours, changes in recipient's ability to graduate college within four years, additional grants or scholarships awarded to the recipient, non-educational indebtedness in excess of $20,000 , and any other material change which would affect recipient's continued eligibility for a Hagan Scholarship.

G. ***Recipient's Indebtedness***. The recipient of a scholarship must notify the Executive Director should recipient incur non-educational debt in excess of Ten Thousand Dollars ($10,000).

1. Approved debt shall not adversely affect recipient's scholarship;
2. Unapproved non-educational debt in excess of $10,000 shall result in loss of the scholarship;

H. ***Disbursements to be by Check***. After the Grantor's death or incompetency, to be valid each check issued by this Trust must be signed by two individuals authorized by the Trustee to sign checks. The Trust shall only have one checking account at any one moment in time. The checking account shall be with the bank providing checking account services to Hagan Trust.

I. ***Expenditures***. After the Grantor's death or incompetency, all financial expenditures greater than Five Thousand Dollars ($5,000) shall not be authorized or permitted without the prior signature approval of the Trustee and the Executive Director.

J. ***Records of Meetings***. After the Grantor's death or incompetency, the Trustee shall keep written or electronic records of all annual, quarterly and special meetings of this Trust; all such records shall have the signature approval of the Executive Director and shall be retained by the Trust.

K. ***Maintenance of Records***. After the Grantor's death or incompetency, the Trustee shall permanently retain at the office of the Trust all records that relate to the administration of this Trust including but not limited to: minutes of meetings, audits, financial reports, compliance reports, annual reports, financial records, tax returns, contractual agreements and charitable distributions. On June 30 and December 31 of each

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year, or the following work day if either day falls on a non-workday, the Trust shall make a comprehensive electronic backup of ALL records and store in a safety deposit box at the bank providing banking services to this Trust. The Trust shall provide Hagan Trust and Hagan Endowment with a complete backup copy of all such records at the end of each calendar year.

L. ***Calendar of Events.*** After the Grantor's death or incompetency, the Trustee shall conform with the following dates:

Item	By Date or Event	Description
Article VII, A	May 1	Determination of distributable funds
Article VII, A	June 1	Submit current year budget to Hagan Trust
Article XII, J	July 1	Update web site
Information Only	August 1	Annual disbursement from Hagan Trust
Article XII, F	August 1	Complete prior year audit and audit report
Article VII, K	Year End	Comprehensive Backup of Records
Article VII, K	Year End	Provide Complete Copy of Backup to Hagan Trust and Hagan Endowment
Article XIII, J	December 31	Update web site

M. ***Quarterly Reports.*** After the Grantor's death or incompetency, the Executive Director shall provide to the Trustee and to the Trustee of Hagan Trust at least Two (2) weeks prior to each quarterly meeting, the following information:

1. A copy of the Trust's bank statement for each of the prior Three (3) months;

2. A copy of the Trust's custodial statement, if one, for the prior Three (3) months listing all Trust investments, and

3. A chronological and numerical listing of all checks issued by this Trust, and a chronological listing of all deposits received by this Trust for each of the prior Three (3) months; each such listing shall include the date of issuance, check number, name

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of recipient, and purpose of such check as it relates to disbursements, and as it relates to deposits shall include the date of each deposit and source of funds.

N. ***Annual Reports***. After the Grantor's death or incompetency, the Trustee shall arrange for the certified public accountant used by Hagan Trust to perform an annual audit of the Trust records. The accountant shall prepare a financial report and compliance report regarding Trust activities. The financial report shall include an itemized listing of all receipts, deposits, expenditures, and disbursements for the prior calendar year. The compliance report shall include a listing of appropriate details concerning the scholarships awarded by this Trust, scholarships terminated by the Trustee and Executive Director, and note any material changes in the nature of such awards during the prior calendar year. The compliance report shall include specificity regarding: (1) compliance with charitable distribution requirements and limitations; (2) compliance with expense limitations; (3) compliance with investment criteria and limitations; (4) compliance with the investment management agreement between Hagan Scholarship Foundation and Hagan Trust, and (5) compliance with fiduciary responsibilities. All such reports shall be prepared and certified to by the certified public accountant. The Trustee shall provide a copy of such reports to the Trustee of Hagan Trust and to Hagan Endowment.

O. ***Forms and Scholarship Recipient Responsibilities***. After the Grantor's death or incompetency, the Trustee shall ensure that scholarship applicants and recipients conform with the following:

Item	Source	Description
1	Article II,B	Applicant eligibility confirmed by a "qualified educator"*
2	Article II,D,8	Must apply for eligible Grants, Waivers and Scholarships
3	Article II,D,10	Must be accepted for enrollment at an Eligible Institution
4	Article II,D,11	Must maintain a Four (4) year graduation schedule*
5	Article II,D,12	Must achieve a 3.00 grade point average each semester
	Article II,D,12	Must maintain a 3.25 cumulative grade point average after the first semester
6	Article II,D,13	Must complete 30 credit hours each academic year

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7	Article II,D,14	Must declare an academic major prior to start of Junior year
8	Article II,D,15	Must live in school provided housing the first semester of the Freshman year
9	Article II,D,16	Must participate in Trust sponsored activities
10	Article II,D,17	Must provide a Financial Statement*
11	Article II,D,18	Must provide a progress report each year*
12	Article II,D,20	Must not have been convicted of a felony or discredit Trust
13	Article II,D,21	Must authorize publication of recipient information*
14	Article II,D,22	Must provide an all-inclusive liability waiver*
15	Article II,F	Must work 240 hours traditional employment each year*
16	Article II,I,7	Must acknowledge acceptance of scholarship award*
17	Article VII,E,4,A	Must provide four year graduation confirmation*
18	Article VII, F	Must notify the Executive Director of changes
19	Article VII, G	Must notify Trust if non-educational debt is greater than $10,000

*Form to be provided

ARTICLE VIII

INVESTMENT POLICIES AND DISBURSEMENTS

Subject to the restrictions in this Article, the Trustee shall invest and reinvest the income and principal of this Trust and make annual disbursements from same to meet this Trust's obligations to fund scholarships awarded pursuant to the provisions hereof, subject to the following terms and conditions:

A. ***Investment Criteria.*** The Trustee shall invest and reinvest the Trust principal and accumulated income pursuant to the following terms, conditions, and limitations:

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1. While Grantor is Serving as Trustee: So long as the Grantor is serving as the Trustee of this Trust, then the Grantor shall have the discretion to invest the Trust's assets in those investments which are authorized by the Missouri Uniform Trust Code (Sections 456.1-101 through 456.11-1106 of the Revised Statutes of Missouri, including any substitute or successor sections) to be made by trustees and fiduciaries.

2. Limitations After the Grantor's Death or Incompetency: After the Grantor's death or incompetency, the successor Trustee shall only invest and reinvest the Trust assets (principal and accumulated income) in the following types of investments:

a. CASH, CERTIFICATES OF DEPOSIT and other short term investments which are One Hundred Percent (100%) guaranteed by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation and which do not have maturities at the time of purchase in excess of One (1) year.

b. TREASURY OBLIGATIONS of the United States which do not have maturities at the time of purchase in excess of One (1) year.

3. **Additional Investment Limitations After the Grantor's Death or Incompetency:** In addition to the foregoing limitations ALL non-charitable use assets of this Trust in excess of the current year Budget approved by the Trustee of Hagan Trust shall be managed by Hagan Trust. The dollar amount of assets to be managed and annual distributions of such assets shall be determined by the Trustee of Hagan Trust pursuant to subparagraph 2 of paragraph C of Article III of Hagan Trust. The management of such assets shall be by written agreement between the two Trusts pursuant to paragraph C of Article III of Hagan Trust. ALL assets received by this Trust from other than Hagan Trust shall be transferred to Hagan Trust for management.

B. ***Trustee and Agent's Bonds.*** After the Grantor's death or incompetency, the Trustee and any officer or agent of the Trustee who has any discretionary or signatory authority over any of the funds or assets of this Trust shall be bonded to cover theft, embezzlement and absconding; and, in the absence of such bond, shall not have such authority. The amount of the bond of the Trustee or Executive Director, or any other officer or agent, shall be subject to approval by the Trustees of Hagan Trust, but shall not be less than Two Hundred Fifty Thousand Dollars ($250,000). The premiums for such bonds shall be paid by the Trust. Such bonds shall be issued by a company rated A or

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higher by A.M. Best Company or if not in existence by a company having an equivalent investment grade rating as determined by a nationally recognized credit rating agency.

ARTICLE IX

THE TRUSTEE

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

A. ***Powers of Grantor as Trustee.*** In administering this Trust and in selecting investments and otherwise performing the duties imposed upon the Trustee, the Grantor, while acting as Trustee, shall have those powers which are generally recited and set forth in the Missouri Uniform Trust Code (Sections 456.1-101 through 456.11-1106 of the Revised Statutes of Missouri) as amended from time to time.

B. ***Powers of Successor Trustee.*** The rights and powers the Grantor has reserved under this Trust to revoke or amend **shall not** pass on to a successor Trustee, except as permitted by paragraph A, Article XII. In administering this Trust, the successor Trustee shall have those powers which are generally recited and set forth in the Missouri Uniform Trust Code (Sections 456.1-101 through 456.11-1106 of the Revised Statutes of Missouri); however, no such statutory provisions shall take precedence over the limitations, terms, and conditions set forth in this Trust agreement. When there is any conflict between the authority granted by said statutes and the obligations or restrictions imposed upon the Trustee, the provisions of this Trust agreement and attached Schedule A shall govern and take precedence. The provisions of Section 456.1-101 through 456.11-1106 RSMo. are incorporated herein by reference to the extent required in order to give effect to the intents and purposes of this clause of this Trust agreement.

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ARTICLE X

Guidance for Successor Trustees and Executive Director

The Grantor is aware that charitable foundations often fail to achieve their full potential due to mission creep, poor management, and wasting of assets.

Thus, it is the Grantor's Intent:

1. That this Trust shall be managed solely for the benefit of students attending or graduating from public high schools located in counties in the United States having fewer than 50,000 residents. That charitable distributions of this Trust shall be used solely to fund Hagan Scholarships and Hagan Academy and those scholarships and related exempt activities established by Grantor during the Grantor's lifetime and not otherwise. That the awarding of a Hagan Scholarship or the awarding of a scholarship to attend Hagan Academy shall provide each scholarship recipient with the opportunity to graduate from college debt free.

2. That distributions shall be limited pursuant to Paragraph B of Article VII of this Trust Agreement in order to provide for present and future generations. That Trust expenses shall be minimized to the extent reasonably possible. That the Foundation shall be managed using similar Forms and management processes developed by Grantor to minimize operating expenses.

3. That non-charitable use assets of this Foundation shall be managed by the Hagan Trust pursuant to subparagraph 3 of Paragraph A of Article VIII of this Trust Agreement to ensure the assets are safely managed and invested for the Long Term for the benefit of the Foundation and intended beneficiaries; and to ensure that annual expenditures for charitable purposes are limited pursuant to Paragraph B of Article VII.

4. That the Grantor's Intent shall be determined by a thorough and objective reading of ALL provisions contained in this restated Trust Agreement and attached New Schedule A. That where ever used herein the word "shall" means "must".

5. That all such provisions of this Trust Agreement and subsequent interpretation shall be construed and viewed as a complete unit rather than putting a "trick interpretation or twist" on any one word or phrase.

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ARTICLE XI

ADMINISTRATIVE PROVISIONS

A. ***Savings Clause #1 - Must Qualify as Charitable Foundation.*** The Grantor intends that this Trust will qualify as a charitable foundation within the meaning of Sections 501(c)(3), 2055, 2522 and 170(c) of the Code, and will qualify as an entity exempt from Federal income tax under Section 501(a) of the Code. The Grantor also intends that contributors to the trust will obtain the full benefit of any income, gift and estate tax charitable contribution deductions to which they may be entitled under the Code. Accordingly, notwithstanding any provision herein to the contrary, the provisions of this Agreement shall be construed and this Trust administered and disposed of in accordance with this intention and in a manner consistent with such Code sections. No right, power or discretion granted to the trustee or any other person by this Agreement or by law shall be exercisable in a manner that would cause this Trust to fail to satisfy the requirements of a charitable trust within the meaning of such Code sections. Should the provisions of this Agreement be inconsistent or in conflict with such Code sections (or applicable regulations, revenue rulings, revenue procedures, notices or other administrative pronouncements), then such sections (or regulations, revenue rulings, revenue procedures, notices or administrative pronouncements) shall take precedence over the provisions that are set forth herein. The trustee may amend this Agreement in any manner for the sole purpose of complying, but only to the extent necessary, with the requirements of the Code in order to qualify the trust as a charitable trust within the meaning of the aforesaid Code sections.

B. ***Savings Clause #2 - Each Object and Purpose Separate and Distinct.*** The Grantor intends that each object and purpose of this Trust Agreement shall be deemed and treated as separate and distinct from each and every other object and purpose thereof to the end that no provision of this Trust shall be deemed or declared illegal, invalid or unenforceable by reason of any other provision or provisions of this Trust being adjudged or declared illegal, invalid or unenforceable. In the event any one or more of the provisions of this Trust being declared or adjudged illegal, invalid or unenforceable than each and every other provision of this Trust shall take effect as if the provision or provisions so declared or adjudged to be illegal, invalid or unenforceable had never been contained in this Trust Agreement. Any and all properties and funds which would have been utilized

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under and pursuant to any provision so declared or adjudged illegal, invalid or unenforceable shall be utilized under and in accordance with the other provisions of this Trust Agreement. In the event any exempt organization for which provision is herein made shall cease to exist for any cause whatever, then so much of the funds and properties of this Trust as otherwise would be utilized for same shall be thereafter utilized for the remaining objects and purposes of this Trust.

C. ***Prohibited Transactions***. The Grant Committee, Trustee and Executive Director shall make distributions at such time and in such manner as not to subject the Charitable Trust to tax under Section 4942 of the Code. Notwithstanding any provision herein to the contrary, the Trustee, Executive Director and the Grant Committee shall not engage in any act of self-dealing, as defined in Section 4941(d) of the Code, and shall not make any taxable expenditures, as defined in Section 4945(d) of the Code. The Trustee shall not make any investments that jeopardize the charitable Purpose of the Charitable Trust, within the meaning of Section 4944 of the Code, or retain any excess business holdings, within the meaning of Section 4943 (c) of the Code

D. ***Trust Shall Remain Independent***. The Trustee **SHALL NOT** 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.**

E. ***Other Restrictions***. No part of the net earnings of the Trust shall inure to the benefit of or be distributable to the Grantor, Trustee, Executive Director, or other private individuals, except that the Trustee and Executive Director shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth herein. No part of the activities of the trust shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the trust shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of (or in opposition to) any

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candidate for public office. Notwithstanding any other provision to the contrary, the trust shall not carry on any activities not permitted to be carried on by: (i) a trust exempt from Federal income tax under Section 501(a) of the Code; or (ii) a trust, contributions to which are deductible under Section 170(c)(2) of the Code.

F. ***Non-Grantor Trust Provision***. Notwithstanding any provision of this Agreement to the contrary, neither the Grantor nor the Trustee, nor any person hereafter appointed as Trustee, shall have any power that would cause any person to be treated as the owner of any portion of the trust created hereunder under Sections 671 through 679 of the Internal Revenue Code of 1986.

G. ***Taxable Year***. The taxable year of this Trust shall be the calendar year.

H. ***Filing of Trust documents.*** After the Grantor's death or incompetency, the signed original Trust Agreement last filed by the Grantor with the Department of Treasury, and the signed original attached New Schedule A last filed by the Grantor with the Department of Treasury shall be filed with the Circuit Court of Boone County, Missouri, Probate Division with the filing of the Grantor's Last Will and Testament.

I. ***Meetings***. After the Grantor's death or incompetency, the Trustees shall meet each calendar quarter on the Fourth (4th) Tuesday in January, the Fourth (4th) Tuesday in April (**Annual Meeting**), the Fourth (4th) Tuesday in July, and the Fourth (4th) Tuesday in October. Each Board of Trustees, even though meeting on the same day, shall meet independently to ensure the continued independence of each exempt Trust or Foundation. Committees of each organization shall meet immediately following their Board's meeting. Attendance shall be mandatory of all Trustees unless excused by the Executive Director. If more than two (2) meetings are missed in any one calendar year the Trustee shall be replaced. All meetings shall be held at Columbia, Missouri or at locations near a major airport in the continental United States to facilitate Trustees travel to and from the meetings. Such locations shall be determined by the Trustees of Hagan Trust and such dates and locations shall be provided to ALL Trustees of this Trust and to ALL Trustees of exempt Trusts and Foundations established by Grantor and subject to Hagan Trust and to ALL Trustees of Hagan Endowment no less than Thirty (30) days prior to the meeting.

The Chairperson shall read before ALL Trustees at the start of each Annual Meeting held on the Fourth (4th) Tuesday in April, Grantor's "Guidance For Successor

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Trustees", Article V of this Trust, to ensure that Trustees have a clear understanding of Grantor's Intent as it relates to Trustee responsibilities.

1. ***Annual Meeting.*** The Annual Meeting shall be held on the Fourth (4th) Tuesday in April each year. The Agenda for the annual meeting shall include and shall proceed in the following order:

1) Call to order by the Chairperson of the Board of Trustees

2) Signature roll call of Trustees in attendance (proxies not allowed)

3) Proof of meeting notice

4) Reading of Grantor's "Guidance for Successor Trustees", Article V, by the Chairperson of the Board of Trustees

5) Reading of minutes of previous annual meeting, discussion, approval.

For special meetings, items 2, 3, 5, and 6 shall be applicable.

6) Report of Chairperson, if any

7) Reports of Committees

8) Selection, appointment, and re-election of Trustees if any

9) Old Business

10) New Business

11) Adjournment

2. ***Quarterly Meetings.*** The Agenda for meetings held on the Fourth (4th) Tuesday in January, the Fourth (4th) Tuesday in July, and the Fourth (4th) Tuesday in October shall include and in the following order:

1) Call to order by the Chairperson of the Board of Trustees

2) Signature roll call of Trustees in attendance (proxies not allowed)

3) Proof of meeting notice

4) Reading of Minutes of previous meeting

5) Report of Chairperson, if any

6) Reports of Committees

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7) Selection, appointment, and re-election of Trustees if any

8) Old Business

9) New Business

10) Adjournment

3. ***Special Meeting*s**. A special meeting may be called by the Chairperson of Trustees or by any Two (2) Trustees.

ARTICLE XII

GENERAL PROVISIONS

A. ***Non-Grantor Gifts*.** **There shall be NO non-Grantor gifts to this Trust.** However, gifts made by the Grantor or by Trusts established by the Grantor during or after Grantor's lifetime shall be received and accepted by the Trustee subject to any conditions or limitations imposed by Grantor.

B. ***Addition of Income to Principal*.** Any part of the net income of this Trust that is not expended by the Trust in carrying out the Purpose of this Trust shall be accumulated and, at least annually, added to the trust principal.

C. ***Irrevocability*.** Except as may be expressly provided herein to the contrary, neither the Trustee, Executive Director, nor the Grantor or any other person shall have the power to revoke, alter or amend this Trust.

D. ***No Power of Attorney to Modify Trust*.** The rights and powers the Grantor has reserved under this Trust **shall not** be exercised or released by the Grantor's power of attorney. Nor shall any such power to revoke or amend be presumed to have been granted or be granted by any court to any guardian, conservator or other person on the Grantor's behalf.

E. ***Principal Sources of Funding*.** The principal source of funding for this Trust will either be as a result of gifts made to this Trust by the Grantor, or as a result of gifts made to this Trust by another trust, foundation or endowment created by the Grantor. In the event a gift is made to this Trust by the Grantor and the terms of the gift state that the entirety of such gift shall be used immediately to fund scholarships for the current year

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or the upcoming year, then the entirety of such gift shall be used in the year designated for that purpose without treating any portion of it as principal. All such gifted funds shall be considered in addition to and not as part of the Trust's minimum charitable distribution as determined by Article VII, paragraph B. All other gifts which are not so designated shall be considered by the Trustee as principal to be invested and reinvested in accordance with the terms of this Trust agreement.

F. ***Auditors, Financial Reports and Compliance Reports.*** After the Grantor's death or incompetency, the Trustee of this Trust and the Trustee of Hagan Trust shall arrange for the outside certified public accountant being used by Hagan Trust to perform an annual audit of the books of this Trust and an annual audit of compliance with the terms of this Trust. The audit reports shall be certified to by such accountant and copies of the reports shall be provided to the Trustee and Executive Director of this Trust, to the Trustee of Hagan Trust and to the Trustee of Hagan Endowment.

G. ***Access to Records.*** Any Trustee or Executive Director of any exempt organization established by the Grantor during Grantor's lifetime, or any Family member after the death or incompetency of the Grantor related by blood or marriage or an individual having written authorization of a Family member shall have the right of signature access to inspect the books and records of this Trust upon twenty four (24) hours advance notice, during normal working hours.

H. ***Contracts.*** The Trust shall not enter into contractual or employment agreements in excess of Three (3) years, except for contracts renewable at the option of the Trustee and each renewal term not exceeding Three (3) years; except for a ground least for Lot 2 Academy Subdivision.

I. ***Executive Director.*** The Grantor, while Grantor is serving as Trustee, and any success or Trustee, may hire an Executive Director, and/or employees on an as needed basis, to assist the Trustee in discharging the responsibilities and performing the functions necessary under this Trust Agreement. All such compensation shall be reasonable and not excessive. After the Grantor's death or incompetency, any such Executive Director or employees hired by a successor Trustee shall be subject to removal with or without cause with prior written notice by the Trustee. The removal shall be effective on the date the notice is received by the individual being removed or three days after notice is mailed

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USPS certified mail to the Executive Director's last known address. The Executive Director or employee shall be entitled to his or her compensation for an additional Thirty Days (30) from the date the notice is received if removal is without cause. The Executive Director shall not be appointed as a Trustee or have a vote at meetings of the Trustees. However, the Executive Director shall be present and be allowed to participate in Trustee meetings except when the Executive Director's job performance or salary is discussed. The Executive Director shall report to the Trustee. Employees not reporting directly to the Trustee shall report to the Executive Director.

J. ***Shall Maintain Web Site***. After the Grantor's death or incompetency, the successor Trustee shall maintain the Hagan Scholarship Foundation web site established by the Grantor to inform the general public about this Trust, its Purpose and Charitable Activities. Information on the web site shall be kept current, and updated at least semi-annually by July 1 and December 31 each year, and shall include at a minimum the following information:

1. History and Purpose of the Trust
2. Scholarship Information
3. List of ALL Eligible Counties and Public High Schools
4. List of ALL Eligible Colleges and Universities, and Fast Fact PDFs for each college and university
5. List of current scholarship recipients
6. Scholar Portal for recipients only. Must require a User Name and Password to access Forms, Scholar Profiles, Scholar Photos, Link for updating Contact Information, etc.
7. List of Hagan Alumni; limited to Hagan Scholars who graduated college while a Hagan Scholarship recipient
8. Name, Photo, and Professional Information about the Executive Director and each Trustee
9. Annual Reports for the prior Three (3) years
10. IRS 990 PF filings for the prior Three (3) years

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11. Audited Financial Reports for the prior Three (3) years
12. Copy of The Hagan Scholarship Trust Agreement and attached New Schedule A and Exhibits
13. Information about the Grantor
14. Q & A about the Hagan Scholarship
15. Q & A about Hagan Academy
16. Hyperlink to Hagan Academy
17. Hyperlink to Hagan Trust

K. ***Forfeitures of Scholarships***. If a scholarship recipient fails to fulfill their Recipient Responsibilities or ceases to meet the criteria or eligibility for such award the scholarship shall be forfeited. Any such forfeiture shall be based on objective and non-discriminatory criteria and the decision by the Trustee and Executive Director shall be final and shall not be subject to challenge by the scholarship recipient.

L. ***Modifications to Trust Agreement***. This Trust shall be irrevocable, but shall be subject to modification as follows:

1. During Grantor's Lifetime: The Grantor shall not engage, directly or indirectly, in any activity that would invalidate the exemption of this Trust from Federal Income Taxation as an entity described in Sections 501(c)(3) of the Code, as a "foundation" described in Sections 509 and 170(c)(2) of the Code, as a trust described in Section 2055(a)(3) of the Code, and as a trust described in Section 2522(a)(2) of the Code. Subject to this limitation, the Grantor may, at any time, and from time to time, prior to the Grantor's death or incompetency, amend, modify or restate this Trust agreement, in whole or in part, except as prohibited by Paragraph A or subparagraph 8 of paragraph B of Article I.

2. Method of Affecting Amendments using Schedule A. The Grantor may amend and restate any portion of this Trust Agreement which is permitted to be amended by the Grantor by modifying Schedule A hereto and attaching a new Schedule A to this Trust Agreement which incorporates such amendments. The Grantor may amend Schedule A at any time, and, from time to time, until the Grantor's death or incompetency.

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3. Validity of Grantor Modifications. To be valid, any amendment, modification or restatement of this Trust Agreement or Schedule A of this Trust Agreement made by the Grantor, in whole or part, shall be subject to the following:

a. The Grantor must sign and date each page of such document in the presence of and be attested by Four (4) witnesses known to Grantor and all Five (5) signatures must be notarized;

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;

c. A copy of the cover letter and USPS certified mail return receipt shall be attached to the Last signed original Restated Trust Agreement of Hagan Scholarship Foundation being held by the Grantor pursuant to Article XII, paragraph N of this Trust Agreement.

4. After the death or incompetency of Grantor. After the death or incompetency of the Grantor, the successor Trustee shall not amend, modify or change this Trust Agreement or any attached New Schedule A; except as permitted by Article XII, paragraph A.

M. ***Termination of Trust.*** In the Grantor's discretion, and during the Grantor's lifetime, the Grantor may elect to terminate this Trust by distributing to other exempt organizations, including any exempt organization established by Grantor during Grantor's lifetime, all of the assets of this Trust which remain after paying, or after making adequate provision for the payment of, all liabilities of this Trust. Any such distribution must be to one or more exempt organizations which qualify under Section 501 (c)(3) of the Code.

After the Grantor's death or incompetency, the Trustee shall not have the right to terminate this Trust for so long as the trust estate exceeds Ten Million Dollars ($10,000,000) plus a dollar amount equal to the last approved annual Budget of this Trust. If, at any time, the Trust estate is less than Ten Million Dollars ($10,000,000) plus a dollar

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amount equal to the last approved annual Budget of this Trust, then, this Trust shall be terminated and ALL assets of this Trust shall be distributed to Howard County, Missouri to be used to establish the Dan Hagan Trust as a 501 (c)(3) to award scholarships only (no workshops, study abroad or Schwab brokerage accounts) to students in the high school graduating class of public high schools located solely in Howard County, Missouri, using similar criteria as the Hagan Scholarship Foundation to award scholarships to students. Recipients must have a cumulative high school GPA of 3.50 or higher, and score 23 (Composite Score) or higher on the ACT.

In such an event, Howard County shall arrange for assets of the Dan Hagan Trust to be managed by the Trust Department of one of the three largest banks having a branch office located in Boone County, Missouri. All assets shall be ALWAYS be invested in a Standard & Poor's 500 Index Fund and not otherwise. Howard County shall obtain at least two competing proposals prior to entering into a Trust Management Agreement for management of the assets of the Dan Hagan Trust; Trust Management Agreements shall not exceed a term of five years. The Trust Agreement shall prohibit disbursement of more than Five Percent (5%) of the principal of the Dan Hagan Trust in any one calendar year; and

Howard County shall arrange for the Dan Hagan Trust to be managed by a nearby college or university having scholarship management experience; management contracts shall not exceed a term of five years. Howard County shall obtain at least two competing proposals prior to entering into a management contract for the management of the Dan Hagan Trust scholarship program. The dollar amount to be budgeted each year for all operational expenses and scholarship awards shall be limited to Five Percent (5%) of the principal of the Dan Hagan Trust. If the Dan Hagan Trust is already in existence such funds shall be used to increase the principal of the Dan Hagan Trust.

In the event Howard County, Missouri shall not exist or will not accept said funds then the assets of this Trust shall be distributed to one or more charities or charitable organizations which are carrying out charitable activities similar to those activities being carried out or were carried out by Hagan Scholarship Foundation and which qualify for exempt purposes within the meaning of Section 501 (c)(3) of the Internal Revenue Code, or the corresponding section of any future federal income tax code.

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N. ***Location of Last Signed Restated Trust Agreement.*** The Last Signed Restated Trust Agreement filed with the Department of the Treasury and the Last Signed New Schedule A filed with the Department of the Treasury shall be held by the Grantor while the Grantor is serving as Trustee of this Trust. After the death or incompetency of the Grantor, the Last Signed Restated Trust Agreement filed with the Department of the Treasury and the Last Signed New Schedule A filed with the Department of the Treasury shall be held by the Trustee of Hagan Trust in the safe-deposit box of Hagan Trust.

ARTICLE XIII

INTERPRETIVE RULES

A. ***Governing Law.*** This Trust shall be construed and administered, and the validity of the trust hereunder shall be determined, in accordance with the laws of the State of Missouri, without giving effect to its conflicts of law principles. The Trustee may not amend this section or take any other action to change the jurisdiction whose law shall govern the construction, administration and validity of the trust other than the state of Missouri. The venue for all actions brought to construe this Trust shall be in the Probate Division of the Circuit Court of Boone County, Missouri.

B. ***Dates of Actions.*** If any date falls on a Saturday, Sunday or Federal Holiday said date shall be considered to be the next working day.

C. ***Voting.*** Any time a vote is required, only one matter may be considered at one time and such vote shall be evidenced by the signature vote of committee members entitled to vote; however, if any vote concerns a committee person then that person shall not be entitled to vote.

D. ***Objective and Non-Discriminatory Policy.*** Any time the Grantor, Trustee, Executive Director, or the Grant Committee has the authority to make a subjective decision, then said decision shall always be made on an objective and non-discriminatory basis, regardless of said applicant's race, creed, color, sexual orientation, religion, disability or sex.

E. ***Existing Standards.*** Any reference to an existing standard, such as "Expected Family Contribution" as determined by the "Free Application for Federal

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Student Aid," "ACT" or any other standard referred to in this Trust Agreement shall include any substitute or successor to said standard.

F. ***Pronouns***. As used herein, the pronouns "he," "she," "his," "hers," "him," "her", "it" and "its" shall include the masculine, feminine, neuter and plural thereof.

G. ***Singular and Plural***. As used herein, the singular shall include the plural, and the plural shall include the singular, wherever the context and facts require such construction.

H. ***Headings***. The headings, titles and subtitles herein are for convenience of reference only and are to be ignored in any construction of the provisions contained herein.

I. ***Signature***. Any time the word "signature" is used preceding a word (such as Signature Access, Signature Approval, Signature Vote, Signature Consent, Signature Recommendation, and Signature Inspection) it means that it takes the written signature of the individual or trustee.

J. ***Incompetency***. "Incompetency" as it relates to Grantor means after Grantor has been declared incompetent or incapacitated under the laws of the State of Missouri after a trial by jury.

K. ***Definitions***. The following words shall have the following meanings:

Character - appearance, speech, personality, sincerity, respect

Academic Ability - can compete at a high-level with high achieving students

Achievement - in and out of school, overcoming adversity or special circumstance

Personal Goals - clear and a plan for achieving them, meaningful and substantive

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

M. ***Legal Meaning***. Where ever used herein the word "shall" means "must."

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ARTICLE XIV

CONFLICTS OF INTEREST

The purpose of this Article is to protect the interests of this Trust from the adverse effects of any transaction or arrangement which involves the Trustee or Executive Director, or any interested person hereafter defined. The provisions of this Article are intended to supplement and not replace any applicable state or federal laws governing conflicts of interest applicable to not for profit and charitable organizations. Furthermore, no such statutory provisions shall take precedence over the limitations, terms, and conditions set forth in this Article. When there is any conflict between the authority granted by said statutes governing conflicts of interest and the obligations or restrictions imposed upon the Trustee or Executive Director, the provisions of this Trust agreement shall govern and take precedence.

A. ***Definitions***. In this Article, the following terms shall have the following meanings:

1. Financial Interest: "Financial Interest" means an economic benefit, direct or indirect, including gifts or favors, which in the aggregate exceeds $200 in any calendar year; except for the reimbursement for actual expenses incurred by the Trustee or Executive Director in fulfilling their responsibilities or compensation authorized by this Agreement and having the signature approval of the Trustee.

2. Interested Person: "Interested Person" means the Trustee, Executive Director, or any other person with powers delegated to that person by the Trustee who has a direct or indirect Financial Interest (defined above) in a transaction with or payment from this Trust.

B. ***Policy***. Any transaction to be undertaken by this Trust which creates a Financial Interest in any Interested Person is a conflict of interest. Any Interested Person shall have an affirmative duty, and obligation, to fully disclose to the Trustee of this Trust all details surrounding any possible conflict of interest with respect to a proposed transaction which may create a conflict of interest.

C. ***Procedure***. Following the disclosure of any potential transaction which may involve a conflict of interest by any Interested Person to the Trustee, the Trustee shall

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determine whether they believe a conflict of interest exists. If the Trustee determines that a conflict of interest exists, the Interested Person shall not be permitted to engage in such transaction. If the Trustee determines that a conflict of interest does not exist, such transaction shall require the signature approval of the Trustee of this Trust.

ARTICLE XV

EXECUTION

Pursuant to the foregoing, the Grantor, in his separate capacity as Grantor and Trustee of Hagan Scholarship Foundation does hereby agree to be bound in accordance with the terms set forth above, and the successor Trustee of Hagan Scholarship Foundation also agrees to be bound in accordance with the terms hereof by virtue of succeeding to the office of Trustee at any time hereafter. The Trust agreement was executed and the Trust created on the 18th day of January, 2008 (the "Effective Date") and thereafter restated in its entirety on September 30, 2009 and on April 14, 2010 and then modified on April 2, 2012, and restated in its entirety on April 18, 2013. This restatement restates in its entirety the original trust agreement and all prior restatements and modifications and shall be designated the fourth restatement and is dated November 7th, 2017.

In Witness Whereof, the said Dan Hagan has subscribed his name to this restatement of Trust Agreement consisting of Sixty Seven (67) pages, and attached Exhibits A-1, A-2, A-3, and A-4 consisting of Twenty (20) pages, each page of which he has identified by signing his name on the bottom of each page, all on the day and year last above written.

Dan Hagan, Grantor

11-7-17

State of Missouri)

) ss.

County of Boone)

On this 7th day of November, 2017, 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 Trust restatement and after being duly sworn, acknowledged to me that he executed the same as his free act and deed in his capacity as Grantor of Hagan Scholarship Foundation.

JO ELLEN GRACE
Notary Public - Notary Seal
State of Missouri
Commissioned for Boone County
My Commission Expires: December 15, 2018
Commission Number: 14425944

Jo Ellen Grace

Jo Ellen Grace, Notary Public

Commissioned in Boone County, MO

My commission expires 12/15/2018

The undersigned hereby accepts the foregoing trust and attached New Schedule A of Hagan Scholarship Foundation and hereby agrees to be bound in accordance with the

11-7-17

terms of said Trust and the attached new Schedule A as of the day and year last above written.

Dan Hagan, Trustee

State of Missouri)
) ss.
County of Boone)

On this 7th day of November, 2017, 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 Trust restatement and after being duly sworn, acknowledged to me that he executed the same as his free act and deed in his capacity as Trustee of Hagan Scholarship Foundation.

Jo Ellen Grace

Jo Ellen Grace, Notary Public

Commissioned in Boone County, MO

My commission expires 12/15/2018

JO ELLEN GRACE
Notary Public - Notary Seal
State of Missouri
Commissioned for Boone County
My Commission Expires: December 15, 2018
Commission Number: 14425944

We hereby certify that the foregoing Trust restatement was signed on this 7th day of November, 2017 by Dan Hagan, in his capacity as Grantor and as Trustee of Hagan

11-7-17

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.

SIGNATURES OF WITNESSES: ADDRESSES OF WITNESSES:

Signature

Linda Wright Granger
Name (Print)
2409 Hollyhock Dr
Street Address
Columbia MO 65202
City/State/Zip Code

Karen S. Steinbeck
Signature
Karen S. Steinbeck

28 D Broadway Village Dr.
Name (Print)
Columbia, MO 65201
Street Address

City/State/Zip Code

Susan M. Fuller
Signature

Susan M Fuller
Name (Print)
4005 Southern Pine Ct.
Street Address
Columbia, MO 65203
City/State/Zip Code

Dan Hagan 11-7-17

H.C. Willbrand
Signature

H.C. Willbrand
Name (Print)

500 W. Covered Bridge Rd
Street Address

Columbia, MO. 65203
City/State/Zip Code

STATE OF MISSOURI)
) SS.
COUNTY OF BOONE)

I, the undersigned, an officer authorized to administer oaths, certify that Linda Wright Granger Karen S. Steinbeck Susan M. Fuller and H.C. Willbrand, the witnesses, respectively, whose names are signed to the foregoing Trust restatement, Hagan Scholarship Foundation, having appeared together before me and having been first duly sworn, each then declared to me that Dan Hagan, the Grantor and the Trustee of Hagan Scholarship Foundation, signed and executed the Trust restatement of 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 Trust

Dan Hagan 11-7-17

restatement 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 7th day of November, 2017.

JO ELLEN GRACE
My Commission Expires: December 15, 2018
Commission Number. 14425944

Jo Ellen Grace

Jo Ellen Grace, Notary Public

Boone County, State of Missouri

My commission expires: 12/15/2018

Dan Hagan 11-7-17

NEW SCHEDULE A TO

Hagan Scholarship Foundation

1. **Eligible Counties (2,102)**

An eligible county is any county in the United States having fewer than 50,000 residents. The list of eligible counties shall be updated every ten years using the most recent U.S. Census information; with the first update to occur in 2027.

Eligible Public High Schools (5,185)

An eligible public high school is any public high school located in an eligible county and having five or more students in the high school graduating class. Additional eligible public high schools may be added to the list of eligible high schools following confirmation by Hagan Scholarship Foundation that each school meets the eligibility criteria.

For a listing of eligible states, counties, and public high schools go to www.hsfmo.org. then click on Eligible Schools.

2. **Eligible Colleges and Universities (1,955)**

An eligible college or university is any not-for-profit, four year college or university accredited by one of six regional accreditors in the United States. For a listing of eligible colleges and universities go to www.hsfmo.org. then click on Eligible Schools.

3. **Hagan Academy**

Exhibit A-1	Form 1023
Exhibit A-2	Form 1023, Schedule B
Exhibit A-3	Site Particulars

11-7-17

Exhibit A-4 Site Map

On this 7th day of November, 2017, Dan Hagan (the Grantor) executed the foregoing New Schedule A, which New Schedule A and Exhibits A-1, A-2, A-3, and A-4 are attached to the fourth restatement of Trust Agreement of Hagan Scholarship Foundation, to become a part of the restated Trust Agreement until modified by Grantor in accordance with the terms of said restated Trust Agreement, and that he executed the same as his free act and deed.

In Witness Whereof, the said Dan Hagan has subscribed his name to this New Schedule A and Exhibits A-1, A-2, A-3, and A-4 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, Grantor

State of Missouri)
) ss.
County of Boone)

On this 7th day of November, 2017, 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 as Grantor of Hagan Scholarship

11-7-17

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
My Commission Expires: December 15, 2018
Commission Number. 14425944

Jo Ellen Grace

Jo Ellen Grace Notary Public

Commissioned in Boone County, MO

My commission expires

12/15/2018

We hereby certify that the foregoing New Schedule A was signed on this 7th day of November, 2017 by Dan Hagan, in his capacity as Grantor of Hagan Scholarship Foundation, in our presence, who, at his request and in his presence and in the presence

11-7-17

[redacted]

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.

SIGNATURES OF WITNESSES: ADDRESSES OF WITNESSES:

Linda Wright Granger
Signature

Linda Wright Granger
Name (Print)
2409 Hollyhock Dr.
Street Address
Columbia, MO 65202
City/State/Zip Code

Karen S. Steinbeck
Signature

Karen S. Steinbeck
Name (Print)
28D Broadway Village Dr.
Street Address
Columbia, MO 65201
City/State/Zip Code

Susan M. Fuller
Signature

Susan M. Fuller
Name (Print)
4005 Southern Pine Ct.
Street Address
Columbia MO 65203
City/State/Zip Code

11-7-17

Signature

H. C. Willbrand

Name (Print)

500 W. Covered Bridge Rd

Street Address

Columbia, MO. 65203

City/State/Zip Code

STATE OF MISSOURI)

) SS.

COUNTY OF BOONE)

I, the undersigned, an officer authorized to administer oaths, certify that Linda Wright Granger, Karen S. Steinbeck Susan M Fuller and H. C. Willbrand, the witnesses, respectively, whose names are signed to the foregoing New Schedule A, which New Schedule A is attached to 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 Hagan Scholarship Foundation, signed and executed the New Schedule A to 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 Hagan

11-7-17

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 7th day of November, 2017.

Jo Ellen Grace

Jo Ellen Grace, Notary Public
Boone County, State of Missouri
My commission expires: 12/15/2018

JO ELLEN GRACE
Notary Public - Notary Seal
State of Missouri
Commissioned for Boone County
My Commission Expires: December 15, 2018
Commission Number: 14425944

11-7-17

Section II, Question 3

The nondiscriminatory policy will not be published in newspapers, as the Academy will accept applications from every county having less than 50,000 residents in twenty (20) eligible states, which have one thousand four hundred forty seven (1,447) eligible counties, and four thousand one hundred fifty two (4,152) eligible public high schools. A listing of eligible states, eligible counties, and eligible public high schools can be found on the Foundation website www.hsfmo.org.

Section II, Question 5

As the Academy is not operational at this time and since applications will be solicited from one thousand four hundred forty seven (1,447) eligible counties, and four thousand one hundred fifty two (4,152) eligible public high schools, it is impossible to even estimate, at this time, the racial composition of the prospective students.

Section II, Question 6

This question cannot be answered at this time, but all students, no matter what their racial composition, will attend completely free of any costs.

Section II, Question 7a

Dan Hagan is the sole trustee of the Hagan Scholarship Foundation and is the sole donor of all funds that have been contributed to the Foundation. As of the end of 12/31/2015, the fair market value of all Foundation assets was $194,113,628.

5-13-16
Dan Hagan 11-7-17

[redacted]

Exhibit A-3

51216

Hagan Scholarship Foundation EIN: 68-6260880

Hagan Academy
Site Particulars

The property purchased from Stephens College by the Hagan Scholarship Foundation for the Hagan Academy is ideal for the following reasons:

A. Columbia, Missouri is the educational mecca for the State of Missouri, home to the Flagship campus of the University of Missouri (over 35,000 students), and home to Stephens College and Columbia College.

B. Next to Stephens College, second oldest women's college in the U.S. One-half of Academy students will be young women.

C. Academy students can walk across Ripley Street and take courses at Stephens College.

D. Academy students can walk across Broadway or Williams Street to volunteer and job shadow professionals at Boone Hospital.

E. Academy students can walk to downtown Columbia, Columbia College, University of Missouri-Columbia, and take the shuttle bus throughout Columbia.

F. Near Stephens Lake & Park and Stephens Stables.

G. Academy Students will be living in a nice neighborhood.

5-13-16
11-7-17

51016

Exhibit A-4

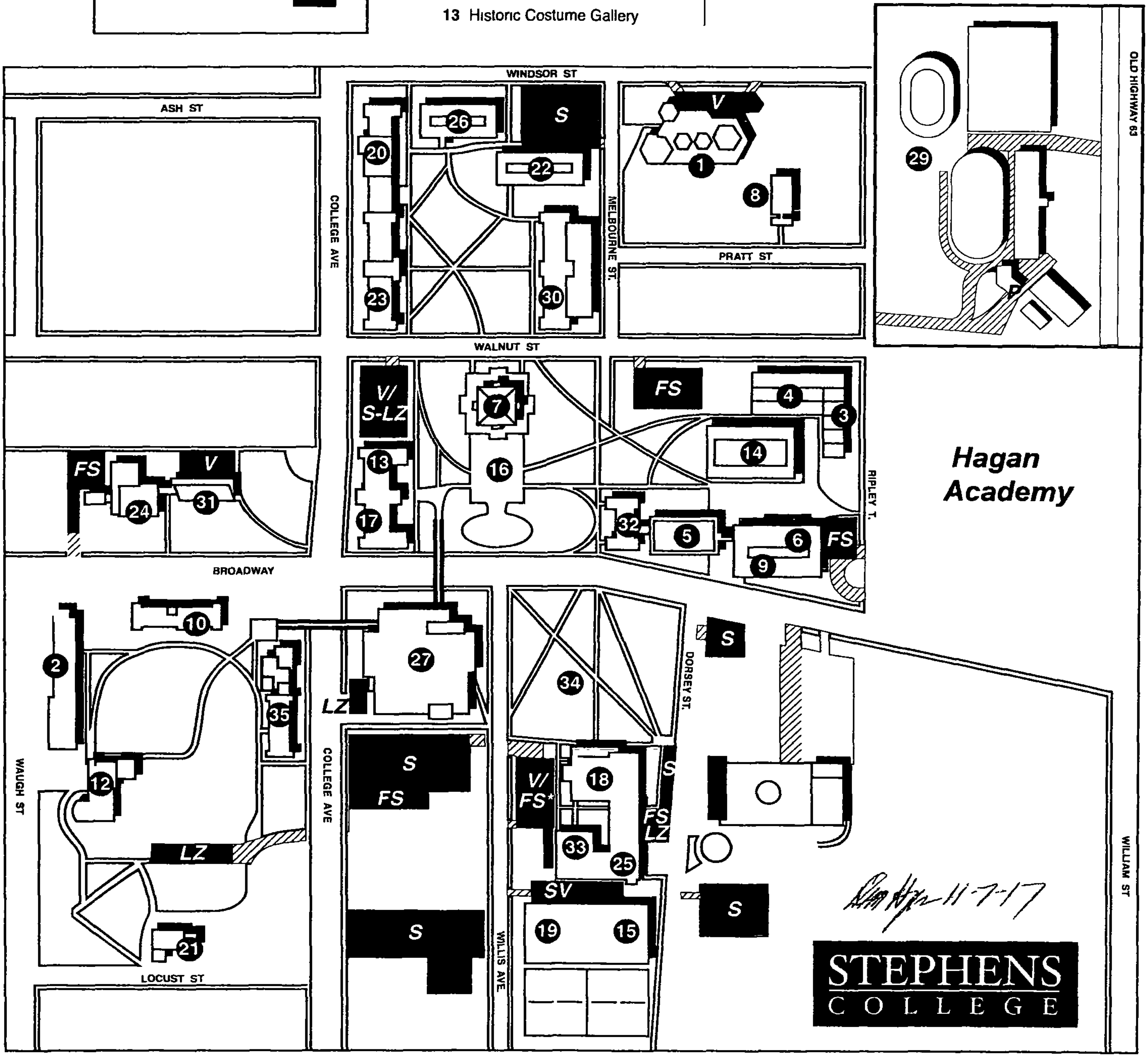
Stephens College Campus

Parking Legend

Student	S
Visitor	V
Faculty/Staff	FS
Health Connection	H
Loading Zone	LZ
Service Vehicles	SV

Campus Key

1 Audrey Webb Child Study Center
2 Columbia Hall
3 Catharine Webb Studios
4 Davis Gallery
5 Dudley Hall
6 E S Pillsbury Science Center
7 Firestone Baars Chapel
8 Greenhouse
9 Helis Communication Center (including Windsor Auditorium and Charters Lecture Hall)
10 Hickman Hall
11 Hillcrest Hall and Apartments
12 Historic Senior Hall
13 Historic Costume Gallery
14 Hugh Stephens Resource Library
15 John and Mary Silverthorne Arena
16 Journey Religious Life Center
17 Lela Raney Wood Hall (including Kimball Ballroom and Stephens Administrative Offices)
18 Macklanburg Playhouse*
19 Maintenance Facility/Warehouse
20 Pillsbury Hall
21 President's Home
22 Prunty Hall
23 Roblee Hall
24 Sampson Hall
25 Scene Shop
26 Searcy Hall
27 Stamper Commons (including Windsor Lounge)
28 Stephens Auditorium
29 Stephens Stables
30 Tower Hall
31 Visitors Center
32 Walter Hall
33 Warehouse Theatre
34 Willis Court
35 Wood Hall



11-7-17

* Macklanburg Playhouse Lot = day· faculty and staff, evening visitors

SC 6/12