

*A private,  
family  
foundation  
since 1937*

November 11, 2010

Mr. Rick Bailey  
Chairman, Personnel Team  
Church of the Hills Presbyterian (USA)  
28628 Buffalo Park Road  
P.O. Box 1210  
Evergreen, CO 80437

Re: Grant No. 2010 0662-000  
Purpose: Clergy renewal program

Dear Mr. Bailey:

It is a pleasure to inform you that Lilly Endowment Inc. has awarded a grant of \$49,353 to Church of the Hills Presbyterian (USA) for the above referenced purpose.

Enclosed are two copies of "A Proposal To Enter Into Grant Agreement." If your organization is incorporated within the state of Indiana and you find these in order, please execute both copies, returning one copy to our office and retaining the other for your files. If your organization is incorporated outside of the state of Indiana and you find these in order, please execute both copies and return them to this office for countersignature. We will then send a completely executed copy to you for your files.

The Endowment would like to send you the payment for this grant during the current calendar year. In order to ensure that we can do so, **it is very important that you review this grant agreement with care and then sign and return the appropriate copies no later than Friday, November 19, in the reusable "UPS Next Day Air Letter" envelope in which they were sent to you.** Please refer to the enclosed instructions for re-using this envelope.

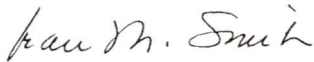
Please note the schedule of due dates for the program and financial reports on this grant that we request you submit to Lilly Endowment. We require that these reports be received at the Endowment by the dates specified. If persons other than yourself are responsible for completing the required reports, please forward to them a copy of the Grant Agreement indicating the report due dates and procedures for budget revisions.

In addition, a report format is enclosed to assist you in preparing financial reports to the Endowment. The financial report should follow the format of the budget that has been approved and attached to this Grant Agreement. Please refer to Page 2, paragraph 5 of the Grant Agreement if you anticipate budget changes.

You will note in the Grant Agreement that Lilly Endowment must give prior approval to any press announcement you make concerning this grant. Also, we request that you refer to the grant number in any correspondence about the grant.

We are pleased to have been able to make this grant and look forward to working with you as you engage in the endeavors it will support.

Sincerely,

A handwritten signature in cursive script, reading "Jean M. Smith".

Jean M. Smith  
Program Director

cc: Reverend D'Ann Cooper



**PROPOSAL TO ENTER INTO  
GRANT AGREEMENT**

*A private,  
family  
foundation  
since 1937*

Lilly Endowment Inc., is pleased to propose the grant described below, subject to the following General Conditions and Special Conditions:

**ARTICLE I  
DESCRIPTION OF GRANT**

Grantee (name and address): Church of the Hills Presbyterian (USA)  
28628 Buffalo Park Road  
P.O. Box 1210  
Evergreen, CO 80437  
ATTN: Mr. Rick Bailey

Grant Number: 2010 0662-000 \*

Amount of Grant: \$49,353

Grant Period: December 1, 2010 - December 31, 2012

Purpose of the Grant: Clergy renewal program

**Tentative payment schedule:**  
\$49,353 - December, 2010

**REPORTING SCHEDULE**

<b><u>Period Covered</u></b>	<b><u>Program Reports Due Date</u></b>	<b><u>Financial Reports Due Date</u></b>
12/01/2010 - 12/31/2012	March 31, 2013	March 31, 2013

\* Please refer to this Grant Number when making inquiries or reporting on this grant.

ARTICLE II  
GENERAL CONDITIONS

The Grantee accepts and agrees to comply with the following General Conditions:

1. PURPOSE. The grant shall be used solely for the purpose specified in Article I of this Grant Agreement (the "Agreement") and shall be so designated on the Grantee's records.
2. PROGRAM MONITORING AND EVALUATION. The Endowment may, at its expense, monitor and conduct an evaluation of operations under this grant, which may include visits by representatives of the Endowment to observe the Grantee's procedures and operations in connection with this grant and to discuss the grant with the Grantee's personnel.
3. ACCOUNTING RECORD REQUIREMENTS AND FINANCIAL REVIEW. The method of recording receipts and disbursements related to this grant on the accounting records of the Grantee is outlined in Article II, Section 4, below. Vouchers consisting of bills, invoices, cancelled checks, receipts, etc., which document the disbursement of funds for this grant, shall be retained by the Grantee for at least two years after final disbursement of the grant and may be examined by Endowment representatives on reasonable notice during regular business hours. Copies of such documents shall be furnished to the Endowment at its request and expense. The Endowment may, at its expense and on reasonable notice to the Grantee, inspect, audit, or copy the Grantee's records pertaining to this grant.
4. ACCOUNTING AND FINANCIAL REQUIREMENTS.
  - a. If the purpose of this grant is for general and/or operating support, no special requirements are specified for the method of recording receipts and disbursements on the accounting records of the Grantee for this grant.
  - b. If the purpose of this grant is to support a project (any purpose other than for general and/or operating support), the use of grant funds is restricted solely to the purpose of the grant and should be so designated on Grantee accounting and financial records. Under no circumstances may grant funds be expended, borrowed (inter-fund), pledged or transferred for reasons unassociated with the stated purpose of this grant. For purposes of controlling and reporting on the receipt and disbursement of grant funds, Grantee accounting records should be structured so that such transactions are easily and readily identifiable.
5. BUDGET. If there is a budget for this grant, it has been attached. The Grantee may reallocate budgeted items up to the lesser of \$1,000 or 10% of individual line item amounts, provided that prior written notice is given to the Endowment. Changes in the budget in excess of the foregoing mentioned limits may not be made without prior written approval of the Endowment.
6. PAYMENT SCHEDULE. The schedule of grant payments is a preliminary estimate of the timing and amount of cash remittances to the Grantee that will meet satisfactorily the requirements of the grant. The Endowment, however, on its own initiative or at the request of the Grantee, may modify scheduled dates and payment amounts and will so notify the Grantee when and if such changes seem to be indicated. If there are matching or other conditions related to this grant (as noted under Special Conditions, Article II, Section 19), the Endowment will not be required to disburse related payments until the end of the fourth full calendar quarter after the quarter in which the conditions are satisfied in accordance with this Agreement, unless the Special Conditions expressly provide otherwise.



7. SELECTION OF RECIPIENTS. The Grantee shall have the exclusive right to select the individuals to whom and the organizations to which grant funds shall be paid. This provision shall prevail over all other provisions of this Agreement. Under Special Conditions the Endowment may provide that the Grantee in the exercise of its right of selection shall observe certain criteria, such as the independence of project evaluators; educational or other qualifications of persons who will perform certain duties in connection with this grant; and characteristics of organizations which shall be relied upon to achieve the charitable purposes of this grant. In all cases, these criteria are intended to maximize the charitable benefits to be derived from this grant, shall be construed and applied to achieve that result, and are not intended to identify or cause the Grantee to select any particular individual or organization. The Endowment disclaims participation in the above described selection process.

8. REPORTING. In accordance with the schedule on page 1, the Grantee shall furnish to the Endowment written reports on both the progress of the program and the financial management of the grant. The format of the financial reports must be consistent with that of the attached budget, if any, and show a comparison of actual to budgeted expenditures. A financial report form may be supplied to the Grantee by the Endowment. If this form is supplied by the Endowment, it should be used by the Grantee in the preparation and submission of its financial reports.

If accurate and complete financial and program reports are not furnished to the Endowment on or before the dates reflected in the schedule on page 1 and the Endowment agrees to an extension of such dates, the Endowment will not be required to disburse related payments until the end of the fourth full calendar quarter after the quarter in which such delinquent reports are furnished, unless the Special Conditions expressly provide otherwise.

The Grantee shall furnish a copy of its annual financial statements to the Treasurer's Office of the Endowment for each year which is included partially or wholly within the grant period, or as otherwise specified in the Special Conditions section of this Agreement. These statements should include a balance sheet, income and expense statement, and any footnotes or supporting schedules that will permit a satisfactory determination of the financial condition of the Grantee.

9. EXEMPT AND FOUNDATION STATUS. The Grantee has furnished information to the Endowment respecting the Grantee's status under Internal Revenue Code "Code" sections 170(b)(1)(A), 501(c) and 509(a). In addition, the Grantee represents that it is not an organization described in Code section 4942(g)(4)(A) (which describes certain Type III supporting organizations, certain controlled entities, and other restricted organizations identified by the Secretary of the Treasury). The Grantee shall give immediate notice to the Endowment of every change in the Grantee's status. In the event of a change in such status, the Endowment may postpone disbursement of or cancel the unpaid portion of the grant.

10. REVERSION OF GRANT. If the purpose of this grant is to finance a specific project or to provide general and/or operating support for a specific period, any portion of the grant unexpended at the completion of the project or at the end of the period shall be repaid to the Endowment within 30 days unless the Endowment, in its sole discretion, shall otherwise specify in writing.

11. CANCELLATION OF GRANT. If the Grantee fails, within 30 days after notice from the Endowment, to perform any of its duties under the Agreement, the Endowment may at any subsequent time by notice to the Grantee postpone, cancel, or postpone and thereafter cancel payment of the undisbursed portion of the grant.

12. WITHDRAWAL OF GRANT. After entering into a Grant Agreement, it is possible that circumstances will arise which will persuade the Endowment that an unpaid grant should not be disbursed. If that should happen with respect to this grant, the Endowment acknowledges that the Grantee, nevertheless, would then be entitled to full reimbursement for expenses connected with the grant and already paid by the

Grantee or for which it became legally responsible before notification of the Endowment's decision. Accordingly, the Endowment may at any time, with or without cause, cancel the unpaid portion of this grant by notice to the Grantee. As soon as possible after such notice, the Grantee shall furnish a complete list of such expenses, and the Endowment thereupon shall pay to the Grantee an amount equal to the total of those expenses. After making such payment, the Endowment shall have no further obligation to the Grantee, its officers, agents or representatives.

13. COUNSELING. Occasionally the Endowment makes available to a Grantee counseling or other assistance from a member of the Endowment's staff or from one of its consultants. In every case, the Grantee is entirely free to decline or avail itself of this assistance and to accept or disregard in whole or part the recommendations offered. Neither the Endowment nor the person offering assistance to the Grantee shall have any liability to the Grantee, its officers, agents or representatives because of reliance on such assistance or adoption of such recommendations.

14. PUBLICITY. If the Grantee wishes to issue a news release concerning this grant, the text of the proposed release must be submitted to the Endowment for review prior to the release date. No release shall be made without the Endowment's approval.

15. ADDITIONAL SUPPORT. By making this grant, the Endowment assumes no obligation to provide other or future support for the Grantee.

16. NOTICES. Notices under this Agreement shall be in writing and shall be deemed to be given when delivered or mailed by registered or certified mail as follows:

To the Endowment:

Lilly Endowment Inc.  
Attention: Treasurer's Office  
Post Office Box 88068  
Indianapolis, Indiana 46208-0068

To the Grantee:

As provided on the first page of this Agreement  
unless otherwise specified here by the Grantee:

---

---

---

---

17. WAIVER. No waiver of any right under this Agreement shall be effective unless set forth in a notice from the party possessing such right to the other party, and the exercise by either party of any right or remedy under this Agreement shall not thereafter prevent that party from exercising any other right or remedy.

18. INDIANA LAW. The law of the State of Indiana exclusively shall govern and apply to all legal proceedings pertaining to the Agreement, or otherwise concerning the subject matter of this Agreement, and under no circumstance shall reference be made to the law of any other jurisdiction for any purpose. This Agreement shall be deemed to be entered into and formed in Indiana and shall become effective when (i) the Endowment receives a copy of this instrument bearing the Grantee's acceptance at the Endowment's offices in Indianapolis, Indiana and (ii) in the case of a grantee that is headquartered outside the State of Indiana, the Endowment countersigns the Agreement at its offices in Indianapolis, Indiana. All legal proceedings pertaining to the Agreement, or otherwise concerning the subject matter of this agreement, shall be heard exclusively in

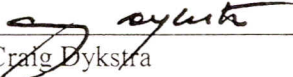


the state or federal courts with subject matter jurisdiction sitting in Indiana. By execution of this Agreement, the Grantee submits to the personal jurisdiction and venue of such courts for such purposes.

19. SPECIAL CONDITIONS. The Grantee accepts and agrees to comply with the Special Conditions, if any, attached to this Agreement.

This proposal to enter into the foregoing Agreement was executed by Lilly Endowment Inc., at Indianapolis, Indiana, on November 11, 2010.

Lilly Endowment Inc.

By   
Craig Dykstra

Title Senior Vice President, Religion

**GRANTEE'S ACCEPTANCE**

The Grantee accepts the above-described grant on the terms and conditions set forth in the foregoing Agreement and agrees to perform the responsibilities imposed on it under the Agreement. Executed by the Grantee at \_\_\_\_\_ on \_\_\_\_\_, 20\_\_\_\_.  
(City, State)

Grantee's Name \_\_\_\_\_

By \_\_\_\_\_

Title \_\_\_\_\_

**COUNTERSIGNATURE**  
**AND**  
**EFFECTIVE DATE AND PLACE**  
**OF**  
**GRANT AGREEMENT**

If the Grantee is headquartered outside of the State of Indiana, the Agreement must be countersigned by Lilly Endowment Inc. After signing the above, all copies of this Agreement must be returned to the Endowment; a countersigned original copy will be returned to the Grantee.

A copy of this Agreement, executed by the Grantee, was received and countersigned by the Endowment and became effective at its office in Indianapolis, Indiana, on \_\_\_\_\_, 20\_\_\_\_.

Lilly Endowment Inc.

By \_\_\_\_\_  
Craig Dykstra

Title Senior Vice President, Religion

**LILLY ENDOWMENT INC.**  
**SPECIAL CONDITIONS**  
**TO**  
**CHURCH OF THE HILLS PRESBYTERIAN (USA)**

**GRANT NUMBER**

**2010 0662-000**

Set forth below are Special Conditions applicable to the above-numbered grant described in the Agreement between Lilly Endowment Inc. and the Grantee identified in that Agreement:

Section 5 of Article II to the Agreement is amended and restated in its entirety as follows:

5. BUDGET. If there is a budget for this grant, it has been attached. The Grantee may reallocate up to a total of \$3,000 among budget items without prior approval from the Endowment. Budget changes that exceed \$3,000 in the aggregate may not be made without the prior written approval of the Endowment. In any event, the portion of the budget allocated for congregational expenses may not exceed \$15,000.



CHURCH OF THE HILLS PRESBYTERIAN (USA)  
BUDGET  
GRANT NUMBER 2010 0662-000

**CLERGY EXPENSES**

---

**Travel**

Airfare	\$11,594
Car rental: mileage and gasoline	1,950
Other ground transportation	

**Meals and lodging** 5,849

**Tuition or fees** 11,260

**Books** 800

**Telephone** 200

**Postage**

**Equipment and Supplies** 1,700

**Other (passports, inoculations, entrance fees, etc.)** 50

**Set-aside for post-leave activities** 2,500

**Estimated increase in tax liability as  
a result of receiving grant (maximum amount, \$5,000)** 5,000

---

**TOTAL** **\$40,903**

---

**CONGREGATION EXPENSES**

---

**Pulpit supply and/or interim staff**

Honoraria	\$5,250
Travel and lodging	2,000
Benefits	

**Congregational events relating to  
pastor's leave-taking and return**

**Congregational renewal activities** 1,200

**Other**

---

**TOTAL** **\$8,450**

---

**TOTAL GRANT BUDGET** **\$49,353**

---

---

## **SAMPLE RELEASE FOR RECIPIENTS OF GRANTS IN THE 2010 NATIONAL CLERGY RENEWAL PROGRAM**

Contact:        (Name)  
                  (Telephone number  
                  and/or e-mail address  
                  and/or fax number)

For Immediate Release  
(Date)

(Name of church) has received a grant of (amount of the award) to enable its minister, (name), to participate in the 2010 National Clergy Renewal Program funded by the Indianapolis-based Lilly Endowment Inc. It is one of 150 congregations across the country that will support their ministers in the program, which allows pastors to step back from their busy lives and renew their spirits for the benefit of their ongoing ministries.

Now in its 11th year, the program invites Christian congregations and ministers to consider and plan a period of intentional reflection and renewal. It provides a time for ministers to take a break from their daily obligations and gain the fresh perspective and renewed energy that a carefully considered “sabbath time” of travel, study, rest and prayer can provide.

Each congregation is eligible to apply for a grant of up to \$50,000. Up to \$15,000 of that amount can be used to fulfill pastoral duties during the minister’s absence and for expenses related to the congregation’s own renewal. The 150 grants this year total \$6.4 million.

(Describe your congregation’s and minister’s plans and activities for the renewal period.)

This year’s group includes congregations in 40 states and the District of Columbia. In the mix are congregations of a many sizes – some as small as 50 members, others as large as 1,000 present at Sunday worship services. The oldest church – First Presbyterian Church of Smithtown, Pa. – traces its heritage back to 1675 when the first meeting house was built. The newest congregation – Living Water Christian Church in Parkville, Mo. – first “congregated” on Easter Sunday 2004.

The 2010 class of grantees brings to 1,440 the number of congregations that have received clergy renewal grants since 2000. “We ask these congregations and ministers to consider the question, ‘What will make your heart sing?’, as they devise their plans,” said Craig Dykstra, senior vice president for religion at the Endowment. “They never fail to come up with wonderful and imaginative yet doable ways to fulfill their dreams. Their time away has freed them up to pursue personal interests and needs in ways that have given them new energy for ministry – and the congregations have discovered that they too experience a refreshment of their own and a newfound sense of their own strengths.”

The Endowment's larger goal is to bolster the good work that America's pastors and congregations accomplish day in and day out and to reinforce and build upon important work being done on both sides of the pulpit. "In our religion grantmaking, we hope to strengthen the efforts of today's excellent pastors because it is no secret that pastors who have reconnected themselves to the passions that led them to the ministry in the first place are more likely to lead healthy and vibrant congregations," Dykstra said.

--30--

**Note to congregations:** Please remember, when you talk or write about this program, that our correct name is Lilly Endowment or, on second reference, the Endowment.