

# **Church Integration Agreement**

## **Morningside Bible Church and Central Baptist Church**

### **Preamble**

The purpose of this Integration Agreement is to create a seamless integration of the congregations, leadership, ministries, and resources of two churches, Morningside Bible Church (“MBC”) and Central Baptist Church (“CBC”), in order to advance the gospel of Jesus Christ, strengthen the local body of believers, and promote unity under the shared mission and vision of Central Baptist.

### **What is driving MBC and CBC to integrate their ministries?**

As a representative of MBC began very informal discussions with a representative of CBC, both began to sense that the synergy of MBC integrating with CBC could add to the momentum of disciple-making God has brought to CBC. Such examples of synergy could be:

- More children in Awana at each age level. Those increases add excitement and encourage children and parents to invite friends.
- More students on Wednesday nights can spark a similar impact in a student ministry.
- In both cases, young people within the newly constituted church would have more peer relationships, potentially at the schools they attend, encouraging them to follow Jesus in those contexts.
- Bringing together experienced volunteers would add depth to ministries across all ages. It also provides a sizeable pool of workers to do some larger-scale ministries such as a VBS or a summer day camp.
- The integration would allow each member of the pastoral staff to be focused on fewer areas, increasing their ability to equip the saints for the work of ministry. This equipping would be true for elders, deacons, small group leaders, student volunteers, and children volunteers. Prayerfully, this will touch every ministry area to deepen our disciple-making mission.
- The integration would also allow a more dedicated focus of staff and volunteers on outreach opportunities that the congregation can participate in.

In short, the synergy of integration would mean that we could effectively do more together as one vision and mission-focused congregation.

# Agreement

In order to define the structure of this integration and, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, MBC and CBC agree as follows:

This Church Integration Agreement ("Agreement") is made and entered into effective as of **June 28, 2026** (the "Effective Date"), by and between:

Morningside Bible Church, an Iowa nonprofit corporation, duly organized and validly existing under the laws of the State of Iowa, with its principal place of business located at 6100 Morningside Ave., Sioux City, IA 51106 ("Transitioning Church"); and

Central Baptist Church, an Iowa nonprofit corporation, duly organized and validly existing under the laws of the State of Iowa, with its principal place of business located at 4001 Indian Hills Drive, Sioux City, IA 51108 ("Recipient Church").

Transitioning Church and Recipient Church are each sometimes referred to herein individually as a "Party" and collectively as the "Parties."

## Recitals

1. MBC is a tax-exempt organization described in section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), and is exempt from federal income taxation under section 501(a) of the Internal Revenue Code.
2. CBC is a tax-exempt organization described in section 501(c)(3) of the Internal Revenue Code, verified by IRS Determination Letter dated May 23, 2014, and is exempt from federal income taxation under section 501(a) of the Internal Revenue Code.
3. MBC desires to integrate its congregation and ministries to CBC pursuant to this Agreement and to additionally transfer and distribute certain assets to CBC in furtherance of their shared charitable, educational, and religious mission, consistent with the charitable purposes and restrictions, if any, applicable to such assets.
4. The Members and board of elders of MBC (the "Transitioning Church Board") have determined, by resolution approving this Agreement and the dissolution of MBC dated **June 28, 2026** (the "Transition Approval Resolution"), that such ministry integration of ministries, transfer, and distribution is in the best interests of MBC and in furtherance of its charitable mission, and has authorized the execution, delivery, and performance of this Agreement. Any transfer of assets to CBC will take place following the winding up and dissolution of MBC pursuant to the foregoing Integration Agreement, and the Parties desire and intend that the distribution of assets to CBC shall qualify as a distribution to an organization with a substantially similar charitable religious purpose and compatible doctrinal alignment, in accordance with MBC's governing documents and applicable law.
5. The Members, elders at large, and the council of elders of CBC (the "Recipient Board") has determined, by resolution dated **June 28, 2026** (the "Recipient Approval Resolution"), that CBC is willing and able to accept such of integration of ministries,

transfer and distribution and to manage and use the transferred assets in accordance with the terms of this Agreement and in furtherance of CBC's charitable religious mission.

6. The Parties intend that this Agreement, and the transfers contemplated hereby, will comply with all applicable federal, state, and local laws governing charitable organizations, including any requirements regarding the transfer of substantially all assets, change in control, or dissolution of a charitable organization.

#### **ARTICLE I: APPROVAL OF INTEGRATION**

1. **Governing Documents.** MBC is governed by its Constitution dated June 6, 2004 (MBC Governing Documents), and CBC is governed by its Constitution and Bylaws, as amended most recently on October 27, 2019 (CBC Governing Documents) (collectively, the "Governing Documents").
2. **Resolution of Transitioning Church.** MBC, by the Integration Approval Resolution pursuant to Article 4 Section 3 and Article 10 Section 2 of its Constitution, has had its Members and Elders approve the dissolution of MBC and corresponding authorization for the Elders of MBC to sell its real estate and pay, or make provision for payment of, all remaining liabilities of MBC, and thereafter transfer all assets of MBC and Ministries to CBC pursuant to this Agreement and in accordance with MBC's Governing Documents.
3. **Resolution of Recipient Church.** In accordance with CBC's governing documents, CBC has had its Members and Elders, via the Recipient Approval Resolution, agree to this Agreement and to MBC's Statement of Faith as set forth at Appendix 1 of MBC's Constitution in order to receive such assets pursuant to MBC's Constitution Article 10 Section 2 upon MBC's complete dissolution and winding up.

#### **ARTICLE II: INTEGRATION OF MEMBERS AND MINISTRIES**

1. **Members.** Following approval of this Agreement by MBC on June 28, 2026, MBC will continue to have regular public services until its final public service on July 5, 2026. MBC will encourage its members and attenders to begin attending the public services at CBC on July 12, 2026. Thereafter, all Members of MBC who affirm in writing CBC's "Mission and Statement of Faith" shall become members of CBC upon CBC's receipt of each respective said written affirmation, and such person shall be added to CBC's Membership Roll at that time. CBC's approval of this Agreement by its Members and Elders will include an exclusive and limited waiver of the normal membership process under CBC's governing documents solely to facilitate the integration of ministries and members of MBC to CBC pursuant to this Agreement. Thereafter, all Members of CBC are governed by CBC's governing documents currently in effect.
2. **Employees of Transitioning Church.** The Teaching Pastor of MBC, Terry Embke, will retire as of July 5, 2026, and will receive a severance package paid by MBC as agreed to by MBC and Terry Embke. Lucas Sullivan will be joining the staff of CBC as an Associate Student Ministry Coordinator in accordance with the proposal CBC shared with MBC and Lucas concerning the financial requirements. The remaining employees of MBC will receive a transition package paid by MBC as agreed to by MBC and each respective employee. Any and all responsibilities, expenses, and liabilities for the employees or volunteers of MBC shall be exclusively the responsibilities, expenses, and liabilities of MBC and shall not be transferred to CBC in any way at any point, nor does

CBC in any way accept any such responsibilities, expenses, and liabilities of MBC as a part of this Agreement or otherwise.

3. **Volunteer Leaders of Transitioning Church.** Existing ministries from both churches shall be reviewed by CBC and integrated and aligned with the unified mission and vision of Central Baptist Church to the best of its abilities. Ministry leaders from both congregations are encouraged to cooperate in building unified teams and strategies.
4. **Current Missionaries Supported by Transitioning Church.** All MBC missionaries will be included in the prayer rotation in CBC's weekly services for missionaries following July 12, 2026, as they will be for all current CBC missionaries. Following July 12, 2026, CBC will continue to support current MBC missionaries at their support level as currently established by MBC through the 2026-2027 budget cycle for CBC. To ensure CBC can continue that support, MBC will send to CBC by July 31, the equivalent of one year's support for the MBC missionaries. CBC will hold that money in case the offerings of the integrated CBC do not increase to a level that would cover the MBC missionaries. Before the 2027-2028 budget cycle, CBC shall evaluate the former MBC missionaries, as it does with CBC's current missionaries, and, based on that evaluation, shall, in good faith, determine the ongoing support of the former MBC missionaries. Thereafter, any former MBC missionaries will be included in the evaluation process that CBC's Mission Team conducts of CBC's current missionaries every three years.
5. **Deacons of Transitioning Church.** The current Deacons of MBC in good standing as of the Effective Date (Jeff Gorsett, Doug Harrison, and David Mastbergen) shall be eligible for nomination as Deacons of CBC during the 2026-2027 Ministry Year nomination cycle, with formal congregational vote and confirmation to occur at the late August 2026 Congregational Meeting. CBC's approval of this Agreement by its Members and Elders shall include an exclusive and limited waiver of any minimum CBC membership period otherwise required prior to nomination to the office of Deacon, solely to facilitate this transition. This waiver is a one-time exception applicable solely to current MBC Deacons and shall not modify CBC's general Deacon eligibility requirements going forward.

### **ARTICLE III: INTEGRATION OF ASSETS**

1. **Elders of Transitioning Church.**
  - a. **Wind-Up Authority.** Following approval of the dissolution of MBC and this Agreement on June 28, 2026, three Elders of MBC — Justin Taylor, Randy Ehlers, and Curt Mastbergen (collectively, the "Wind-Up Elders") — shall remain Elders and members of MBC for the purposes of carrying out the dissolution of MBC pursuant to Article 10, Section 2 of MBC's Constitution, including the authority to sell MBC's real estate, satisfy or make provision for payment of all remaining MBC liabilities, and complete the orderly winding up of MBC. The Wind-Up Elders shall constitute the entire Board of Elders of MBC for purposes of winding up, and the terms of office of the Wind-Up Elders shall continue through completion of winding up, notwithstanding the term limits in Article 5, Section 4 of MBC's Constitution.
  - b. **Transfer of MBC Members and Conclusion of Other MBC Eldership.** On July 12, 2026, the MBC eldership of all MBC Elders other than the Wind-Up Elders shall terminate, and such persons, upon written affirmation of CBC's "Mission and Statement of Faith," shall continue solely as members of CBC. Beginning July 12, 2026, all other MBC members who affirm in writing CBC's "Mission and

Statement of Faith" shall become members of CBC pursuant to Article II, Section 1 of this Agreement.

- c. **Concurrent CBC Eldership of Wind-Up Elders.** The Wind-Up Elders, upon written affirmation of CBC's "Mission and Statement of Faith," shall additionally hold concurrent eldership at CBC, as Elders at Large, throughout the period of winding up, while continuing as Elders and members of MBC to fulfill their fiduciary duties to MBC under MBC's Constitution and applicable law.
  - d. **Recusal from Conflicts of Interest.** Each Wind-Up Elder, when serving in his concurrent CBC capacity, shall recuse himself from any CBC business decision, deliberation, or vote that creates an actual or apparent conflict of interest between MBC and CBC — including without limitation: (i) the valuation, marketing, or sale of MBC real property; (ii) the timing or terms of asset transfer from MBC to CBC; (iii) the resolution or assumption of MBC liabilities; and (iv) any other matter in which the interests of MBC and CBC may diverge. Such recusals shall be documented in CBC's official meeting minutes.
  - e. **Conclusion of Winding Up.** Upon the sale of MBC's real estate and payment of all remaining expenses and liabilities of MBC, the MBC eldership and MBC membership of the Wind-Up Elders shall terminate, and they shall continue solely as members of CBC and as active Elders at Large of CBC. Any other former Elders of MBC shall continue as members of CBC and shall become eligible for nomination to the CBC eldership starting in the 2027–2028 Ministry Year.
  - f. **Limited Waiver.** CBC's approval of this Agreement by its Members and Elders shall include an exclusive and limited waiver of CBC's normal membership and Elder qualification processes, solely to facilitate the transitional dual status and elder transitions described in this Section.
2. **Sale of Transitioning Church's Real Estate.** Following approval of the dissolution of MBC and this Agreement by MBC on June 28, 2026, the Elders of MBC shall immediately arrange to place any and all real estate of MBC on the market for sale. Thereafter, the Elders of MBC shall exercise the exclusive authority to sell MBC's real estate as part of the winding up and dissolution of MBC pursuant to the Integration Approval Resolution of this Agreement. All expenses related to MBC's real estate shall be exclusively the responsibilities, expenses, and liabilities of MBC and shall not be transferred to CBC in any way at any point, nor does CBC in any way accept any such responsibilities, expenses, and liabilities of MBC as a part of this Agreement or otherwise.
  3. **Distribution of Transitioning Church's Assets to Recipient Church.** After using the assets of MBC to pay off all remaining expenses and liabilities of MBC as part of its winding up and dissolution, the Elders of MBC shall transfer the remaining assets to CBC, which shall qualify as a distribution to an organization with a substantially similar charitable purpose and compatible doctrinal alignment, in accordance with MBC's governing documents and applicable law. All expenses and liabilities related to MBC's operations shall be exclusively the responsibilities, expenses, and liabilities of MBC and shall not be transferred to CBC in any way at any point, nor does CBC in any way accept any such responsibilities, expenses, and liabilities of MBC as a part of this Agreement or otherwise.

4. **Restricted Assets.** MBC shall disclose to CBC, in Schedule A or in a supplemental schedule attached thereto, all restrictions, conditions, and limitations applicable to any Assets, including:
  - a. Donor-imposed charitable use restrictions or designated purposes;
  - b. Conditions limiting the duration, geographic scope, or permissible beneficiaries of the Asset;
  - c. Grant agreements or funding agreements imposing conditions on the use, reporting, or disposition of the Assets;
  - d. Endowment restrictions, spending policy limitations, or requirements to preserve principal;
  - e. Contractual obligations or covenants affecting the use, encumbrance, or disposition of the Assets;
  - f. Reversionary interests, rights of first refusal, or other rights triggered by a change in use or control;
  - g. Any other conditions or restrictions known to MBC.
5. **Binding Nature of Restrictions.** CBC acknowledges and agrees that all restrictions and conditions disclosed in Schedule A shall be binding upon CBC to the same extent as they were binding upon MBC, unless modified by applicable law, court order, or the written consent of the donor or grantor as permitted by law. CBC shall:
  - a. Comply with all such restrictions and conditions;
  - b. Maintain such Assets in a manner consistent with their original charitable purpose and any applicable donor or grantor intent;
  - c. Maintain appropriate records to document compliance with such restrictions and conditions.
6. **Use of Assets for Charitable Purposes.** CBC shall:
  - a. Use and apply the Assets exclusively in furtherance of its Charitable Purpose and in a manner consistent with its Tax-Exempt Status;
  - b. Comply with all donor-imposed and legal restrictions disclosed in this Agreement.
7. **Regulatory Cooperation.** CBC shall:
  - a. Cooperate with MBC in making any required regulatory filings or notifications relating to the transfer of Assets;
  - b. Promptly notify MBC of any governmental inquiry or challenge specifically related to the transfer of the Assets.
8. **Records.** MBC shall deliver to CBC any financial and other records requested by CBC, to the extent reasonably available and applicable:
  - a. Historical and financial records relating to the Assets;
  - b. Membership and donor lists, subject to privacy laws and donor preferences;
  - c. Program materials, policies, manuals, and other operational documents.
9. **Staff and Volunteers.** Other than specifically stated herein, the Parties acknowledge that this Agreement does not require CBC to hire any employee or retain any volunteer of MBC.
10. **Dissolution Filings.** The transfer of MBC Assets to CBC comes at the conclusion of the dissolution or winding up of MBC:
  - a. MBC shall be solely responsible for filing any articles of dissolution or similar documents with the state of incorporation;

- b. MBC shall ensure that all remaining assets, after satisfaction of liabilities, are distributed solely to CBC as described in section 501(c)(3) of the Internal Revenue Code and comparable state law provisions, in accordance with its governing documents.

#### **ARTICLE IV. FEDERAL AND STATE TAX AND OTHER REPORTING**

1. **Information Reporting.** Each Party shall comply with its own respective applicable federal, state, and local tax reporting obligations, and each Party will also comply with any said reporting obligations arising from or relating to the transfer of the Assets, including any informational returns or disclosures required in relation to charitable asset transfers.
2. **Form 990 or Equivalent.** If applicable, each Party shall:
  1. Accurately report the transfer of Assets in its Form 990 or similar information return for the fiscal year in which the transfer occurs;
  2. Cooperate in sharing any necessary valuation or descriptive information to facilitate accurate reporting.
3. **No Private Inurement or Excess Benefit.** The Parties intend that this transfer shall not result in any private inurement, excess benefit transaction, or other prohibited private benefit, and shall structure and administer the transaction accordingly.

#### **ARTICLE V. ENTIRE AGREEMENT; AMENDMENTS**

1. **Entire Agreement.** This Agreement, together with its Schedules and Exhibits, constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior or contemporaneous understandings, agreements, negotiations, and communications, whether written or oral.
2. **Amendments.** This Agreement may be amended, modified, or supplemented only by a written instrument signed by authorized representatives of both Parties and, where required by their respective governing documents or applicable law, approved by their governing boards and, if necessary, their members or congregations.
3. **Non-Assignment.** Neither Party may assign this Agreement or any of its rights or obligations hereunder without the prior written consent of the other Party.
4. **Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Iowa, without giving effect to any choice or conflict of law rules that would result in the application of the laws of any other jurisdiction.
5. **Severability.** If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal, or unenforceable, such provision shall be deemed modified to the minimum extent necessary to make it valid and enforceable, and the remaining provisions shall continue in full force and effect.
6. **Waiver.** No waiver by any Party of any of the provisions of this Agreement shall be effective unless explicitly set forth in writing and signed by such Party. No waiver shall operate or be construed as a waiver of any future breach.
7. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall be deemed one and the same instrument.

8. **Electronic Signatures.** Signatures delivered by facsimile, email in portable document format (PDF), or other electronic means shall be deemed to have the same legal effect as delivery of an original signed copy.

**Signature Page Follows**

In witness whereof, the Parties have executed this Church Integration Agreement as of the Effective Date first above written.

**Central Baptist Church**

By: \_\_\_\_\_

Name: Aaron Lincoln

Title: President of the Council of Elders of CBC

Date: \_\_\_\_\_

**Morningside Bible Church**

By: \_\_\_\_\_

Name: Justin Taylor

Title: Chairman of the Elders of Morningside Bible Church

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: Randy Ehlers

Title: Secretary of the Elders of Morningside Bible Church

Date: \_\_\_\_\_

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## Schedule A — Morally Restricted Funds

*Balances as of March 31, 2026*

Morningside Bible Church holds no financial funds or balances that are legally restricted. The following balances, however, are morally restricted in that they were given or designated for specific purposes and should be used accordingly:

<b>Fund</b>	<b>GL Account</b>	<b>Balance</b>	<b>Designated Use</b>
Deacon Fund	GL2715	\$4,405.25	Donated for deacon care of the elderly and those in need.
Short Term Missions	GL2734	\$11,793.54	Raised, donated, or budgeted to fund short-term mission trips and events.
Youth Missions	GL2760	\$721.27	Raised by or donated to the youth group to support youth mission activities.
<b>Total morally restricted balances</b>		<b>\$16,920.06</b>	