

**SPECIAL MEETING
OF THE
ARKANSAS STATE BANKING BOARD
FEBRUARY 16, 2017**

A Special meeting of the Arkansas State Banking Board was held in the conference room of the Arkansas State Bank Department, 400 Hardin Road, Suite 100, Little Rock, Arkansas, at 10:00 a.m. on February 16, 2017. The following Board Members were present: Chairman, Gary Smith, Zach McClendon, Randy Scott, Gary Hudson, and David Leech. Vice-Chairman Lana Hampton was called by phone and participated in the meeting by conference call. Representing the State Bank Department were Commissioner Candace A. Franks, Deputy Commissioners Luther Guinn and Susannah Marshall, Chief Counsel John Ahlen, Certified Examinations Manager John Ashby, and Research Project Analyst Barbara Mahoney. Lynn LaSalle from Bushman Court Reporting was the recording reporter for the applicant.

Bank Commissioner, Candace A. Franks, called this Special meeting of the State Banking Board. Notice of the Special meeting was sent by regular mail to each member of the State Banking Board on January 11, 2017. The notice was also given to the news media in accordance with state law.

Commissioner Franks opened the meeting. Secretary Luther Guinn declared a quorum was present. Commissioner Franks then asked the visitors and guests to stand and introduce themselves and state who they represent. In attendance were Tracy French and Stephen Tipton with Centennial Bank, Conway, Arkansas; Bob Fegtly and Joshua Dennis with DD&F Consulting Group, Little Rock, Arkansas, representing Centennial Bank; Meg Johnston with Mitchell Williams Law Firm, Little Rock, Arkansas, representing Centennial Bank; Casey Washam with The Farmers and Merchants Bank, Stuttgart, Arkansas; and Michael Harry with the Bureau of Legislative Research. She then turned the meeting over to Chairman Gary Smith.

First on the agenda was consideration of the Minutes of the January 19, 2017, Regular Board Meeting. A motion was made by Gary Hudson, seconded by Randy Scott, to approve the Minutes as presented. Motion carried and the Commissioner concurred.

Next on the agenda was an application by Centennial Bank, Conway, Arkansas, to merge Landmark Bank, NA, Fort Lauderdale, Florida, with and into Centennial Bank, Conway, Arkansas. Mr. Joshua Dennis with DD&F Consulting Group, Little Rock, Arkansas, represented and spoke for the application.

Mr. Dennis stated the merger was filed on November 2, 2016, and pursuant to A.C.A. § 23-48-503 of the Arkansas Banking Code, there are five items that have to be met for the transaction to be approved; the merger must provide an adequate capital structure; the terms of the merger must be fair; the merger is not contrary to the public interest; the merger adequately provides for dissenters rights; and the requirement for all applicable state and federal laws have been complied with.

Mr. Dennis stated the institution will be well capitalized after the proposed transaction with a leverage ratio of 9.2% and within one year they will be back up to 9.8%. Mr. Dennis stated the terms of the merger are fair. Mr. Dennis stated the merger is not contrary to the public interest as detailed in the application and that Mr. Stephen Tipton with Centennial Bank will provide more color on the transaction and show how it will actually enhance the public availability of financial services. Mr. Dennis stated Home Bancshares is the sole shareholder of Centennial Bank and has approved the merger and there were no dissenting shareholders. Mr. Dennis stated the holding company for Landmark Bank will meet next week to approve the transaction. Mr. Dennis stated the requirements of all applicable state and federal laws have been complied with.

Mr. Dennis stated a merger application has been filed with and approved by the Federal Reserve Bank of St. Louis.

Mr. Stephen Tipton with Centennial Bank stated they currently have three branches in the Broward County area in southeast Florida and this will add

approximately \$300 million in deposit, \$330 million in loans, six branches and we will net six branches overall after closing two of our current branches and one of theirs. Mr. Tipton stated they will enter Boca Raton as a new market via a \$40 million dollar branch Landmark opened about 18 months ago where they can continue to grow their core deposits in southeast Florida.

Mr. Tipton stated the President and CEO Perry LaCaria, will be retained and stay with them for 2017, and David Druey, the division president that runs the southeast Florida market, will be in charge of that footprint. Mr. Tipton stated that the chief lending officer, David Eiler, and Mr. LaCaria's son, a main commercial lender, are also on board and continue to work their business today.

Mr. Tipton stated the current chairman of Landmark, Jeff Roschman, will be part of the local regional board that will be in southeast Florida, and are in constant communication with him to introduce them to the customers and seek new business there. They are excited about the combination and staff going forward.

Mr. Zach McClendon asked about the manager in Florida.

Mr. Tipton stated David Druey has been with Centennial for 10 to 12 years. Mr. Druey ran the Conway region and relocated to Florida about 18 months ago and they are confident in his ability going forward.

Mr. McClendon asked about the total assets in Florida.

Mr. Tipton stated total loans were \$2.7 billion and takes them up to the 40% range of total loans, with Arkansas still being the majority.

Chairman Gary Smith asked why Landmark wanted to sell.

Mr. Tipton stated to create some liquidity in their stock and with a balance sheet the size of Centennial, it provides them the ability to handle those larger relationships and larger loans.

Chairman Smith inquired about retaining core deposits of acquired banks in Florida.

Mr. Tipton stated they have been successful at retaining what they acquired over the past several years. Mr. Tipton stated from a deposit franchise standpoint a lot of banks in Florida have “hot money” and they have tried to manage as best they could to retain what make sense and try to get additional business from those customers.

Mr. Gary Hudson asked if the management team for this market is going to be the same one that handles Sarasota.

Mr. Tipton stated a different group, but similar to David Druey that handles southeast Florida. Bud Stalnaker runs the central Florida region, which includes Sarasota, which they gained through Bay Cities.

Mr. McClendon asked where Centennial would be in rank of Florida banks from top to bottom.

Mr. Tipton stated there is Bank of America and the mega banks in Broward County, Palm Beach County, and those areas, but when you carve those out, Centennial would be in the top ten, and would guess eight, in Broward County in community banks in that area.

Chairman Smith stated it is a big bite down there and a little bit bigger bite than Arkansas.

Mr. Tracy French stated they appreciate Arkansas.

A motion was made by Zach McClendon, seconded by Gary Hudson, to approve the application, the motion carried and the Commissioner concurred.

Next on the agenda was a regulation for revision to clarify what documents are contained in a bank’s corporate file. Deputy Commissioner Susannah Marshall provided an overview of the regulation (see Certificate of Permanent Regulation as appendices to these minutes).

A motion was made by Randy Scott, seconded by Gary Hudson, to approve the regulation revision, the motion carried and the Commissioner concurred.

Next on the agenda was a regulation for revision to reflect current bank and messenger services business practices. Deputy Commissioner Susannah Marshall provided an overview of the regulation (see Certificate of Permanent Regulation as appendices to these minutes).

A motion was made by Gary Hudson, seconded by Zach McClendon, to approve the regulation revision, the motion carried and the Commissioner concurred.

Next on the agenda was a regulation for revision to clarify the publication requirements for proposed applications before the State Banking Board. Deputy Commissioner Susannah Marshall provided an overview of the regulation (see Certificate of Permanent Regulation as appendices to these minutes).

A motion was made by Zach McClendon, seconded by Randy Scott, to approve the regulation revision, the motion carried and the Commissioner concurred.

Next on the agenda was a Resolution in recognition of Elizabeth Bowles for her service to the State Banking Board (see copy of Resolution as appendices to these minutes).

A motion was made by Gary Hudson, seconded by Zach McClendon, to adopt the Resolution, the motion carried and the Commissioner concurred.

Being no further business, the meeting was adjourned.



GARY SMITH, CHAIRMAN
State Banking Board

ATTEST:

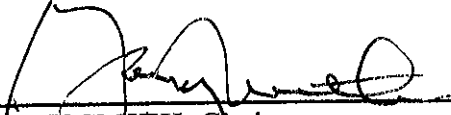


LUTHER GUINN, Secretary
State Banking Board



CANDACE A. FRANKS
Bank Commissioner

Board Members in Attendance:



GARY SMITH, Chairman
State Banking Board

4/18/17

Date

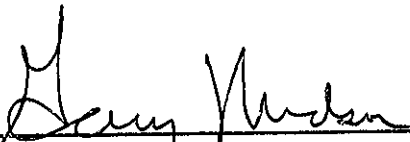
Attended and voted by phone
Approved minutes by phone

LANA HAMPTON, Vice-Chairman
State Banking Board

Date

ZACH McCLENDON, Member
State Banking Board

Date



GARY HUDSON, Member
State Banking Board

4/18/17

Date

Attended and voted by phone
Approved minutes by phone

DAVID LEECH, Member
State Banking Board

Date



RANDY SCOTT, Member
State Banking Board

4-18-17

Date

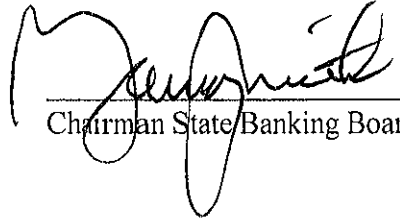
CERTIFICATE OF PERMANENT REGULATION

In respect to the foregoing permanent regulation of the State Bank Department Rules and Regulations Manual, the State Banking Board certifies as follows:

- (1) Said regulation was adopted at a Special Meeting of the State Banking Board, with the Bank Commissioner and Deputy Bank Commissioners in attendance, held in the Conference Room of the State Bank Department, 400 Hardin Road, Suite 100, Little Rock, Arkansas on February 16, 2017, beginning at the hour of 10:00 a.m., all members of the Board having been sent notice of the meeting, and 6 members of the Board being present in person, or by teleconference, and participating in the meeting.
- (2) The foregoing regulation was adopted at said meeting upon the vote of 6 members of the State Banking Board. The Bank Commissioner concurred with the Board in the adopting of said regulation.
- (3) The State Banking Board finds that notice of the foregoing permanent regulation was given as required by A.C.A. § 25-15-204 the Arkansas Administrative Procedure Act and that the foregoing regulation is hereby now adopted and effective as a permanent regulation.

Adopted at a Special Meeting of the State Banking Board held at the offices of the State Bank Department on February 16, 2017.

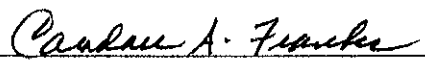
STATE BANKING BOARD


Chairman State Banking Board

ATTEST:


Secretary State Banking Board




Candace A. Franks
Bank Commissioner

FINAL RULE

46-101.3 G. Corporate File.

A bank's corporate file includes its: Articles of Incorporation, Amendment to Articles of Incorporation, list of stockholders, Articles of Merger, and other relevant documents. A bank's corporate file is subject to disclosure with the exception of any information in support of a petition for a stock transfer since such supportive information is confidential.


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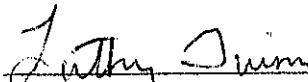
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STATE BANKING BOARD


Chairman, State Banking Board

ATTEST:


Secretary State Banking Board




Candace A. Franks
Bank Commissioner

FINAL RULE

47-101.7 - MESSENGER SERVICE (Reference A.C.A. § 23-47-101)

(a) To meet the requirements of its customers, a state bank may provide messenger services within the geographic limits of its operations by means of an armored car or otherwise, under which messenger service means any service, such as a courier service or armored car service, used by a state bank and its customers to pick up from, and deliver to, specific customers at locations such as their homes or offices, items relating to transactions between the bank and those customers.

(b) The messenger service shall be pursuant to a written contract between the bank and the customer wherein it is agreed that in performing the functions under (a) above, the messenger is the agent of the customer; that where funds (including currency, coin, checks or similar items) are transmitted to the bank by messenger for deposit, title to the funds shall remain with the customer until they are accepted by the bank and the depositor relationship shall not commence until such acceptance; that funds delivered by the bank to the messenger for transmission to a customer shall become the property of the customer when they are delivered to and accepted by the messenger, the customer's withdrawal to be deemed to have been affected as of that moment.

(c) Hazard insurance covering holdup, robbery, theft, messenger fidelity or misappropriation shall be carried for the protection of the customer for all funds transmitted by messenger to or from the bank. The premiums on such insurance may be paid by the bank.

CERTIFICATE OF PERMANENT REGULATION

In respect to the foregoing permanent regulation of the State Bank Department Rules and Regulations Manual, the State Banking Board certifies as follows:

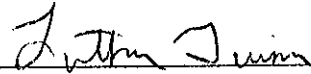
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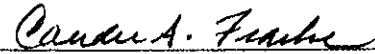
STATE BANKING BOARD


Chairman State Banking Board

ATTEST:


Secretary State Banking Board




Candace A. Franks
Bank Commissioner

FINAL RULE

46.403.1. - PUBLICATION REQUIREMENTS. APPLICATIONS BEFORE THE STATE BANKING BOARD (Reference A.C.A. § 23-46-403)

Sponsors of the following applications must publish notice of the proposed application once a week for three (3) consecutive weeks in a newspaper of statewide circulation. The first publication shall be within ten (10) calendar days prior to the application's filing date. Publications must provide for a fifteen (15) day comment period beginning with the actual filing of the application. These applications are:

- (1) New state bank charters;
- (2) Merger or consolidation applications between one or more banks, or saving and loan associations into a state bank;
- (3) Purchase or assumption application (over 50% of the assets or liabilities) of another depository institution; and
- (4) Change of a state bank's main banking office from one municipality to another (Simple or Complex Application).

RESOLUTION

WHEREAS, Elizabeth Bowles served faithfully for 5 years as a member of the Arkansas State Banking Board; and

WHEREAS, she unselfishly devoted her energies through her judgment and decision-making during this period of time to the improvement of the banking industry for the citizens of this state; and

WHEREAS, her contributions to the duties and responsibilities of the State Banking Board have been most valuable; and

WHEREAS, her service to the State of Arkansas and especially to banking should be recognized.

NOW THEREFORE BE IT RESOLVED; That the State Banking Board adopts this Resolution of Appreciation to Elizabeth Bowles on this Sixteenth day of February, Two Thousand Seventeen.

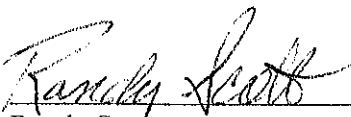


Gary Smith

Lana Hampton



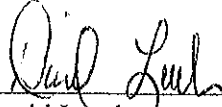
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Randy Scott



Gary Hudson



David Leech



Luther Guinn, Secretary

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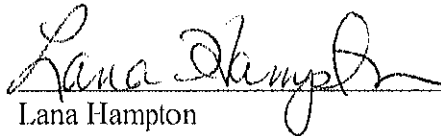
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Gary Smith



Lana Hampton

Zach McClendon

Randy Scott

Gary Hudson

David Leech

Luther Guinn, Secretary



STATE OF ARKANSAS
ASA HUTCHINSON
GOVERNOR

OFFICIAL APPOINTMENT

Date: January 19, 2017

TO THE SECRETARY OF STATE:

Under the provisions of Arkansas Code Annotated § 23-46-301,

I have, on this date, appointed David Leech,

whose address is 1911 Fairway, Stuttgart, Arkansas, 72160, Arkansas County,

and whose telephone number is 870-830-4502,

as a member of the State Banking Board,

for a term to expire on December 31, 2021.

Replaces: Elizabeth Bowles

A handwritten signature in black ink that reads "Asa Hutchinson".

Asa Hutchinson, Governor