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DIVISION OF CORPORATIONS

MERGER OR SHARE EXCHANGE

Home Bancshares, Inc.

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FAX AUDIT No. H05000136794

**ARTICLES OF MERGER
OF
MARINE BANCORP, INC.
WITH AND INTO
HOME BANCSHARES, INC.**

Effective Date: June 1, 2005

FILED
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SECRETARY OF STATE
TALLAHASSEE, FL 32310

We, Hunter Padgett, the duly elected officer of Marine Bancorp, Inc. ("MBI") and Ron Strother, the duly elected President of Home BancShares, Inc. ("HBI"), do hereby state on oath that the following information relating to the merger of MBI with and into HBI (the "Merger") is true, correct, and complete to the best of our knowledge and belief:

ARTICLE I.

The Plan of Merger

Section 1.01 Parties.

(A) MBI is a corporation duly organized and existing in good standing under the laws of the State of Florida, with its principal executive offices located in Marathon Shores, Florida.

(B) HBI is a corporation duly organized and existing in good standing under the laws of the State of Arkansas, with its principal executive offices located in Conway, Arkansas. Pursuant to Article II, HBI will provide shares of its common stock ("HBI Common Stock") as part of the Merger Consideration. "Merger Consideration" means the Stock Consideration (as herein defined) issued and Cash Consideration (as herein defined) paid pursuant to Article II to the holders of MBI common stock (except for MBI shareholders who have perfected their right as dissenters).

Section 1.02 The Merger. In accordance with the applicable provisions of the Arkansas Business Corporation Act of 1987, A.C.A. § 4-27-101, et seq., and of Fla. Stat. §§ 6076.1103 through 6076.1107, MBI shall be merged with and into HBI pursuant to the terms and conditions of these Articles of Merger. Upon consummation of the Merger, the separate existence of MBI shall cease and HBI shall continue as the surviving corporation (the "Surviving Corporation") under the corporate name it possesses immediately prior to the Effective Date.

Section 1.03 Articles, Bylaws, Directors, Officers. The Articles of Incorporation and Bylaws of the Surviving Corporation shall be those of HBI, as in effect immediately prior to the Merger becoming effective. The directors and officers of HBI in office immediately prior to the

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Merger becoming effective shall be the directors and officers of the Surviving Corporation, together with such additional directors and officers as may thereafter be elected, who shall hold office until such time as their successors are elected and qualified.

Section 1.04 Effect Of The Merger. On the Effective Date, the effect of the Merger shall be that (1) the title to all real estate and other property owned by MBI is vested in the Surviving Corporation and shall not revert or be in any way impaired by reason of the Merger; (2) the Surviving Corporation shall be liable for all Liabilities of MBI whether or not reflected or reserved against in the balance sheets, other financial statements, books of account or records of MBI in the same manner as if the Surviving Corporation had itself incurred such Liabilities or obligations; and (3) a proceeding pending by or against MBI may be continued as if the Merger had not taken place, or the Surviving Corporation may be substituted in place of MBI.

Section 1.05 Dissenting Shares. Notwithstanding anything to the contrary in this Plan, each share of a holder of MBI common stock ("MBI Common Stock") who perfects his/her/its dissenter rights (a "Dissenting Share") shall not be converted into a right to receive the Merger Consideration, but the holder of such Dissenting Share shall be entitled only to such rights as are granted by Fla. Stat. § 607.1301 through § 607.1333 (the "Appraisal Laws") unless and until such holder shall have failed to perfect or shall have effectively withdrawn or lost the right to payment under the Appraisal Laws, in which case each such share shall be deemed to have been converted at the Effective Date into the right to receive the Merger Consideration. Each Dissenting Shareholder who becomes entitled to payment for his MBI Common Stock pursuant to the provisions of the Appraisal Laws shall receive payment for such Dissenting Shares from HBI (but only after the amount thereof shall have been agreed upon or finally determined pursuant to the Appraisal Laws).

Section 1.06 Consummation Of The Merger. The effective date of the merger (the "Effective Date") will be June 1, 2005. On or before the Effective Date, Articles of Merger will be filed with the Secretary of State of Arkansas and Secretary of State of Florida in accordance with applicable law.

ARTICLE II.

Consideration

Section 2.01 Merger Consideration. At the Effective Date, without any action on the part of HBI, MBI, or the holder of any of the shares of common stock of MBI, the Merger shall be effected in accordance with the following terms:

(A) **METHOD OF PAYMENT.** The total value paid for the MBI Common Stock shall be represented as thirty-nine and one-half percent (39.5%) by Class B Preferred Stock (the "Stock Consideration") and sixty and one-half percent (60.5%) by cash (the "Cash Consideration"). Subject to the provisions of Sections 2.01 and 2.02 of the Plan, a Holder may receive his Merger Consideration as either all Stock Consideration, a combination of Stock Consideration and Cash Consideration as the Holder may specify (the "Mixed Consideration"), or all Cash Consideration, and shall state such Holder's preference (the "Election") on the

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Transmittal Form as provided in Section 2.02(C). Subject to Section 2.01(F), any Holder who does not make such Election shall be entitled only to receive Cash Consideration. However, all Elections for Mixed Consideration and all Cash Consideration shall be subject to an adjustment by the Exchange Agent as provided in Section 2.02(E).

(B) EXCEPTION SHARES. All shares of MBI Common Stock owned directly by MBI (including treasury shares), or any of its Subsidiaries (in each case other than shares in trust accounts or in another fiduciary capacity, managed accounts and the like or shares held in satisfaction of a debt previously contracted) (the "Exception Shares") shall be cancelled and retired as of the Effective Date and shall not thereafter represent capital stock of the Surviving Corporation and shall not be exchanged for Merger Consideration or any other consideration.

(C) STOCK CONSIDERATION. Subject to the provisions of Sections 2.01(A), 2.01(E) through (H), and 2.02, each Holder who elects to receive all or part of his Merger Consideration as Stock Consideration shall receive the number of whole shares of Class B Preferred Stock equal to the product of 0.644737 and the number of shares of such Holder's MBI Common Stock surrendered for Stock Consideration. The shares of Class B Preferred Stock issued as Stock Consideration shall be valued for purposes of the exchange at Thirty-eight Dollars (\$38.00) per share and will have the characteristics and requirements as set forth in Appendix I to this Plan. No interest shall be paid on any Stock Consideration.

(D) CASH CONSIDERATION. A Holder who is not eligible for the Stock Consideration pursuant to the provisions of Sections 2.01 or 2.02, or who, subject to Sections 2.01(A) and 2.02(C), elects to receive Cash Consideration shall receive an amount of cash equal to \$38.00 multiplied by the product of 0.644737 and the number of shares of such Holder's MBI Common Stock surrendered for such Cash Consideration. No interest shall be paid on any Cash Consideration.

(E) FRACTIONAL SHARE CONSIDERATION. Notwithstanding any other provision of this Plan, no fractional shares of Class B Preferred Stock and no certificates, scrip or other evidence of ownership of fractional shares will be issued in the Merger. HBI shall pay to each Holder of MBI Common Stock who would otherwise be entitled to a fractional or partial share of Class B Preferred Stock (the "Fraction") an amount of cash equal to \$38.00 multiplied by the product of 0.644737 and the Fraction (the "Fractional Share Consideration"). No such Holder shall be entitled to dividends, interest, or any other rights in respect to such fractional shares and no interest shall be paid on the Fractional Share Consideration.

(F) RULE 506 EXEMPTION. The offering of Class B Preferred Stock to Holders of MBI Common Stock is being made pursuant to the exemption from registration under Section 4(2) of the Securities Act and Rule 506. Each Holder who does not make the Required Rule 506 Representations and/or does not agree to the Required Rule 506 Restrictions as required hereby and in his Transmittal Form by the Expiration Date shall receive only the Cash Consideration as Merger Consideration. Pursuant to the exemption from registration provided by Rule 506, no more than thirty-five (35) Holders who elect to receive Stock Consideration or Mixed Consideration and who are Non-accredited Investors may receive Class B Preferred Stock. In counting the 35 Holders who will be eligible to receive Stock Consideration or Mixed Consideration, the Exchange Agent shall give priority to the Non-accredited Investors making

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such Election who hold the largest number of shares of MBI Common Stock. All other Holders who are Non-accredited Investors electing Stock Consideration or Mixed Consideration will receive only Cash Consideration. In addition, a Holder who lives in a state (other than Florida or Arkansas) which would require HBI or its employees to register as a broker-dealer, agent, or similar registration under applicable state securities laws in connection with or as a condition to the offering of Class B Preferred Stock shall not be eligible to receive Class B Preferred Stock and shall receive only Cash Consideration.

(G) LIMITATION ON CLASS B PREFERRED SHARES ISSUED. Notwithstanding that a Holder is otherwise eligible to receive Class B Preferred Stock as all or part of such Holder's Merger Consideration, the Class B Preferred Stock will only be issued to the first 200 such Holders who hold the largest number of shares of MBI Common Stock, and as a result the issuance of the Class B Preferred Stock is subject to the Adjustment provided in Section 2.02(E).

(H) NON-PERFECTING DISSENTERS. Shares of MBI Common Stock owned by a Dissenting Shareholder who has either failed to perfect or effectively withdraws or loses the right to payment under the Appraisal Laws (a "Non-perfecting Dissenter") shall be deemed to have been converted at the Effective Date into the right to receive as Merger Consideration only the Cash Consideration.

Section 2.02 Transmittal And Allocation Procedures.

(A) TENDER OF SHARES OF MBI COMMON STOCK AND DELIVERY OF CONSIDERATION. Any Merger Consideration into which shares of a Holder's MBI Common Stock are converted on the Effective Date, and any dividends paid on shares of Class B Preferred Stock issued as Stock Consideration for which the record date for determination of shareholders entitled to such dividends is on or after the Effective Date, will be delivered to such Holder only upon delivery to the Exchange Agent of the certificates representing all of such Holder's shares of MBI Common Stock (or an affidavit for indemnity satisfactory to the Exchange Agent, in its judgment, if any of such certificates are lost, stolen or destroyed). No interest shall be paid on any dividends to which such Holder shall be entitled.

(B) TRANSMITTAL FORM. A form (the "Transmittal Form") shall be mailed as soon as reasonably practicable after the Effective Date (the "Mailing Date") to each Holder of record as of the Effective Date containing (i) applicable instructions on transmittal of the Holder's MBI Common Stock, (ii) the Holder's Election as to the Holder's preference for type of Merger Consideration, and (iii) the required representations and agreements described in Section 2.02(C). Each Holder shall submit to the Exchange Agent a properly completed Transmittal Form on or before the expiration of thirty (30) days from the Mailing Date (the "Expiration Date"), together with his certificate(s) evidencing shares of MBI Common Stock owned by such Holder. Once submitted, the Transmittal Form is irrevocable. Neither HBI nor the Exchange Agent shall be under any obligation to notify any persons of any defect in a Transmittal Form.

(C) REQUIRED REPRESENTATIONS AND AGREEMENTS. The Transmittal Form shall request a Holder to (i) evidence whether or not they are an Accredited Investor, (ii) make the representations required of persons who wish to acquire securities pursuant to Rule 506 (the "Required Rule 506 Representations"), (iii) agree to the restrictions required by Regulation

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D and Rule 506 and acknowledge that each share of Class B Preferred Stock to be issued hereunder constitutes Restricted Securities (collectively, the "Required Rule 506 Restrictions"), and (iv) agree to any other restrictions contained in the Transmittal Form.

(D) MERGER CONSIDERATION ELECTION. The Holder shall make the Election on the Transmittal Form as to the Holder's preference to receive the Merger Consideration as all Stock Consideration, Mixed Consideration, or all Cash Consideration. The Election is a preference only and is subject to an Adjustment by the Exchange Agent as provided in Section 2.02(E).

(E) ADJUSTMENTS. All Elections may be subject to an adjustment determined by the Exchange Agent to (1) achieve a minimum of 39.5% of the total Merger Consideration being paid as Stock Consideration, (2) preserve the exemption from registration pursuant to Rule 506 by limiting to 35 the number of Non-accredited Investors who receive Stock Consideration or Mixed Consideration, as provided in Section 2.01(F); and (3) limit to two hundred (200) the number of Holders who receive Class B Preferred Stock as all or part of their Merger Consideration, as provided in Section 2.01(G).

(F) IMPROPER TENDER. Any Holder who does not submit a properly completed Transmittal Form to the Exchange Agent by the Expiration Date, accompanied by one or more certificates (or such affidavits and indemnification satisfactory to the Exchange Agent regarding the loss or destruction of such certificates) representing all of the shares of MBI Common Stock covered by such Transmittal Form, together with all other applicable transmittal materials, shall receive only Cash Consideration for their shares of MBI Common Stock upon surrender of their certificates of MBI Common Stock in the manner required by the Exchange Agent.

Section 2.03 MBI Shareholder Rights; Stock Transfers. On the Effective Date, holders of MBI Common Stock shall cease to be, and shall have no rights as, shareholders of MBI other than to receive the consideration provided under this Article II, or the rights of a Dissenting Shareholder who perfects those rights under the Appraisal Laws. On and after the Effective Date, there shall be no transfers on the stock transfer books of MBI or the Surviving Corporation of the shares of MBI Common Stock that were issued and outstanding immediately prior to the Effective Date.

Section 2.04 Reservation of Right to Revise Transaction. In its sole discretion, and notwithstanding any other provision in this Plan to the contrary, HBI may at any time prior to the Effective Date revise the transaction as follows:

(A) HBI may change the method of effecting its acquisition of MBI including, but not limited to, the formation of a subsidiary of HBI for the purpose of acquiring MBI and becoming the Surviving Corporation in the Merger; provided, however, that (i) no such change shall change the amount, value or kind of consideration to be generally issued to Holders as provided for in this Plan and, provided further that the Merger Consideration set forth in Section 2.01 is not reduced, (ii) no such change shall result in the failure of the parties to receive a tax opinion to the effect that (1) the Merger constitutes a reorganization under Section 368 of the Code, and (2) no gain or loss will be recognized by shareholders of MBI to the extent they receive shares of Class B Preferred Stock in exchange for their shares of MBI Common Stock, except that gain or

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loss may be recognized as to cash received in lieu of fractional share interests, and (iii) no delay caused by such a change shall be the basis upon which HBI terminates the Plan.

(B) HBI reserves the right at any time prior to the issuance of the Class B Preferred Stock to offer such stock pursuant to a registration statement filed with the Securities and Exchange Commission and, if required by state law, with the appropriate securities administrators of all applicable states.

(C) If HBI elects to change the method of acquisition pursuant to this Section 2.04, MBI will cooperate with and assist HBI with any necessary amendment to this Plan, and with the preparation and filing of such applications, documents, instruments and notices as may be necessary or desirable, in the opinion of counsel for HBI, to obtain all necessary shareholder approvals and approvals of any regulatory agency, administrative body or other governmental entity.

Section 2.05 Options. MBI has granted options to purchase 49,347 shares of MBI Common Stock ("MBI Option"). On the Effective Date, by virtue of the Merger and without any action on the part of any holder of an option, each MBI Option that is then outstanding and unexercised shall immediately and automatically be converted into and become an option to purchase Class B Preferred Stock ("HBI Option") on the same terms and conditions as are in effect with respect to such MBI Option immediately prior to the Effective Date, except that (A) each such HBI Option may be exercised solely for shares of Class B Preferred Stock, (B) the number of shares of Class B Preferred Stock subject to such HBI Option shall be equal to the number of shares of MBI Common Stock subject to such MBI Option immediately prior to the Effective Date multiplied by 0.644737, the product being rounded, if necessary, up or down to the nearest whole share, and (C) the per share exercise price under each such HBI Option shall be adjusted by dividing the per share exercise price of MBI Option by 0.644737, and rounding up or down to the nearest cent.

ARTICLE III.

Appointment of Registered Agent

Home BancShares, Inc. hereby appoints the Secretary of State of the State of Florida as its registered agent for service of process in a proceeding to enforce any obligation or the rights of dissenting shareholders of MBI.

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ARTICLE IV.

Approval of Plan of Merger

Section 4.01 Approval by MBI. The Plan was duly adopted by the Board of Directors of MBI on January 25, 2005 and was duly approved by its shareholders at a meeting held April 28, 2005. At the time of such meeting there were 635,208 shares outstanding of MBI capital stock (consisting solely of MBI Common Stock) entitled to vote and the holders of 439,587 shares voted in favor of the approval of the Plan, 19,487 shares voted against the approval of the Plan, and 1,010 shares abstained. The said affirmative vote represents 70% of the shares issued and outstanding and entitled to vote.

Section 4.02 Approval by HBI. The Plan was duly adopted by the Board of Directors of HBI on December 10, 2004. Pursuant to A.C.A. § 4-27-1103(g), no vote of the shareholders of HBI was required.

IN WITNESS WHEREOF, the undersigned have caused this document to be executed effective on June 1, 2005.

HOME BANCSHARES, INC.

By: 

Ron Strother, President

MARINE BANCORP, INC.

By: 

Hunter Radgett, Officer

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APPENDIX 1**Class B Preferred Stock Description**

The characteristics and requirements of the Class B Preferred Stock to be authorized and issued by HBI as set forth in Section 2.01(C) of the Plan, all of which characteristics and requirements shall be set forth in an Amendment to the Restated Articles of Incorporation of HBI to be adopted and filed with the Arkansas Secretary of State prior to the Merger, shall be as follows:

1. HBI shall issue as consideration in the Merger a number of shares of its Class B Preferred Stock, \$0.01 par value per share, up to the number of shares required to equal 39.5% of the total consideration for the Merger. Such shares of Class B Preferred Stock shall have a value for Stock Conversion Ratio purposes of \$38.00 (the "Stock Value") per share. The Class B Preferred Stock shall be non-voting and shall yield an annual non-cumulative dividend of 1.5% of the Stock Value payable if and when declared, quarterly on the last day of January, April, July, and October. No interest shall be payable on any declared and unpaid dividends.
2. No dividends shall be declared or paid on any common shares or any other shares of capital stock of HBI, other than shares of Class A Preferred Stock, until the foregoing dividend is paid on the Class B Preferred Stock; *provided, however*, that the Class B Preferred Stock shall be subordinate to HBI Class A Preferred Stock in the payment of dividends.
3. In the event of any dissolution, liquidation or winding up of HBI, whether voluntary or involuntary, the holders of the then outstanding Class B Preferred Stock shall be entitled to receive, after the payment of any declared and unpaid dividends to the holders of HBI Class A Preferred Stock, (a) a sum equal to the amount of any declared and unpaid dividends on the Class B Preferred Stock at the dividend rate set forth herein, and (b) \$38.00 per share on a parity with the payment of \$10.00 per share to holders of Class A Preferred Stock. The Class B Preferred Stock will rank prior to any class or series of capital stock hereafter created. After payment to the holders of preferred shares, the remaining assets and funds of HBI shall be distributed pro rata among the holders of the HBI Common Stock. A consolidation, merger or reorganization of HBI with any other corporation or corporations or a sale of all or substantially all of the assets of HBI shall not be considered a dissolution, liquidation or winding up of HBI within the meaning of these provisions.
4. The Class B Preferred Stock shall be convertible into HBI Common Stock upon the following terms and conditions:
 - (a) The holder of shares of Class B Preferred Stock shall have the right to elect to convert such Class B Preferred Stock into HBI Common Stock upon the earliest to occur of:
 - (i) July 6, 2006; or

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- (ii) two hundred ten (210) days after the date an underwritten initial public offering of HBI Common Stock is completed.
- (b) HBI shall have the right to redeem all of the Class B Preferred Stock in exchange for HBI Common Stock at any time.
- (c) In the event a holder of the Class B Preferred Stock elects to convert such stock into HBI Common Stock pursuant to (a) or HBI elects to redeem such Class B Preferred Stock pursuant to (b), such Class B Preferred Stock shall be converted or redeemed at an exchange ratio of one (1) share of HBI Common Stock in exchange for one share of Class B Preferred Stock. Such HBI Common Stock shall be HBI voting common stock as is currently authorized under HBI's Articles of Incorporation subject to such changes as may be made prior to the date of conversion or redemption. In the event such conversion or redemption occurs prior to the end of a quarter in which HBI's Board of Directors declares a dividend, and subject to the priority in payment of dividends to the Class A Preferred Stock, a holder of Class B Preferred Stock being converted or redeemed shall be entitled to receive an amount of such dividend, prorated for the number of days in the quarter prior to the date of the notice of redemption.
- (d) If prior to the conversion or redemption of Class B Preferred Stock, the outstanding shares of HBI Common Stock are increased or decreased or are changed into a different number of shares or a different class by reason of any merger, reclassification, stock split, or similar transaction, or if a stock dividend shall be paid, an appropriate and proportionate adjustment or adjustments will be made to the ratio by which a share of HBI Common Stock, or a fraction thereof, is to be issued in exchange for each share of Class B Preferred Stock. In the event of a merger of HBI for cash in which it is not the surviving corporation, the holders of Class B Preferred Stock will be given the right to convert their shares of Class B Preferred Stock for shares of HBI Common Stock, immediately prior to the conversion on a ratio of one (1) share of HBI Common Stock for one (1) share of Class B Preferred Stock.

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