

SMITH MIDLAND CORP
Form 8-K
May 16, 2012

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of Earliest Event Reported): May 10, 2012

SMITH-MIDLAND CORPORATION

(Exact Name of Registrant as Specified in Charter)

Delaware

1-13752

54-1727060

**(State or Other Jurisdiction of
Incorporation)**

**(Commission File
Number)**

**(I.R.S. Employer Identification
Number)**

P.O. Box 300, 5119 Catlett Road

Midland, Virginia 22728

(Address of principal executive offices)

(504) 439-3266

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)**

- .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)**

- .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17CFR 240.14d-2(b))**

- .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17CFR 240.13e-4(c))**

ITEM 1.01 Entry into a Material Definitive Agreement.

ITEM 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

Line of Credit

On May 10, 2012, Smith-Midland Corporation (the "Company") completed the refinance of its matured line of credit with Summit Community Bank for \$2,000,000 under substantially the same terms and in the same amount. The loan is collateralized by a first lien position on the Company's accounts receivable and inventory and a second lien position on all other business assets. The interest rate is equal to the Wall Street Journal prime rate with an initial rate of 4.75% and a floor of 4.75% per annum, adjustable every month with interest only payments due on a monthly basis. The loan matures on May 10, 2013. Advances on the line of credit are made at the request of the Company.

Key provisions of the line of credit require the Company, (i) to obtain bank approval for capital expenditures in excess of \$700,000 during the term of the loan; (ii) to maintain a minimum tangible equity of \$5,000,000; (iii) to obtain bank approval prior to its funding any acquisition and (iv) to obtain bank approval prior to the payment of dividends on the Company's common stock.

A copy of the Promissory Note, the Commitment Letter, the Commercial Loan Application - Summary, the Commercial Security Agreement are attached hereto as exhibits 10.1, 10.2, 10.3 and 10.4, respectively, and are incorporated herein by reference.

Equipment Purchase Commitment

On May 10, 2012 the Company received a Commitment Letter from Summit Community Bank to provide a guidance line of credit specifically to purchase business equipment in the amount of \$1,000,000. The commitment provides for the purchase of equipment with minimum advances of \$50,000 for which a note payable will be executed with a term not to exceed five years with an interest rate at the Wall Street Journal prime rate plus .5% with a floor of 4.75% per annum. The loan is collateralized by a first lien position on all equipment purchased under the line. The commitment for the guidance line of credit matures on May 9, 2013.

The key provisions of the guidance line of credit are the same as those of the Summit Community Bank line of credit more fully described above.

A copy of the Commitment Letter and Commercial Loan Application - Summary are attached hereto as exhibits 10.5 and 10.6, respectively, and are incorporated herein by reference.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

Exhibit No. Exhibit Description

- | | |
|------|---|
| 10.1 | Promissory Note, dated May 10, 2012, in the amount of \$2,000,000 issued by the Company to Summit Community Bank. |
| 10.2 | Commitment Letter related to the line of credit dated May 9, 2012. |
| 10.3 | Commercial Loan Application - Summary related to the line of credit dated March 1, 2012. |
| 10.4 | Commercial Security Agreement related to the line of credit dated May 10, 2012. |
| 10.5 | Commitment Letter dated related to the guidance line of credit on May 10, 2012. |
| 10.6 | Commercial Loan Application - Summary related to the guidance line of credit dated March 1, 2012. |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: May 16, 2012

SMITH-MIDLAND CORPORATION

By: /s/ William A. Kenter

William A. Kenter

Chief Financial Officer