

SMITH MIDLAND CORP
Form 8-K
June 04, 2009

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 29, 2009

SMITH-MIDLAND CORPORATION
(Exact Name of Registrant as Specified in Charter)

Delaware (State or Other Jurisdiction of Incorporation)	1-13752 (Commission File Number)	54-1727060 (I.R.S. Employer Identification Number)
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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))
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ITEM Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a
2.03 Registrant.

Line of Credit

On May 29, 2009, Smith-Midland Corporation completed the refinance of its existing line of credit with Greater Atlantic Bank in the amount of \$1,500,000 with Summit Community Bank under substantially the same terms. The line of credit with Summit Community Bank will mature on May 29, 2010, and carries an interest rate of prime (the Wall Street Journal U.S. Prime Rate) with a floor of 4.75% per annum. Interest is required to be paid monthly. The note payable is secured by a first lien on accounts receivable and inventory and a second lien on all equipment. Advances on the line of credit are made at the request of the Company and with the concurrence of the bank.

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

A copy of the Summit Community Bank note payable and commitment letter are attached hereto as Exhibits 10.1 and 10.2, respectively, and are incorporated herein by reference.

Equipment Purchase Commitment

On April 8, 2009, the Company received a commitment from Summit Community Bank to provide a guidance line of credit specifically for the purchase of equipment in the amount of \$700,000 with an effective date of May 29, 2009. The commitment provides for the purchase of equipment in with minimum advances of \$50,000 for which a note payable will be executed with a term not to exceed five years and an interest rate of prime (the Wall Street Journal U.S. Prime Rate) plus .5% with a floor of 4.75% per annum. The notes payable will require monthly payments of principal and interest during the term of the notes. The notes payable will be secured by a first lien on the purchased equipment. The commitment for the guidance line of credit will mature on May 29, 2010.

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 Summit Community Bank commitment letter for the guidance line of credit is attached hereto as Exhibit 10.3 and is incorporated herein by reference.

Loan Payoff

The balance of the Greater Atlantic Bank line of credit on May 29, 2009 was \$750,000, which was drawn in late December in response to the financial crisis in the banking industry as a hedge against the continued availability by the bank to provide funding on the line. The \$750,000 line of credit was paid in full at closing by funds advanced under the Summit Community Bank line of credit.

In addition, the Company also paid in full a term loan with Greater Atlantic Bank with an original balance of \$365,000 and a current balance of approximately \$136,000 with an advance under the Summit Community Bank line of credit. As a result of the above described draw downs, total advances pursuant to the Summit Community Bank line of credit at closing were approximately \$886,000. The Company plans to pay the outstanding balance subsequent to the closing out of its current cash reserves.

ITEM Other Events.
8.01.

On June 4, 2009, Smith-Midland Corporation issued a press release announcing that it has been awarded the contract to provide the Precast/Prestressed Concrete Pavement Slab panels for Interstate 66 located in Fairfax County, VA.

The press release is attached as Exhibit 99.1 and is incorporated herein by reference.

ITEM FINANCIAL STATEMENTS AND EXHIBITS

9.01

(d) Exhibits

Exhibit No. Exhibit Description

- 10.1 Promissory Note, dated May 29, 2009, in the amount of \$1,500,000 issued by the Borrower to Summit Community Bank.
 - 10.2 Summit Community Bank Commitment Letter dated April 8, 2009, for a line of credit in the amount of \$1,500,000.
 - 10.3 Summit Community Bank Commitment Letter dated April 8, 2009, for the guidance line of credit in the amount of \$700,000.
 - 99.1 Smith-Midland Corporation press release dated June 4, 2009.
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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: June 4, 2009

SMITH-MIDLAND CORPORATION

By: /s/ William A. Kenter

William A. Kenter
Chief Financial Officer

SMITH-MIDLAND CORPORATION
Exhibit to Current Report on Form 8-K
June 4, 2009

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- 10.3 Summit Community Bank Commitment Letter dated April 8, 2009, for the guidance line of credit in the amount of \$700,000.
- 99.1 Smith-Midland Corporation press release dated June 4, 2009.