

BAY NATIONAL CORP
Form 8-K
July 21, 2006

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): July 19, 2006

Bay National Corporation
(Exact Name of Registrant as Specified in its Charter)

Maryland 000-51765 52-2176710
(State of Incorporation) (Commission File Number) (I.R.S. Employer Identification
No.)

2328 West Joppa Road
Lutherville, Maryland 21093
(Address of Principal Executive (Zip Code)
Offices)

Registrant's Telephone Number, Including Area Code: 410-494-2580

N/A
(Former name or former address, if changed since last report)

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 communication 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 (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Section 1 - Registrant's Business and Operations

Item 1.01. Entry into a Material Definitive Agreement.

On July 19, 2006, pursuant to a lease agreement with its landlord, Riderwood Associates Limited Partnership (the "Landlord"), Bay National Bank (a wholly owned subsidiary of Bay National Corporation) (the "Bank") agreed, beginning October 1, 2006, to lease 4,317 square feet of space on the first floor of a building (the "Building") located at 1122 Kenilworth Drive, Towson, Maryland. The Bank intends to use this space for its Baltimore residential mortgage operation.

Pursuant to the lease agreement, the Bank agreed to an initial lease term of five years and two months, terminating on November 30, 2011. The Bank was also provided the right to renew the lease for one additional five-year term. As part of this agreement, the aggregate rent due under the lease is \$8,454.13 monthly from December 2006 through November 2007. For each lease year thereafter, including any lease years during any renewal term, the yearly base rent will increase by three percent.

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.

BAY NATIONAL CORPORATION

Date: July 19, 2006

By: /s/ Hugh W. Mohler
Hugh W. Mohler, President
