

**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): January 20, 2023

Harbor Custom Development, Inc.

(Exact name of registrant as specified in its charter)

Washington

(State or other jurisdiction of
incorporation)

001-39266

(Commission File Number)

46-4827436

(IRS Employer Identification Number)

1201 Pacific Avenue, Suite 1200
Tacoma, WA 98402

(Address of principal executive offices and zip code)

Registrant's telephone number, including area code **(253) 649-0636**

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 (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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock	HCDI	The Nasdaq Stock Market LLC
8.0% Series A Cumulative Convertible Preferred Stock	HCDIP	The Nasdaq Stock Market LLC
Warrants	HCDIW	The Nasdaq Stock Market LLC
Warrants	HCDIZ	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 8.01 Other Events.

As previously announced on a Current Report on Form 8-K on October 28, 2022, Harbor Custom Development, Inc., a Washington corporation (the "Company"), is in the process of negotiating the terms of restructuring its loan from BankUnited, N.A. (the "Lender"), pursuant to a Loan Agreement dated March 7, 2022 (the "Loan"). Due to one of the terms being demanded by the Lender, on January 20, 2023, the Company's Board of Directors (the "Board"), voted to suspend the Company's cash dividend payments on the Company's 8.0% Series A Cumulative Convertible Preferred Stock (the "Series A Preferred Stock") beginning with the February 2023 dividend payment and continuing until such time as the Company, with the approval of the Board, reaches a final agreement with the Lender. The Company will update this disclosure when all terms of the restructuring with the Lender are finalized and approved.

The terms of the Series A Preferred Stock provide that to the extent that any dividends payable on the Series A Preferred Stock are not paid, such unpaid dividends are accrued. If the Company fails to pay 18 monthly dividends (whether or not consecutive) on the Series A Preferred Stock, the size of the Company's Board will be increased by one member and the holders of the Series A Preferred Stock, voting separately as a class, will have the right to vote to fill the vacancy created thereby until the Company pays all accrued but unpaid dividends, at which time such right is terminated.

Forward Looking Statements

This Current Report on Form 8-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical fact contained in this Report are forward-looking statements, including statements regarding the Company's potential loan restructuring. While the Company believes these forward-looking statements are reasonable, undue reliance should not be placed on any such forward-looking statements, which are based on information available to the Company on the date of this Report. These forward-looking statements are subject to various risks and uncertainties, including without limitation those set forth in the Company's filings with the Securities and Exchange Commission. Thus, actual results could be materially different. The Company expressly disclaims any obligation to update or alter statements whether as a result of new information, future events or otherwise, except as required by law.

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.

Harbor Custom Development, Inc.

Date: January 24, 2023

By: /s/ Jeff Habersetzer

Name: Jeff Habersetzer

Title: Chief Operating Officer, Secretary, and General Counsel
