
**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 1937

Date of Report (Date of earliest event reported): November 12, 2009

Daktronics, Inc.

(Exact name of registrant as specified in its charter)

South Dakota
(State or other jurisdiction
Incorporation or organization)

0-23246
(Commission
File Number)

46-0306862
(I.R.S. Employer
Identification Number)



201 Daktronics Drive
Brookings, SD 57006
(Address of principal executive office) (zip code)

(605) 692-0200
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report.)

This Form 8-K contains both historical and forward-looking statements that involve risks, uncertainties and assumptions. The statements contained in this report that are not purely historical are forward-looking statements that are subject to the safe harbors created under the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, including statements regarding our expectations, beliefs, intentions and strategies for the future. These statements appear in a number of places in this Report and include all statements that are not historical statements of fact regarding our intent, belief or current expectations with respect to, among other things: (i) our financing plans; (ii) trends affecting our financial condition or results of operations; (iii) our growth strategy and operating strategy; and (iv) the declaration and payment of dividends. The words “may,” “would,” “could,” “should,” “will,” “expect,” “estimate,” “anticipate,” “believe,” “intend,” “plans” and similar expressions and variations thereof are intended to identify forward-looking statements. Investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risk and uncertainties, many of which are beyond our ability to control, and that actual results may differ materially from those projected in the forward-looking statements as a result of various factors discussed herein, including those discussed in detail in our filings with the Securities and Exchange Commission, including in our Annual Report on Form 10-K for the fiscal year ended May 2, 2009 in the section entitled “Item 1A. Risk Factors”

Item 1.01 Entry into a Material Definitive Agreement.

On November 12, 2009, the Company entered into amendments (the “Amendments”) to its Loan Agreement and related Revolving Note (collectively, the “Credit Facility”) with U.S. Bank National Association (the “Bank”). The Amendments decrease the limit on the revolving loan amount available from \$45.0 million to \$35.0 million; modify the Adjusted Fixed Charge Coverage ratio by increasing the reserve for maintenance capital expenditures from \$4.0 million to \$6.0 million; increase the loan fee of 0.100% per annum to 0.125% per annum on the average daily unused portion of the Credit Facility; and increase the interest rate (which fluctuates depending on certain ratios) from LIBOR plus 75 to 125 basis points to LIBOR plus 125 to 175 basis points. As of November 12, 2009, no advances under the Revolving Note were outstanding, and letters of credit outstanding as of the same date were approximately \$3.7 million. The Credit Facility remains unsecured.

As a result of the strong cash position of the Company and the rising costs of credit facilities, the Company determined that it was appropriate to reduce the total loan amount available under the Credit Facility. As of October 31, 2009, the Company had approximately \$56.0 million of available and unrestricted cash, which it feels diminishes the need for larger credit facilities, although this situation could change.

The foregoing description of the Credit Facility is qualified in its entirety by reference to the Amendments, copies of which are filed as Exhibits 10.1 and 10.2 to this Current Report on Form 8-K and incorporated herein by reference.

Item 2.03 Creation of a Direct Financial Obligation Under an Off-Balance Sheet Arrangement of a Registrant.

The disclosure required by this item is included in Item 1.01 and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits

The following exhibit is filed with this Form 8-K:

[10.1](#) [Eighth Amendment to Loan Agreement dated November 12, 2009 by and between the Company and the Bank.](#)

[10.2](#) [Renewal Revolving Note dated November 12, 2009.](#)

SIGNATURE

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.

DAKTRONICS, INC.

By: /s/ William R. Retterath

William R. Retterath, Chief Financial Officer

Date: November 12, 2009

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
10.1	Eighth Amendment to Loan Agreement dated November 12, 2009 by and between the Company and the Bank.
10.2	Renewal Revolving Note dated November 12, 2009.

EIGHTH AMENDMENT TO LOAN AGREEMENT

This Eighth Amendment to Loan Agreement is made and entered into effective the 12th day of November, 2009, by and between U.S. **Bank National Association**, a national banking association, with an address of 141 North Main Avenue, Post Office Box 5308, Sioux Falls, South Dakota 57117-5308 ("Lender") and **Daktronics, Inc.**, a South Dakota corporation, with an address of 331 - 32nd Avenue, Brookings, South Dakota 57006 ("Borrower").

RECITALS:

- A. Lender and Borrower entered into a Loan Agreement dated October 14, 1998, and Borrower executed and delivered to Lender a Revolving Note dated October 14, 1998, in the original principal sum of \$15,000,000.00.
- B. The Loan Agreement and Revolving Note were amended by an Amendment to Loan Agreement and a Modification of Promissory Note, each dated November 30, 1999, an Amendment to Loan Agreement and a Modification of Promissory Note, each dated December 8, 2000, a Third Amendment to Loan Agreement and Revolving Note dated June 20, 2002, a Fourth Amendment to Loan Agreement and Revolving Note dated December 2, 2003, a Fifth Amendment to Loan Agreement and Revolving Note dated October 1, 2005, and a Sixth Amendment to Loan Agreement and a Renewal Revolving Note, each dated January 23, 2007.
- C. Pursuant to the Sixth Amendment to Loan Agreement and the Renewal Revolving Note dated January 23, 2007, the loan amount was increased to \$45,000,000.00 (the "Revolving Loan"). The Loan Agreement and Renewal Revolving Note were amended by a Seventh Amendment to Loan Agreement and an Amendment to Renewal Revolving Note, each dated April 28, 2008.
- D. Lender and Borrower mutually wish to renew and amend the Revolving Note (pursuant to a Renewal Revolving Note dated even date herewith), decrease the principal amount of the Revolving Loan and extend the maturity date thereof, and to correspondingly amend the Loan Agreement.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Borrower and Lender covenant and agree as follows:

1. The following definitions in Section 1.1 of the Loan Agreement are amended and restated as follows:

"Revolving Loan Maturity Date": November 15, 2010.

"Revolving Note": The Renewal Revolving Note dated November 4, 2009, along with any amendments, renewals, or extensions thereof.

2. Section 2.1 of the Loan Agreement is amended and restated as follows:

Section 2.1 Revolving Loan. Upon the terms and subject to the conditions hereof, Lender agrees to make available a revolving loan (the "Revolving Loan") to Borrower in the principal amount of Thirty-five Million and No/100 Dollars (\$35,000,000.00). Borrower may obtain advances, prepay and obtain new advances under the Revolving Loan.

Borrower may request and Lender, in its sole discretion, may issue as part of the Revolving Loan, letters of credit in a total amount not to exceed \$15,000,000.00. Letters of credit not exceeding a total amount of \$3,000,000.00 may have an expiration date of no later than November 15, 2011 and letters of credit not exceeding \$100,000.00 may have an expiration date of no later than January 23, 2013. Otherwise, all letters of credit will expire on or before November 15, 2010. The amount available to be borrowed under the Revolving Loan will be correspondingly reduced by the face amount of all letters of credit issued. Notwithstanding any agreement to the contrary, Lender will have no obligation to issue any letter of credit, or to amend, extend, renew or replace any letter of credit, unless it is in form and substance acceptable to Lender.

3. Section 2.3 of the Loan Agreement is amended and restated as follows:

Section 2.3 Loan Fee. Borrower agrees to pay Lender a loan fee of .125% per annum on the average daily unused amount of the Revolving Loan from and after November 4, 2009 through the Revolving Loan Maturity Date, computed on the basis of the actual number of days elapsed and a 360-day year. The amount of such loan fee accruing during each quarter will be due and payable on or before the 30th day of the following quarter, provided that the loan fee remaining unpaid will be due and payable when the unpaid balance of principal and interest under the Revolving Note becomes due and payable in full. "Unused amount of the Revolving Loan" means the difference of (a) the amount of the Revolving Loan, minus, (b) the aggregate outstanding principal amount of the advances and outstanding letters of credit. In addition, Borrower agrees to pay Lender a fee of .50% of the amount of any international letters of credit.

4. Schedule VI to the Loan Agreement ("Schedule VI") is amended and restated as attached to this Eighth Amendment.

5. Except as modified herein, all the terms and conditions of the Loan Agreement, including previous amendments thereto, will remain in full force and effect.

6. Borrower acknowledges that the Loan Agreement and related Loan Documents are and will remain the legal and binding obligation of Borrower, free of any claim, defense, or offset.

BORROWER:

DAKTRONICS, INC.

By: /s/ James B. Morgan
James B. Morgan, Its Chief Executive Officer

By: /s/ William R. Retterath
William R. Retterath, Its Chief Financial Officer

LENDER:

U.S. BANK NATIONAL ASSOCIATION

By: /s/ Carl Wynja
Carl Wynja, Its Senior Vice President

SCHEDULE VI ADDITIONAL COVENANTS

Until the Revolving Note and all of the other Obligations are paid and performed in full, unless the Lender shall otherwise consent in writing:

Dividends. The Borrower will not pay in excess of current year's net profit after tax any dividends or otherwise make any distributions on, or redemptions of, any of its outstanding stock.

Minimum Adjusted Fixed Charge Coverage Ratio. The Borrower will not permit its Minimum Adjusted Fixed Charge Ratio, as of the last day of any fiscal year for the four consecutive fiscal quarters ending on that date to be less than 2 to 1.

For purposes hereof, the following definitions have the following meanings:

"EBITDA": For any period of determination, the net income of the Borrower before deductions for income taxes, interest expense, depreciation and amortization, all as determined in accordance with GAAP.

"Adjusted Fixed Charge Coverage Ratio": For any period of determination with respect to the Borrower, the ratio of

- (a) EBITDA minus the sum of (i) any dividends or other distributions, (ii) a reserve for maintenance capital expenditures in the amount of \$6,000,000.00, and (iii) tax expenses, to
- (b) all required principal and interest payments with respect to Indebtedness (including but not limited to all payments with respect to capitalized lease obligations of the Borrower),

in each case determined for said period in accordance with GAAP.

"Indebtedness": All interest-bearing obligations, including those represented by bonds, debentures, or other debt securities, except principal reductions on the Revolving Loan.

IBD/EBITDA Ratio. The Borrower will not permit the ratio of its IBD to EBITDA, as of the last day of any fiscal quarter to be greater than 1 to 1. For purposes hereof, the following definitions have the following meanings:

"IBD": All interest bearing obligations, including those represented by bonds, debentures, or other debt securities, excluding any long-term contractual obligations related to marketing transactions whose source of payment is underlying advertising agreements.

"EBITDA": For any period of determination, the net income of the Borrower before deductions for income taxes, interest expense, depreciation and amortization, all as determined in accordance with GAAP. This computation will use the last four quarters.

RENEWAL REVOLVING NOTE

\$35,000,000.00

Brookings, South Dakota
November 12, 2009

FOR VALUE RECEIVED, **Daktronics, Inc.**, a South Dakota corporation ("Borrower"), promises to pay to **U.S. Bank National Association**, a national banking association ("Lender", which term shall include any future holder hereof), at 141 North Main Avenue, Post Office Box 5308, Sioux Falls, South Dakota 57117-5308 or at such other place as Lender may from time to time designate in writing, the principal sum of Thirty-five Million and No/100 Dollars (\$35,000,000.00) or so much thereof as may be advanced hereunder and to pay interest on the outstanding principal balance hereof from time to time at a daily fluctuating rate tied to the One-Month Reserve Adjusted Reuters London Inter-Bank Offering Rate ("LIBOR"), with the rate tiers determined on the last day of each fiscal quarter of Borrower's accounting year, and based upon the following rate tiers:

1. Total IBD / EBITDA ratio < 0.50x	LIBOR + 125 basis points
2. Total IBD / EBITDA ratio = or > 0.50x and < 1.25x	LIBOR + 150 basis points
3. Total IBD / EBITDA ratio = or > 1.25x	LIBOR + 175 basis points

Lender will tell Borrower the current LIBOR rate interest rate and rate tier upon Borrower's request. The initial rate tier shall be #1 above. The rate tier shall not be adjusted more often than quarterly. Interest shall be computed on the basis of actual days elapsed and a year of 360 days.

Interest is payable beginning December 1, 2009, and on the same date of each consecutive month thereafter, plus a final interest payment with the final payment of principal. Principal is payable on November 15, 2010, the "Revolving Loan Maturity Date".

This Note may be prepaid in full or in part at any time without indemnity. Prepayments of less than all the outstanding principal amount of this Note shall be applied upon principal payments in the inverse order of their maturities.

Failure to exercise any option provided herein shall not constitute a waiver of the right to exercise the same in the event of any subsequent default. Borrower agrees that if, and as often as, this Note is given to an attorney for collection or to defend or enforce any of Lender's rights hereunder, Borrower will pay to the Lender its reasonable attorneys' fees, together with all court costs and other expenses paid by Lender.

Borrower waives presentment, protest and demand, notice of protest, demand and of dishonor and nonpayment of this Note and any lack of diligence or delays in collection or enforcement of this Note. Borrower agrees that this Note, or any payment hereunder, may be extended from time to time, and Borrower consents to the release of any party liable for the obligation evidenced by this Note, the release of any of the security for this Note, the acceptance of any other security therefor, or any other indulgence or forbearance whatsoever, all without notice to any party and without affecting the liability of Borrower.

THIS NOTE SHALL BE CONSTRUED UNDER AND GOVERNED BY THE LAWS OF THE STATE OF SOUTH DAKOTA, WITHOUT GIVING EFFECT TO CONFLICT OF LAWS OR PRINCIPLES THEREOF, BUT GIVING EFFECT TO FEDERAL LAWS OF THE UNITED STATES APPLICABLE TO NATIONAL BANKS. WHENEVER POSSIBLE, EACH PROVISION OF THIS NOTE AND ANY OTHER STATEMENT, INSTRUMENT OR TRANSACTION CONTEMPLATED HEREBY OR RELATING HERETO, SHALL BE INTERPRETED IN SUCH MANNER AS TO BE EFFECTIVE AND VALID UNDER SUCH APPLICABLE LAW, BUT, IF ANY PROVISION OF THIS NOTE OR ANY OTHER STATEMENT, INSTRUMENT OR TRANSACTION CONTEMPLATED HEREBY OR RELATING HERETO SHALL BE HELD TO BE PROHIBITED OR INVALID UNDER SUCH APPLICABLE LAW, SUCH PROVISION SHALL BE INEFFECTIVE ONLY TO THE EXTENT OF SUCH PROHIBITION OR INVALIDITY, WITHOUT INVALIDATING THE REMAINDER OF SUCH PROVISION OR THE REMAINING PROVISIONS OF THIS NOTE OR ANY OTHER STATEMENT, INSTRUMENT OR TRANSACTION CONTEMPLATED HEREBY OR RELATING HERETO.

AT THE OPTION OF LENDER, THIS NOTE MAY BE ENFORCED IN ANY FEDERAL COURT OR SOUTH DAKOTA CIRCUIT COURT SITTING IN SIOUX FALLS OR BROOKINGS, SOUTH DAKOTA; AND BORROWER CONSENTS TO THE JURISDICTION AND VENUE OF ANY SUCH COURT AND WAIVES ANY ARGUMENT THAT VENUE IN SUCH FORUMS IS NOT CONVENIENT. IN THE EVENT BORROWER COMMENCES ANY ACTION IN ANOTHER JURISDICTION OR VENUE UNDER ANY TORT OR CONTRACT THEORY ARISING DIRECTLY OR INDIRECTLY FROM THE RELATIONSHIP CREATED BY THIS NOTE, LENDER AT ITS OPTION SHALL BE ENTITLED TO HAVE THE CASE TRANSFERRED TO ONE OF THE JURISDICTIONS AND VENUES ABOVE-DESCRIBED, OR IF SUCH TRANSFER CANNOT BE ACCOMPLISHED UNDER APPLICABLE LAW, TO HAVE SUCH CASE DISMISSED WITHOUT PREJUDICE.

Borrower irrevocably waives any and all right to trial by jury in any legal proceeding arising out of or relating to this Note or any of the Loan Documents (as defined in the Loan Agreement) or the transactions contemplated hereby or thereby.

DAKTRONICS, INC.

By /s/ James B. Morgan
James B. Morgan, Its Chief Executive Officer

By /s/ William R. Retterath
William R. Retterath, Its Chief Financial Officer

STATE OF SOUTH DAKOTA)
 : SS
COUNTY OF BROOKINGS)

On this the 12th day of November, 2009, before me personally appeared James B. Morgan, known to me to be the Chief Executive Officer, and William R. Retterath, known to me to be the Chief Financial Officer, of Daktronics, Inc., the corporation that is described in and that executed the within instrument and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

/s/ Nichole F. Hofer
Notary Public – South Dakota

My Commission Expires: 31 March 2011
(seal)
