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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 8-K**

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

**Date of Report (Date of earliest event reported): February 19, 2010**

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**OPTICAL CABLE CORPORATION**

(Exact name of registrant as specified in its charter)

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**Virginia**  
(State or other jurisdiction of  
incorporation or organization)

**000-27022**  
(Commission  
File Number)

**54-1237042**  
(I.R.S. Employer  
Identification Number)

**5290 Concourse Drive**  
**Roanoke, VA**  
(Address of principal executive offices)

**24019**  
(Zip Code)

**(540) 265-0690**  
(Registrant's telephone number, including area code)

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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))
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### Item 1.01. Entry into a Material Definitive Agreement

On February 16, 2010, Optical Cable Corporation (the “Company”) and Valley Bank (the “Bank”) entered into a First Loan Modification Agreement (the “Amended Revolving Loan”) under which the Bank will provide the Company with an extension of the February 28, 2010 termination date of the Company’s existing working capital line of credit (the “Original Revolving Loan”) with the Bank. The Amended Revolving Loan provides for an amended termination date of May 31, 2010 and reduces the amount available under the Original Revolving Loan from \$6 million to an aggregate principal amount at any one time outstanding not to exceed the lesser of (i) \$3,000,000, or (ii) the sum of (x) 85 percent of certain receivables plus (y) 35 percent of certain uninsured foreign receivables (or 100 percent of insured foreign receivables, without duplication and at the Bank’s discretion) up to a maximum amount of \$1,500,000 at any one time plus (z) 25 percent of certain inventory (the “Revolving Loan Limit”). Within the Revolving Loan Limit, the Company may borrow, repay, and reborrow, at any time or from time to time until May 31, 2010, the Amended Revolving Loan termination date. The First Loan Modification Agreement also places a floor on the interest rate applicable to borrowings under the Amended Revolving Loan of 4.5%, consistent with what is typical in the current credit environment.

All other terms of the Amended Revolving Loan and other loan documents relating to this transaction remain unchanged.

The Bank has indicated to the Company that the reason it is not renewing the Original Revolving Loan for another year without change was due to the desire of a participating bank to withdraw from the financial arrangement. When the Bank extended the credit facilities to the Company in May 2008, the Bank entered into a separate agreement with another financial institution the “Participating Bank” because the Bank did not have a legal lending limit sufficient to fund all amounts available to the Company. Although the Company’s credit relationship was solely with the Bank, the signatory for all of the loan documents, the Bank relied upon the Participating Bank’s participation in order to extend the financing to the Company. The Participating Bank was later acquired by another financial institution, the “Successor Participating Bank”. In January 2010, the Company was informed that the Successor Participating Bank indicated to the Bank that it was not interested in renewing its role as a participating bank for the Company’s Original Revolving Loan. In response, the Company requested an extension of the Original Revolving Loan, which the Bank has granted by agreeing to the Amended Revolving Loan. This amendment provides the Company with time to seek alternative bank financing for the revolving loan.

The Company entered into other loans with the Bank on May 30, 2008 (together with the Original Revolving Loan, the “Credit Facilities”). In addition to the original \$6,000,000 working capital line of credit provide by the Original Revolving Loan, the Credit Facilities also provided for: a \$2,240,000 term loan to finance the acquisition of certain North Carolina real property in connection with the acquisition of Superior Modular Products Incorporated (the “North Carolina Real Estate Loan”); a \$6,500,000 term loan to refinance an existing loan secured by certain Virginia real property (the “Virginia Real Estate Loan”); and a \$2,260,000 term loan to assist with financing of capital expenditures by the Company (the “Capital Acquisitions Term Loan”).

The North Carolina Real Estate Loan and the Virginia Real Estate Loan continue to be in place and are amortizing according to the original agreements without modification. The Capital Acquisitions Term Loan was fully funded at the request of the Company on October 6, 2008 as a precautionary measure amid a growing concern by the Company regarding the stability of the financial institutions in the United States. The Capital Acquisitions Term Loan later was repaid in full during October 2009 with indications from the Bank that the Company’s Revolving Loan would be renewed in February 2010.

The Company is in the process of securing alternative financing for its Amended Revolving Loan, and possibly other components of its Credit Facilities.

**Item 9.01. Financial Statements and Exhibits**

(c) Exhibits

The following is filed as an Exhibit to this Report.

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
4.1	First Loan Modification Agreement dated February 16, 2010 (FILED HEREWITH)

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.

OPTICAL CABLE CORPORATION

By: /s/ TRACY G. SMITH

Name: Tracy G. Smith

Title: Senior Vice President and  
Chief Financial Officer

Dated: February 19, 2010

**FIRST LOAN MODIFICATION AGREEMENT**

THIS FIRST LOAN MODIFICATION AGREEMENT, is made as of the 16th day of February, 2010, by and between OPTICAL CABLE CORPORATION, a Virginia corporation, for itself and as successor by merger to Superior Modular Products Incorporated, formerly a Delaware corporation (the "Borrower") and VALLEY BANK, a Virginia banking corporation, its affiliates and their successors and assigns (the "Bank").

WHEREAS, the Borrower and Superior Modular Products Incorporated entered into that certain Revolving Loan Note dated May 30, 2008, in the original principal amount of Six Million and No/00 Dollars (\$6,000,000) payable to the Bank evidencing the Revolving Loan;

WHEREAS, the Revolving Loan is governed by additional terms contained in that certain Credit Agreement between the Borrower and Superior Modular Products Incorporated and the Bank, dated May 30, 2008 (the "Credit Agreement");

WHEREAS, Superior Modular Products Incorporated merged into the Borrower, effective October 31, 2009, and the Borrower is successor by merger to Superior Modular Products Incorporated; and

WHEREAS, the Borrower and the Bank desire to modify the terms of the Revolving Loan and amend the Revolving Loan Note and the Credit Agreement and to affirm the Loan Documents as modified hereby, as a condition of the Bank entering into this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and conditions contained herein, the parties hereto agree as follows:

1. The foregoing recitals are incorporated in and constitute terms of this Agreement.
2. Capitalized terms contained in this Agreement which are not otherwise defined herein shall have the meaning ascribed to them in the Credit Agreement.

3. The Revolving Loan Note is amended as follows:

A. The principal amount of the Revolving Loan Note is limited to an amount of up to Three Million and No/100 Dollars (\$3,000,000).

4. The Credit Agreement is amended as follows:

A. The definition of "Borrower" is deleted in its entirety and hereafter means Optical Cable Corporation, a Virginia corporation, for itself and as successor by merger to Superior Modular Products Incorporated, formerly a Delaware corporation, evidenced by Certificate of Merger issued by the Virginia State Corporation Commission, effective October 31, 2009.

B. The definition of "Revolving Loan Termination Date" is deleted in its entirety and replaced with the following:

"Revolving Loan Termination Date" means May 31, 2010.

C. Subsection 3.1(a)(i) is hereby deleted in its entirety and replaced with the following:

(i) Limit. The Bank shall, on the terms and subject to the conditions of this Agreement and the Loan Documents, make the Revolving Loan to the Borrower in the aggregate principal amount at any one time outstanding not to exceed the lesser of (i) \$3,000,000, or (ii) the sum of (x) 85 percent of Eligible Receivables plus (y) 35 percent of uninsured Eligible Foreign Receivables (or 100 percent of insured Eligible Foreign Receivables, without duplication and at the Bank's discretion) up to a maximum amount of \$1,500,000 at any one time plus (z) 25 percent of Eligible Inventory (the "Revolving Loan Limit"). Within the Revolving Loan Limit, the Borrower may borrow, repay, and reborrow, at any time or from time to time from the Closing Date until the Revolving Loan Termination Date. If the Bank shall make advances in excess of the Revolving Loan Limit or in excess of the foregoing advance formula, such advances shall be subject to this Agreement and shall be secured by the Collateral. All advances shall be disbursed by the Bank and charged to the Borrower's account on the Bank's books, and shall bear interest as hereinafter provided, and be payable in accordance with the terms hereof and of the Revolving Loan Note.

D. Subsection 3.1(a)(ii) is hereby deleted in its entirety and replaced with the following:

(ii) Revolving Loan Interest and Repayment. The Revolving Loan shall be evidenced by the Revolving Loan Note in the form attached hereto as Exhibit 3.1(a), in the principal amount of the Revolving Loan Limit and payable to the order of the Bank. Advances under the Revolving Loan shall be LIBOR Base Loans, with interest accruing at the LIBOR Base Interest Rate plus 190 basis points; *provided however*, that at any time that the average quarterly deposits balance of the Borrower is less than \$500,000, interest shall accrue at the LIBOR Base Interest Rate plus 215 basis points; and *further provided* that at no time shall the applicable interest rate decrease below a per annum rate of 450 basis points based on a 360 day year. Repayment shall be made as follows: Accrued interest on the outstanding principal balance shall be paid in immediately available funds at the Head Office of the Bank on the first day of each month, with all then outstanding principal, interest, fees and costs due on the Revolving Loan Termination Date.

5. The modifications contained in this Agreement do not constitute or create a novation of the Revolving Loan Note, the Credit Agreement, or any of the other Loan Documents or the Loans.

6. Except as expressly modified hereby, all terms and conditions of the Revolving Loan Note, the Credit Agreement and all other Loan Documents remain unchanged, and of full force and effect in accordance with their terms.

7. The Borrower hereby ratifies all of the Loan Documents, as expressly modified hereby, and certifies that they are enforceable in accordance with their terms, without defense or offset.

8. The Borrower represents and warrants to the Bank to induce the Bank to enter into this Agreement, that the execution, delivery and performance of this Agreement has been duly authorized by all requisite action, and that all representations and warranties made by it in the Credit Agreement and the other loan documents evidencing and securing the Loans are true, correct and enforceable on and as of the date hereof.

9. The effective date of this Agreement shall be the date first hereinabove written.

10. This Agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth of Virginia. The parties consent to the jurisdiction and venue of the courts of the Commonwealth of Virginia, specifically to the courts of the City of Roanoke, Virginia, and to the jurisdiction and venue of the United States District Court for the Western District of Virginia in connection with any action, suit or proceeding arising out of or relating to this Agreement.

11. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

12. This Agreement may be signed in several counterparts, each which shall be an original and all of which shall constitute one and same document.

[signature page follows]

IN WITNESS WHEREOF, the parties have caused this First Loan Modification Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

BORROWER:

OPTICAL CABLE CORPORATION

By: \_\_\_\_\_  
Name: Tracy G. Smith  
Title: Senior Vice President and Chief Financial Officer

BANK:

VALLEY BANK

By: \_\_\_\_\_  
Name: Scott L. Leffel  
Title: Vice President

**JOINDER TO**

**FIRST LOAN MODIFICATION AGREEMENT**

February 16, 2010

The undersigned, PNC BANK (the "Participating Bank"), entered into that certain Participation Agreement with Valley Bank, a Virginia banking corporation (the "Bank") pursuant to which it purchased a participating interest in loans made by the Bank to Optical Cable Corporation, a Virginia corporation and Superior Modular Products Incorporated, a Delaware corporation (each individually with respect to itself, jointly and severally, and collectively, the "Borrower") in accordance with that certain Credit Agreement between the Borrower and the Bank dated May 30, 2008.

The Participating Bank enters into this Joinder for purposes of consenting to the terms contained in that certain First Loan Modification Agreement dated even date herewith and to which this is attached.

IN WITNESS WHEREOF, the Participating Bank has caused this Joinder to First Loan Modification Agreement to be duly executed and delivered by its proper and duly authorized officer as of the day and year first above written.

PNC BANK

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_