

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 12, 2010

ESCO TECHNOLOGIES INC.
(Exact Name of Registrant as Specified in Charter)

Missouri
(State or Other
Jurisdiction of Incorporation)

1-10596
(Commission
File Number)

43-1554045
(I.R.S. Employer
Identification No.)

9900A Clayton Road, St. Louis, Missouri
(Address of Principal Executive Offices)

63124-1186
(Zip Code)

Registrant's telephone number, including area code: 314-213-7200

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

The information set forth in Item 2.03 of this Form 8-K is incorporated in this Item 1.01 by reference.

ITEM 2.03. CREATION OF A DIRECT FINANCIAL OBLIGATION OR AN OBLIGATION UNDER AN OFF-BALANCE SHEET ARRANGEMENT OF A REGISTRANT

On January 12, 2010, the Registrant entered into Amendment No. 1 To Credit Agreement (“Amendment No. 1”), with retroactive effect to November 12, 2009, among Registrant, the lenders from time to time party thereto, and PNC Bank, National Association (successor to National City Bank), as administrative agent. Amendment No. 1 amended the Credit Agreement dated as of November 30, 2007 (the “Credit Agreement”) among Registrant, the lenders from time to time party thereto, and National City Bank, as administrative agent. Amendment No. 1 permits the Registrant to declare and pay capital distributions consisting of dividends that are payable in cash, provided that (i) no default or event of default shall have occurred and be continuing or would result therefrom, (ii) the Registrant will be in compliance with certain financial covenants both before and after giving pro forma effect to each such capital distribution, and (iii) the aggregate amount of all such capital distributions during any fiscal year shall not exceed \$15,000,000. Prior to Amendment No. 1, the Credit Agreement prohibited the payment of cash dividends. For further information regarding the Credit Agreement, see Item 1 “Business”—“Financing” of Registrant’s Form 10-K for the fiscal year ended September 30, 2009.

ITEM 9.01 FINANCIAL STATEMENTS and EXHIBITS

(c) Exhibits

Exhibit No.	Description of Exhibit
4.1	Amendment No. 1 to Credit Agreement dated as of November 12, 2009, and entered into on January 12, 2010, among the Registrant, the lenders from time to time party thereto, and PNC Bank, National Association

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.

ESCO TECHNOLOGIES INC.

Dated: January 14, 2010

By: /s/T.B. Martin
Assistant Secretary

Index of Exhibits

Exhibit No.	Description of Exhibit
4.1	Amendment No. 1 to Credit Agreement dated as of November 12, 2009, and entered into on January 12, 2010, among the Registrant, the lenders from time to time party thereto, and PNC Bank, National Association

AMENDMENT NO. 1

dated as of November 12, 2009

to

Credit Agreement

**dated as of
November 30, 2007**

Among

**ESCO TECHNOLOGIES INC.,
as Borrower,**

**THE LENDING INSTITUTIONS NAMED HEREIN,
as Lenders,**

and

**PNC BANK, NATIONAL ASSOCIATION,
as an LC Issuer, Swing Line Lender and as the
Lead Arranger, Administrative Agent and Syndication Agent**

AMENDMENT NO. 1 TO CREDIT AGREEMENT

This AMENDMENT NO. 1 TO CREDIT AGREEMENT (this "Amendment") is entered into as of November 12, 2009 among the following: (i) ESCO TECHNOLOGIES INC., a Missouri corporation (the "Borrower"); (ii) the lenders from time to time party hereto (each a "Lender" and collectively, the "Lenders"); and (iii) PNC BANK, NATIONAL ASSOCIATION (successor to National City Bank), as the administrative agent (the "Administrative Agent").

RECITALS:

A. The Borrower, the Administrative Agent, the Lenders, Bank of America, N.A. and JPMorgan Chase Bank, N.A., as Co-Syndication Agents, are parties to the Credit Agreement, dated as of November 30, 2007 (as the same may from time to time be amended, restated or otherwise modified, the "Credit Agreement").

B. The Borrower, the Administrative Agent and the Lenders desire to amend the Credit Agreement to modify certain provisions thereof.

AGREEMENT:

In consideration of the premises and mutual covenants herein and for other valuable consideration, the Borrower, the Administrative Agent and the Lenders agree as follows:

Section 1. Definitions. Unless otherwise defined herein, each capitalized term used in this Amendment and not defined herein shall be defined in accordance with the Credit Agreement.

Section 2. Amendments.

2.1 New Definitions. Article I of the Credit Agreement is hereby amended to add the following new definitions thereto:

"Amendment No. 1" means Amendment No. 1 to Credit Agreement dated as of November 12, 2009, among the Borrower, the Administrative Agent and the Lenders.

"Amendment No. 1 Effective Date" means November 12, 2009.

2.2 Omnibus Amendments. All references in the Credit Agreement and the exhibits thereto, the Notes, the Security Documents, the Subsidiary Guaranty and each of the other Loan Documents to "National City Bank, a national banking association" or "National City Bank" are deemed to be references to "PNC Bank, National Association."

2.3 Amendment to Section 7.06. Section 7.06 of the Credit Agreement is hereby amended by adding a new clause (d) thereto which shall read in its entirety as follows:

"(d) the Borrower may declare and pay or make Capital Distributions consisting of dividends that are payable in cash, *provided* that (i) no Default or Event of Default shall have occurred and be continuing or would result therefrom, (ii) the Borrower will be in compliance with the financial covenants set forth in Section 7.07 both before and after giving *pro forma* effect to each such Capital Distribution, and (iii) the aggregate amount of all such Capital Distributions made by the Borrower pursuant to this clause (d) during any fiscal year shall not exceed \$15,000,000."

Section 3. Fees. As consideration for the modifications to the Credit Agreement contemplated in this Amendment, the Borrower shall pay to the Administrative Agent, for the benefit of each Lender that delivers a fully executed copy of its signature page to the Administrative Agent by 5:00 P.M. (eastern time), December 10, 2009, an amendment fee in an amount equal to 12.5 basis points times the amount of such Lender's Commitment.

Section 4. Effectiveness.

4.1 Conditions Precedent. The effectiveness of this Amendment is subject to the satisfaction of the following conditions precedent:

(i) Amendment Executed. This Amendment shall have been executed by the Borrower, each Subsidiary Guarantor, the Administrative Agent and the Required Lenders, and counterparts hereof as so executed shall have been delivered to the Administrative Agent.

(ii) Officer's Certificate; Resolutions. The Borrower and each Subsidiary Guarantor shall have delivered to the Administrative Agent an officer's certificate certifying the names of the officers of the Borrower or such Subsidiary Guarantor authorized to sign this Amendment and the other Loan Documents, if any, required to be executed in connection herewith, together with the true signatures of such officers.

(iii) Fees. The Borrower shall have (i) paid to the Administrative Agent, for the benefit of the Lenders, the fees required to be paid by it pursuant to Section 3 above and (ii) paid all legal fees and expenses of the Administrative Agent in connection with the preparation and negotiation of this Amendment and the other documents being executed or delivered in connection herewith.

(iv) Other Matters. The Borrower and each Subsidiary Guarantor shall have provided such other items and shall have satisfied such other conditions as may be reasonably required by the Administrative Agent.

4.2 Amendment Effective Date. This Amendment shall be effective on the date (the "Amendment Effective Date") upon which the conditions precedent set forth in Section 4.1 above are satisfied. The Administrative Agent shall provide the Borrower and the Lenders written notice immediately upon the occurrence of the Amendment Effective Date. Upon the occurrence of the Amendment Effective Date, unless otherwise specifically set forth herein, each

of the amendments and other modifications set forth in this Amendment shall be effective on and after the Amendment Effective Date, but with retroactive effect to the Amendment No. 1 Effective Date.

Section 5. Miscellaneous.

5.1 Representations and Warranties. The Borrower and each Subsidiary Guarantor, by signing below, hereby represents and warrants to the Administrative Agent and the Lenders that:

- (i) the Borrower and each Subsidiary Guarantor has the legal power and authority to execute and deliver this Amendment;
- (ii) the officers executing this Amendment on behalf of the Borrower and each Subsidiary Guarantor have been duly authorized to execute and deliver the same and bind the Borrower or such Subsidiary Guarantor with respect to the provisions hereof;
- (iii) the execution and delivery hereof by the Borrower or each Subsidiary Guarantor and the performance and observance by the Borrower and each Subsidiary Guarantor of the provisions hereof do not violate or conflict with the Organizational Documents of the Borrower or any Subsidiary Guarantor or any law applicable to the Borrower or any Subsidiary Guarantor or result in a breach of any provision of or constitute a default under any other agreement, instrument or document binding upon or enforceable against the Borrower or such Subsidiary Guarantor;
- (iv) no Default or Event of Default exists under the Credit Agreement, nor will any occur immediately after the execution and delivery of this Amendment or by the performance or observance of any provision hereof;
- (v) neither the Borrower nor any Subsidiary Guarantor has any claim or offset against, or defense or counterclaim to, any obligations or liabilities of the Borrower or such Subsidiary Guarantor under the Credit Agreement or any other Loan Document;
- (vi) this Amendment constitutes a valid and binding obligation of the Borrower and each Subsidiary Guarantor in every respect, enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency or other similar laws of general application affecting the enforcement of creditors' rights or by general principles of equity limiting the availability of equitable remedies; and
- (vii) each of the representations and warranties set forth in Article V of the Credit Agreement is true and correct in all material respects as of the date hereof, except to the extent that any thereof expressly relate to an earlier date, in which case such representations and warranties are reaffirmed true and correct as of such earlier date.

5.2 Credit Agreement Unaffected. Each reference to the Credit Agreement or in any other Loan Document shall hereafter be construed as a reference to the Credit Agreement as amended hereby. Except as herein otherwise specifically provided, all provisions of the Credit Agreement shall remain in full force and effect and be unaffected hereby. This Amendment is a Loan Document.

5.3 Subsidiary Guarantor Acknowledgment. Each Subsidiary Guarantor, by signing this Amendment:

- (i) consents and agrees to and acknowledges the terms of this Amendment;
- (ii) acknowledges and agrees that all of the Loan Documents to which such Subsidiary Guarantor is a party or otherwise bound shall continue in full force and effect and that all of such Subsidiary Guarantor's obligations thereunder shall be valid and enforceable and shall not be impaired or limited by the execution or effectiveness of this Amendment;
- (iii) represents and warrants to the Administrative Agent and the Lenders that all representations and warranties made by such Subsidiary Guarantor and contained in this Amendment or any other Loan Document to which it is a party are true and correct in all material respects on and as of the Amendment No. 1 Effective Date to the same extent as though made on and as of the Amendment No. 1 Effective Date, except to the extent that any thereof expressly relate to an earlier date; and
- (iv) acknowledges and agrees that (A) notwithstanding the conditions to effectiveness set forth in this Amendment, such Subsidiary Guarantor is not required by the terms of the Credit Agreement or any other Loan Document to which such Subsidiary Guarantor is a party to consent to the amendments to the Credit Agreement effected pursuant to this Amendment and (B) nothing in the Credit Agreement, this Amendment or any other Loan Document shall be deemed to require the consent of such Subsidiary Guarantor to any future amendments or modifications to the Credit Agreement.

5.4 Waiver. The Borrower and each Subsidiary Guarantor, by signing below, hereby waives and releases the Administrative Agent and each of the Lenders and their respective Related Parties from any and all claims, offsets, defenses and counterclaims of which the Borrower and any Subsidiary Guarantor is aware, such waiver and release being with full knowledge and understanding of the circumstances and effect thereof and after having consulted legal counsel with respect thereto.

5.5 Entire Agreement. This Agreement, together with the Credit Agreement and the other Loan Documents, integrate all the terms and conditions mentioned herein or incidental hereto and supersede all oral representations and negotiations and prior writings with respect to the subject matter hereof.

5.6 Counterparts. This Amendment may be executed in any number of counterparts, by different parties hereto in separate counterparts and by facsimile signature, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement.

5.7 Governing Law. THIS AMENDMENT AND THE OTHER LOAN DOCUMENTS AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND THEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK. TO THE FULLEST EXTENT PERMITTED BY LAW, THE BORROWER HEREBY UNCONDITIONALLY AND

IRREVOCABLY WAIVES ANY CLAIM TO ASSERT THAT THE LAW OF ANY JURISDICTION OTHER THAN THE STATE OF NEW YORK GOVERNS THIS AMENDMENT OR ANY OF THE OTHER LOAN DOCUMENTS.

5.8 **JURY TRIAL WAIVER**. EACH OF THE PARTIES TO THIS AMENDMENT HEREBY IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AMENDMENT OR ANY OF THE OTHER LOAN DOCUMENTS (INCLUDING, WITHOUT LIMITATION, ANY AMENDMENTS, WAIVERS OR OTHER MODIFICATIONS RELATING TO ANY OF THE FOREGOING), OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

[Signature pages follow.]

IN WITNESS WHEREOF, this Amendment has been duly executed and delivered as of the date first above written.

ESCO TECHNOLOGIES INC.

By: s/Alyson S. Barclay
Name:
Title:

PNC BANK, NATIONAL ASSOCIATION,
as the Administrative Agent and as a Lender

By: s/Thomas S. Sherman
Name:
Title:

JPMORGAN CHASE BANK, N.A.,
as a Lender

By: s/Krys Szremski
Name:
Title:

BANK OF AMERICA, N.A.,
as a Lender

By: s/Stephen Bode
Name:
Title:

BANK OF TOKYO-MITSUBISHI, LTD.,
as a Lender

By: s/Victor Pierzchalski
Name:
Title:

SUNTRUST BANK,
as a Lender

By: s/J. Matthew Rowand
Name:
Title:

THE GOVERNOR AND COMPANY OF THE BANK OF IRELAND,
as a Lender

By: s/Aoife M. Quinn
Name:
Title:

FIFTH THIRD BANK,
as a Lender

By: s/Mary Ann Lemonds
Name:
Title:

WACHOVIA BANK,
as a Lender

By: s/Bradford Vieira
Name:
Title:

COMERICA BANK,
as a Lender

By: s/Mark J. Leveille
Name:
Title:

REGIONS BANK,
as a Lender

By: s/John Holland
Name:
Title:

HSBC BANK USA,
as a Lender

By: s/Andrew Bicker
Name:
Title:

ASSOCIATED BANK,
as a Lender

By: s/Mark Weitekamp
Name:
Title:

FIRST BANK,
as a Lender

By: s/Brenda J. Laux
Name:
Title:

NORTHERN TRUST,
as a Lender

By: s/Rick J. Gomez
Name:
Title:

FIRSTMERIT BANK, N.A.,
as a Lender

By: s/Robert G. Morlan
Name: Robert G. Morlan
Title: Senior Vice President

COMMERCE BANK,
as a Lender

By: s/T. William White
Name:
Title:

Each of the undersigned acknowledge the terms of and consent to the foregoing:

ESCO TECHNOLOGIES HOLDING INC.

By: s/Alyson S. Barclay

Name:
Title:

VACCO INDUSTRIES

By: s/Alyson S. Barclay
Name:
Title:

LINDGREN R.F. ENCLOSURES, INC.

By: s/Alyson S. Barclay
Name:
Title:

LINDGREN, INC.

By: s/Alyson S. Barclay
Name:
Title:

DOBLE ENGINEERING COMPANY

By: Alyson S. Barclay
Name:
Title:

PTI TECHNOLOGIES INC.

By: s/Alyson S. Barclay
Name:
Title:

ACLARA POWER-LINE SYSTEMS INC.

By: s/Alyson S. Barclay
Name:
Title:

ACLARA RF SYSTEMS INC.

By: s/Alyson S. Barclay
Name:
Title:

ETS-LINDGREN L.P.

By: Rantec Commercial, Inc., its General Partner

By: s/Gary E. Muenster
Name:
Title:

