
**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): October 5, 2016

Applied Optoelectronics, Inc.
(Exact name of Registrant as specified in its charter)

Delaware
(State or Incorporation)

001-36083
(Commission File Number)

76-0533927
(I.R.S. Employer Identification No.)

13139 Jess Pirtle Blvd.
Sugar Land, TX 77478
(address of principal executive offices and zip code)

(281) 295-1800
(Registrant's telephone number, including area code)

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:

- 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 October 5, 2016, Applied Optoelectronics, Inc. (the “Company”) executed a Change in Terms Agreement, Notice of Final Agreement and Second Modification to the Construction Loan Agreement (the “Modifications”) with East West Bank (the “Bank”). The Modifications amends and restates in part the Company’s Promissory Note and Construction Loan Agreement which was originally executed with the Bank on January 26, 2015 (the “Original Agreements”) with a subsequent amendment occurring on June 14, 2016 (the “First Modifications”). The Original Agreements provided the Company up to \$22 million to finance the construction of the Company’s campus expansion plan. The amount of financing provided by the Bank under the Modifications remains unchanged.

The draw down period end date, under the Modifications, is amended from July 31, 2016 to September 30, 2016. And thereafter, the entire outstanding principal balance shall be converted to a sixty-four (64) month term loan, amended from a sixty (66) month term loan, with principal and interest payments due monthly amortized over three hundred (300) months. The first principal and interest payment is due on October 26, 2016 and will continue on the same day of each month thereafter. The final principal and interest payment is due on January 26, 2022 and will include all unpaid principal and all accrued and unpaid interest.

Except as expressly changed by the Modifications, the terms of the original obligation and subsequent First Modifications, remain unchanged and in full force and effect.

The foregoing description of the Modifications do not purport to be a complete statement of the parties’ rights and obligations under the Modifications and are qualified in its entirety by reference to the full text of the Modifications, copies of which are attached as Exhibits 10.1, 10.2 and 10.3 to this Current Report on Form 8-K and incorporated by reference herein.

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

The information contained in Item 1.01 of this Current Report on Form 8-K with respect to the Modifications are incorporated by reference herein and made a part hereof.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

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| 10.1 | Change in Terms Agreement, dated October 5, 2016, between Applied Optoelectronics, Inc. and East West Bank. |
| 10.2 | Notice of Final Agreement, dated October 5, 2016, between Applied Optoelectronics, Inc. and East West Bank. |
| 10.3 | Second Modification to the Construction Loan Agreement, dated October 5, 2016, between Applied Optoelectronics, Inc. and East West Bank. |

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.

Applied Optoelectronics, Inc.

By: /s/ DAVID C. KUO

DAVID C. KUO

General Counsel and Secretary

Date: October 7, 2016

CHANGE IN TERMS AGREEMENT

Borrower:	Applied Optoelectronics, Inc. 13139 Jess Pirtle Blvd. Sugar Land, TX 77478	Lender:	East West Bank Loan Servicing Department 9300 Flair Drive, 6th Floor El Monte, CA 91731
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Principal Amount: \$22,000,000.00

Date of Agreement: October 5, 2016

DESCRIPTION OF EXISTING INDEBTEDNESS. The Promissory Note dated January 26, 2015 for Loan Number [***] in the original Principal Amount of \$22,000,000.00, along with any and all subsequent Change In Terms Agreements.

DESCRIPTION OF CHANGE IN TERMS.

The **draw down period** is hereby extended from July 31, 2016 to **September 30, 2016**.

The section entitled "**Conversion to Term Loan**" is hereby amended and restated as follows:

CONVERSION TO TERM LOAN. On the Draw Down Maturity Date, the section entitled "Line of Credit" is hereby deleted and the outstanding principal balance as of the Draw Down Maturity Date shall be converted to a **(64)** month term loan, with principal and interest payments due monthly amortized over **three hundred (300)** months. The first principal and interest payment is due on **October 26, 2016** and will continue on the same day of each month thereafter. The final principal and interest payment is due on **January 26, 2022** (the "Term Loan Maturity Date") and will include all unpaid principal and all accrued and unpaid interest.

CONTINUING VALIDITY. Except as expressly changed by this Agreement, the terms of the original obligation or obligations, including all agreements evidenced or securing the obligation(s), remain unchanged and in full force and effect. Consent by Lender to this Agreement does not waive Lender's right to strict performance of the obligation(s) as changed, nor obligate Lender to make any future change in terms. Nothing in this Agreement will constitute a satisfaction of the obligation(s). It is the intention of Lender to retain as liable parties all makers and endorsers of the original obligation(s), including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, will not be released by virtue of this Agreement. **If** any person who signed the original obligation does not sign this Agreement below, then all persons signing below acknowledge that this Agreement is given conditionally, based on the representation to Lender that the non-signing party consents to the changes and provisions of this Agreement or otherwise will not be released by it. This waiver applies not only to any initial extension, modification or release, but also to all such subsequent actions.

PRIOR TO SIGNING THIS AGREEMENT, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS AGREEMENT. BORROWER AGREES TO THE TERMS OF THE AGREEMENT.

BORROWER:

APPLIED OPTOELECTRONICS, INC.

By: /s/ Stefan John Murry
Stefan John Murry, Vice President of Applied
Optoelectronics, Inc.

NOTICE OF FINAL AGREEMENT

Borrower:	Applied Optoelectronics, Inc. 13139 Jess Pirtle Blvd. Sugar Land, TX 77478	Lender:	East West Bank Loan Servicing Department 9300 Flair Drive, 6th Floor El Monte, CA 91731
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THE WRITTEN LOAN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

As used in this Notice, the following terms have the following meanings:

Loan. The term "Loan" means the following described loan: **Loan No. [***]**.

Loan Agreement. The term "Loan Agreement" means one or more promises, promissory notes, agreements, undertakings, security agreements, deeds of trust or other documents, or commitments, or any combination of those actions or documents, relating to the Loan, together with any subsequent written modification documents for this Loan evidenced by all Notice of Final Agreements executed in regards to the Loan, and including without limitation the following:

LOAN DOCUMENTS

- Change in Terms Agreement
- Second Modification to the Construction Loan Agreement
- AKA Name Statement
- Notice of Final Agreement

Parties. The term "Parties" means East West Bank and any and all entities or individuals who are obligated to repay the loan or have pledged property as security for the Loan, including without limitation the undersigned.

This Notice of Final Agreement is given by East West Bank pursuant to Section 26.02 of the Texas Business and Commerce Code. Each Party who signs below, other than East West Bank, acknowledges, represents, and warrants to East West Bank that it has received, read and understood this Notice of Final Agreement. This Notice is dated October 5, 2016.

BORROWER:

APPLIED OPTOELECTRONICS, INC.

By: /s/ Stefan John Murry
Stefan John Murry, Vice President of Applied
Optoelectronics, Inc.

GRANTOR:

APPLIED OPTOELECTRONICS, INC.

By: /s/ Stefan John Murry
Stefan John Murry, Vice President of Applied
Optoelectronics, Inc.

LENDER:

EAST WEST BANK

/s/ Steve LaFredo
Authorized Signer

SECOND MODIFICATION TO THE CONSTRUCTION LOAN AGREEMENT

Borrower:	Applied Optoelectronics, Inc. 13139 Jess Pirtle Blvd. Sugar Land, TX 77478	Lender:	East West Bank Loan Servicing Department 9300 Flair Drive, 6th Floor El Monte, CA 91731
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This SECOND MODIFICATION TO THE CONSTRUCTION LOAN AGREEMENT is attached to and by this reference is made a part of the Construction Loan Agreement (Loan #[**]) dated January 26, 2015, including all modifications thereto, and executed in connection with a loan or other financial accommodations between Lender and Borrower.

The section entitled "Construction of the Project" is hereby amended and restated as follows:

Construction of the Project. Commence construction of the Project no later than February 3, 2015, and cause the Improvements to be constructed and equipped in a diligent and orderly manner and in strict accordance with the Plans and Specifications approved by Lender, the Construction Contract, and all applicable laws, ordinances, codes, regulators, and rights of adjoining or concurrent property owners. Borrower agrees to complete the Project for purposes of final payment to the General Contractor on or before **September 30, 2016**, regardless of the reason for any delay.

The section entitled "Cessation of Construction" is hereby amended and restated as follows:

Cessation of Construction. Prior to the completion of construction of the improvement and equipping of the Project, the construction of the improvements or the equipping of the Project is abandoned or work thereon ceases for a period of more than ten (10) days for any reason, or the improvements are not completed for purposes of the final payments to the General Contractor prior to **September 30, 2016**, regardless of the reason for the delay."

The definition of "Completion Date" is hereby amended and restated as follows:

Completion Date. The words "Completion Date" mean **September 30, 2016**.

THIS SECOND MODIFICATION TO THE CONSTRUCTION LOAN AGREEMENT IS EXECUTED AS OF OCTOBER 5, 2016.

BORROWER:

APPLIED OPTOELECTRONICS, INC.

By: /s/ Stefan John Murry
Stefan John Murry, Vice President of Applied
Optoelectronics, Inc.

LENDER:

EAST WEST BANK

/s/ Steve LaFredo
Authorized Signer