
**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): June 14, 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 June 14, 2016, Applied Optoelectronics, Inc. (the “Company”) executed a Change in Terms Agreement, Notice of Final Agreement and Modification to the Construction Loan Agreement (the “Amended Agreements”) with East West Bank (the “Bank”). The Amended Agreements 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”). 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 Amended Agreements remains unchanged.

The maturity date and the draw down period end date, under Amended Agreements, are amended from April 26, 2016 to July 31, 2016. And thereafter, the entire outstanding principal balance shall be converted to a sixty-six (66) month term loan, amended from a sixty-nine (69) 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 August 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.

The Original Agreements stated an annual interest rate based the one-month London Interbank Offered Rate (LIBOR) for deposits in U.S. Dollars plus 2.75%. Under the Amended Agreements, the interest rate is amended to bear interest at an annual rate based on the one-month LIBOR for deposits in U.S. Dollars plus 2.00%.

The foregoing description of the Amended Agreements does not purport to be a complete statement of the parties’ rights and obligations under the Amended Agreements and is qualified in its entirety by reference to the full text of the Amended Agreements, 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 Amendment is incorporated by reference herein and made a part hereof.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

- 10.1 Change in Terms Agreement, dated June 14, 2016, between Applied Optoelectronics, Inc. and East West Bank.
- 10.2 Notice of Final Agreement, dated June 14, 2016, between Applied Optoelectronics, Inc. and East West Bank.
- 10.3 Modification to the Construction Loan Agreement, dated June 14, 2016, between Applied Optoelectronics, Inc. and East West Bank.

CHANGE IN TERMS AGREEMENT

Borrower:	Applied Optoelectronics, Inc. 13115 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: June 14, 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 **April 26, 2016** to **July 31, 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 **(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 **August 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.

Effective **June 6, 2016**, the section entitled "**VARIABLE INTEREST RATE**" is hereby amended and restated as follows:

VARIABLE INTEREST RATE. The interest rate on this loan is subject to change from time to time based on changes in an independent index which is the (one) 1 month London interbank offered rate ("LIBOR Rate"), determined and adjusted by Lender in accordance with the custom and practice for transactions in Eurodollars conducted in London, England and the provisions of this section. Such interest rate shall be equivalent to Lender's LIBOR Rate which is that rate determined by Lender's Treasury Desk to be the rate for deposits in U.S. Dollars for a period of 1-month which appears on the Bloomberg Screen B TMM Page under the heading "LIBOR Fix" as of 11:00 am (London Time) on the second Business Day prior to the Determination Date (adjusted for any and all assessments, surcharges and reserve requirements). If such interest rate shall cease to be available from the described Bloomberg report, the London interbank offered rate shall be determined from such financial reporting service as Lender shall reasonably determine and use with respect to its other loan facilities on which interest is determined based on the London interbank offered rate. The LIBOR Rate shall be adjusted to occur on the Determination Date (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans. If the Index becomes unavailable during the term of this loan, Lender may designate a substitute index after notifying Borrower. Lender will tell Borrower the current Index rate upon Borrower's request. The interest rate change will not occur more often than each 1 month. Borrower understands that Lender may make loans based on other rates as well. **The Index currently is 0.439% per annum.** Interest prior to maturity on the unpaid principal balance of this loan will be calculated as described in the "INTEREST CALCULATION METHOD" paragraph using a rate of 2.000 percentage points over the Index, resulting in an initial rate of 2.439%. NOTICE: Under no circumstances will the interest rate on this loan be more than the maximum rate allowed by applicable law. For purposes of this Agreement, the "maximum rate allowed by applicable law" means the greater of (A) the maximum rate of interest permitted under federal or other law applicable to the indebtedness evidenced by this Agreement, or (B) the "Weekly Ceiling" as referred to in Sections 303.002 and 303.003 of the Texas Finance Code.

INTEREST CALCULATION METHOD. Interest on this loan is computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding, unless such calculation would result in a usurious rate, in which case interest shall be calculated on a per diem basis of a year of 365 or 366 days, as the case may be. All interest payable under this loan is computed using this method.

DETERMINATION DATE. For purposes hereof, "Determination Date" shall mean June 26, 2016 and each month thereafter.

BUSINESS DAY. Any day other than a Saturday or a Sunday or any day on which commercial banks in Los Angeles, California, are authorized or required to close.

The section entitled "**Late Charge**" is hereby amended and restated as follows:

LATE CHARGE. If a payment is 11 days or more late, Borrower will be charged **5.000% of the unpaid portion of the regularly scheduled payment.**

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/ Chih-Hsiang (Thompson) Lin
Chih-Hsiang (Thompson) Lin, CEO of Applied Optoelectronics, Inc.

NOTICE OF FINAL AGREEMENT

Borrower: Applied Optoelectronics, Inc.
13115 Jess Pirtle Blvd.
Sugar Land, TX 77478

Lender: East West Bank
Loan Servicing Department
9300 Flair Drive, 6th Floor
El Monte, CA 91731

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: a non-precomputed Variable Rate Nondisclosable Draw Down Line of Credit Loan to a Corporation for \$22,000,000.00 due on January 26, 2022.

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
- Notice of Final Agreement
- Modification to the Construction Loan 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 following:

Borrower:	Applied Optoelectronics, Inc.
Grantor(s):	Applied Optoelectronics, Inc.

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 June 14, 2016.

BORROWER:

APPLIED OPTOELECTRONICS, INC.

By: /s/ Chih-Hsiang (Thompson) Lin
Chih-Hsiang (Thompson) Lin, CEO of Applied Optoelectronics, Inc.

LENDER:

EAST WEST BANK

X _____
Authorized Signer

MODIFICATION TO THE CONSTRUCTION LOAN AGREEMENT

Borrower:	Applied Optoelectronics, Inc. 13115 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 **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 "Financial Statements" is hereby amended and based on the Credit Agreement dated June 30, 2015 and amendments thereafter between Borrower and Lender.

The section entitled "Financial Covenants and Ratios" is hereby amended and based on the Credit Agreement dated June 30, 2015 and amendments thereafter between Borrower and Lender.

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 **June 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 **June 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 **June 30, 2016**.

The section entitled "**NON-COMPLIANCE FEE**" is hereby added under the section entitled "**AFFIRMATIVE COVENANTS**" as follows:

NON-COMPLIANCE FEE. Borrower acknowledges that **if** Borrower fails to timely furnish Lender with any financial record(s) required by this Agreement or otherwise fails to timely perform any other term, obligation or covenant required by this Agreement and Related Documents (singularly and collectively "Non-Compliance"), Lender will incur costs and damages as a result of Borrower's Non-Compliance, and in consideration of such costs and damages, Borrower agrees to pay Lender a fee equal to 2.500% per annum of the then outstanding loan balance, calculated based on a 30 day month over 360 days per year ("Predetermined Fee Amount"). Any fee under this section will be imposed monthly in the Predetermined Fee Amount and due on the interest payment due date until the Non-Compliance is cured by Borrower. A Predetermined Fee Amount will be calculated and imposed in accordance with this section for each recurring event of Non-Compliance.

The section entitled "**Other Condition**" is hereby added as follows:

Other Condition. Verification of mechanic lien free status to be obtained.

THIS MODIFICATION TO THE CONSTRUCTION LOAN AGREEMENT IS EXECUTED AS OF JUNE 14, 2016.

BORROWER:

APPLIED OPTOELECTRONICS, INC. By:

By: /s/ Chih-Hsiang (Thompson) Lin
Chih-Hsiang (Thompson) Lin, CEO of Applied Optoelectronics, Inc.

LENDER:

EAST WEST BANK

X _____
Authorized Signer