
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): February 10, 2014

AVIAT NETWORKS, INC.

(Exact name of registrant as specified in its charter)

Delaware

001-33278

20-5961564

(State or other jurisdiction
of incorporation)

(Commission File
Number)

(I.R.S. Employer
Identification No.)

Address of principal executive offices:

5200 Great America Parkway, Santa Clara, CA 95054

Registrant's telephone number, including area code:

(408) 567- 7000

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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EX-10.1

Item 1.01 Entry into a Material Definitive Agreement

On February 10, 2014, Aviat Networks, Inc., a Delaware corporation (the “Company”), entered into an Amendment No. 3 to First Amended and Restated Loan Agreement (the “Third Amendment”) by and among the Company, Aviat U.S., Inc. (“Opco,”), Aviat Networks (S) Pte. Ltd. (“Singapore Borrower,” and together with the Company and Opco, the “Borrowers”) and Silicon Valley Bank, as lender (the “Lender”). The Third Amendment amends the terms of the Company’s existing First Amended and Restated Loan and Security Agreement, dated as of September 27, 2013 (the “Loan Facility”), by and among the Borrowers and the Lender. The First Amendment provides for certain amendments to the minimum EBITDA covenant under the Loan Facility.

The Lender and its affiliates have engaged in, and may in the future engage in, banking and other commercial dealings in the ordinary course of business with the Company or the Company’s affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions.

Additional details of the Loan Facility were previously disclosed in the Company’s Form 8-K filed with the Securities and Exchange Commission on September 27, 2013, October 30, 2013 and November 21, 2013 and are incorporated herein by reference.

The foregoing description of the Third Amendment is qualified in its entirety by reference to the full text of the Third Amendment, a copy of which is filed as Exhibit 10.1 hereto and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.10.1 Amendment No. 3 to First Amended and Restated Loan and Security Agreement, dated as of February 10, 2014, by and among Aviat Networks, Inc., Aviat U.S., Inc., Aviat Networks (S) Pte. Ltd. and Silicon Valley Bank.

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.

AVIAT NETWORKS, INC.

Date: February 10, 2014

By: /s/ Edward J. Hayes, Jr.

Name: Edward J. Hayes, Jr.

Title: Senior Vice President and Chief Financial Officer

EXHIBIT INDEX

**Exhibit No.
Under
Regulation S-K,
Item 601**

Description

10.1

Amendment No. 3 to First Amended and Restated Loan and Security Agreement, dated as of February 10, 2014, by and among Aviat Networks, Inc., Aviat U.S., Inc., Aviat Networks (S) Pte. Ltd. and Silicon Valley Bank

**AMENDMENT NO. 3
TO
FIRST AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT**

This Amendment No. 3 to First Amended and Loan and Security Agreement (this “**Amendment**”) is entered into this 10th day of February, 2014 (the “**Third Amendment Effective Date**”) by and among **Aviat Networks, Inc.**, a Delaware corporation (“**Parent**”), **Aviat US, Inc.** (“**Opco**,” together with Parent, the “**US Borrowers**”) and **Aviat Networks (S) Pte. Ltd.**, a private company limited by shares formed under the laws of the Republic of Singapore (“**Aviat Singapore**” or “**Singapore Borrower**,” and together with the US Borrowers, the “**Borrowers**”), and **Silicon Valley Bank** (“**Bank**”). Capitalized terms used herein without definition shall have the same meanings given them in the Loan Agreement (as defined below).

RECITALS

A. Borrowers and Bank have entered into that certain First Amended and Restated Loan and Security Agreement dated as of September 27, 2013 (as amended, restated, modified and/or supplemented from time to time, the “**Loan Agreement**”), pursuant to which Bank agreed to extend and make available to Borrowers certain advances of money.

B. Bank has extended credit to Borrowers for the purposes permitted in the Loan Agreement.

C. Borrowers have requested that Bank amend the Loan Agreement to revise a financial covenant, and make certain other revisions to the Loan Agreement as more fully set forth herein.

D. Bank has agreed to so amend certain provisions of the Loan Agreement, but only to the extent, in accordance with the terms, subject to the conditions and in reliance upon the representations and warranties set forth below.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals and intending to be legally bound, the parties hereto agree as follows:

1. **Amendment to Loan Agreement.**

1.1 **Section 6.7 (Financial Covenants).** Subsection (b) (EBITDA) of Section 6.7 of the Loan Agreement is hereby amended and restated in its entirety as follows:

“(b) EBITDA. EBITDA of at least the following for each period specified:

Period	Minimum EBITDA
Fiscal quarter ending September 27, 2013	\$ (6,500,000)
Fiscal quarter ending December 27, 2013	\$ (8,000,000)
Fiscal quarter ending March 28, 2014	\$ 1,000,000
Fiscal quarter ending June 27, 2014	\$ 2,500,000
For the fiscal quarter ending September 26, 2014 and each fiscal quarter thereafter*	\$ 8,000,000

*measured on a trailing two fiscal quarter basis

1.2 **Exhibit B to Loan Agreement (Form of Compliance Certificate).** Exhibit B to the Loan Agreement is hereby amended in its entirety by deleting it and replacing it with Exhibit B attached to this Amendment. Exhibit B is the only attachment to this Amendment.

2. **Borrowers’ Representations And Warranties.** Each Borrower hereby represents and warrants that:

(a) immediately upon giving effect to this Amendment (i) the representations and warranties contained in the Loan Documents are true, accurate and complete in all material respects as of the date hereof (except to the extent

such representations and warranties relate to an earlier date, in which case they are true and correct as of such date), and (ii) no Event of Default has occurred and is continuing;

(b) such Borrower has the corporate power and authority to execute and deliver this Amendment and to perform its obligations under the Loan Agreement, as amended by this Amendment;

(c) the certificate of incorporation, bylaws and other organizational documents of such Borrower delivered to Bank in connection with the Loan Agreement remain true, accurate and complete and have not been amended, supplemented or restated and are and continue to be in full force and effect;

(d) the execution and delivery by such Borrower of this Amendment and the performance by such Borrower of its obligations under the Loan Agreement, as amended by this Amendment, have been duly authorized by all necessary corporate action on the part of such Borrower; and

(e) this Amendment has been duly executed and delivered by such Borrower and is the binding obligation of such Borrower, enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, liquidation, moratorium or other similar laws of general application and equitable principles relating to or affecting creditors' rights.

3. **Limitation.** The amendments set forth in this Amendment shall be limited precisely as written and shall not be deemed (a) to be a waiver or modification of any other term or condition of the Loan Agreement or of any other instrument or agreement referred to therein or to prejudice any right or remedy which Bank may now have or may have in the future under or in connection with the Loan Agreement or any instrument or agreement referred to therein; or (b) to be a consent to any future amendment or modification or waiver to any instrument or agreement the execution and delivery of which is consented to hereby, or to any waiver of any of the provisions thereof. Except as expressly amended hereby, the Loan Agreement shall continue in full force and effect.

4. **Effectiveness.** This Amendment shall become effective upon (i) delivery of this Amendment, duly executed by each Borrower and Bank, and (ii) payment of all fees and expenses, as described in Section 5 of this Amendment.

5. **Fees and Expenses.** Borrowers agree to pay Bank Expenses (including the fees and expenses of Bank's counsel, advisors and consultants) accrued and incurred in connection with the transactions contemplated by this Amendment and all other Bank Expenses (including the fees and expenses of Bank's counsel, advisors and consultants) payable in accordance with the Loan Agreement.

6. **Counterparts.** This Amendment may be signed in any number of counterparts, and by different parties hereto in separate counterparts, with the same effect as if the signatures to each such counterpart were upon a single instrument. All counterparts shall be deemed an original of this Amendment.

7. **Integration.** This Amendment and any documents executed in connection herewith or pursuant hereto contain the entire agreement between the parties with respect to the subject matter hereof and supersede all prior agreements, understandings, offers and negotiations, oral or written, with respect thereto and no extrinsic evidence whatsoever may be introduced in any judicial or arbitration proceeding, if any, involving this Amendment; except that any financing statements or other agreements or instruments filed by Bank with respect to Borrowers and the Collateral shall remain in full force and effect. This Amendment is a Loan Document.

8. **Choice of Law, Venue, Jury Trial Waiver, and Judicial Reference.** THIS AMENDMENT SHALL BE SUBJECT TO THE PROVISIONS REGARDING CHOICE OF LAW AND VENUE, JURY TRIAL WAIVER, REFERENCE PROCEEDINGS AND ARBITRATION SET FORTH IN SECTION 11 OF THE LOAN AGREEMENT, AND SUCH PROVISIONS ARE INCORPORATED HEREIN BY REFERENCE, *MUTATIS MUTANDIS*.

[Signature Pages Follow]

BORROWERS:

AVIAT NETWORKS, INC.

By /s/ Edward J. Hayes, Jr.
Name: Edward J. Hayes, Jr.
Title: Chief Financial Officer

AVIAT U.S., INC.

By /s/ John Madigan
Name: John Madigan
Title: VP, Corporate Controller

AVIAT NETWORKS (S) PTE. LTD.

By /s/ Kevin Holwell
Name: Kevin Holwell
Title: Director

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the date first written above.

BANK:

SILICON VALLEY BANK

By /s/ Alina Zinchik

Name: Alina Zinchik

Title: Vice President

EXHIBIT B

FORM OF COMPLIANCE CERTIFICATE

TO: SILICON VALLEY BANK
FROM: AVIAT NETWORKS, INC.

Date:

The undersigned authorized officer of Aviat Networks, Inc. ("**Administrative Borrower**") certifies that under the terms and conditions of the First Amended and Restated Loan and Security Agreement dated as of September 27, 2013 (as amended, modified, supplemented or restated from time to time, the "**Loan Agreement**"), by and among Administrative Borrower, Aviat U.S., Inc. ("**Opco**"), Aviat Networks (S) Pte. Ltd. ("**Singapore Borrower**" and together with the Administrative Borrower and Opco, each a "**Borrower**" and collectively, "**Borrowers**") and Silicon Valley Bank ("**Bank**"):

(1) Each Borrower is in complete compliance for the period ending _____ with all required covenants except as noted below; (2) there are no Events of Default in existence; (3) all representations and warranties in the Loan Agreement are true and correct in all material respects on this date except as noted below; *provided, however*, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date; (4) each Borrower, and each of its Subsidiaries, has timely filed all material tax returns and reports that are required to be filed, and each Borrower has timely paid all material foreign, federal, state and local taxes, assessments, deposits and contributions owed by each Borrower except as otherwise permitted pursuant to the terms of Section 5.9 of the Loan Agreement; (5) (a) there are no collective bargaining agreements covering the employees of any Borrower or any of their domestic Subsidiaries, (b) there is not pending, nor (to the knowledge of any Borrower) is there threatened, any strike, walkout, slowdown or work stoppage, or any unfair labor practice complaint or grievance or arbitration proceeding arising out of or under any collective bargaining agreement covering the employees of any Borrower or any of their Subsidiaries that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Change, and (c) the hours worked and payments made to employees of Borrowers and their domestic Subsidiaries have not been in violation in any material respect of the Fair Labor Standards Act or any other applicable law dealing with such matters; and (6) Borrowers are in compliance with Section 6.6 of the Loan Agreement.

Attached are the required documents supporting the certification. The undersigned certifies that the attached financial statements are prepared in accordance with GAAP consistently applied from one period to the next except as explained in an accompanying letter or footnotes and except, in the case of unaudited financial statements, for the absence of footnotes and subject to year-end adjustments. The undersigned acknowledges that no borrowings may be requested at any time or date of determination that Borrower is not in compliance with any of the terms of the Loan Agreement, and that compliance is determined not just at the date this certificate is delivered. Capitalized terms used but not otherwise defined herein shall have the meanings given them in the Loan Agreement.

Please indicate compliance status by circling Yes/No under “Complies” column.

<u>Reporting Covenant</u>	<u>Required</u>	<u>Complies</u>
Cash holdings report	Within 30 days of month end	Yes No
Quarterly financial statements with Compliance Certificate	Within 5 days of filing with the SEC, but no later than 45 days after fiscal quarter end (if below the Borrowing Threshold)	Yes No
Monthly financial statements with Compliance Certificate	Within 30 days of month end (if at or above the Borrowing Threshold)	Yes No
Quarterly BBC + A/P and A/R Agings + deferred revenue reports	Within 45 days of fiscal quarter end (if at or above Borrowing Threshold, within 30 days of each month)	Yes No
Annual financial statement (CPA Audited) + Compliance Certificate	Within 90 days of FYE	Yes No
10-Q, 10-K and 8-K	Within 5 days after filing with SEC	Yes No
Board approved financial projections	Within 45 days of FYE	Yes No

<u>Financial Covenant</u>	<u>Required</u>		<u>Actual</u>	<u>Complies</u>
<u>Maintain on a Quarterly Basis:</u>				
Minimum EBITDA	<u>Fiscal Quarter End</u>	<u>Minimum EBITDA</u>		Yes No
	September 27, 2013	(\$6,500,000)		
	December 27, 2013	(\$8,000,000)		
	March 28, 2014	\$1,000,000		
	June 27, 2014	\$2,500,000		
	September 26, 2014 and each fiscal quarter thereafter (measured on a trailing two fiscal quarter basis)	\$8,000,000		
Liquidity Coverage	1.15:1.00		:1.00	Yes No

<u>Notification Purposes Only</u>	<u>Not Required Financial Covenant - For Pricing Purposes Only</u>		
Consolidated Leverage Ratio	_____ : _____		

The following financial covenant analys[is][es] and information set forth in Schedule 1 attached hereto are true and accurate as of the date this Certificate is delivered to Bank as set forth in the first line of this Certificate.

The following are the exceptions with respect to the certification above: (If no exceptions exist, state “No exceptions to note.”)

ADMINISTRATIVE BORROWER:

AVIAT NETWORKS, INC.

By: _____
Name: _____
Title: _____

BANK USE ONLY

Received by: _____
AUTHORIZED SIGNER

Date: _____

Verified: _____
AUTHORIZED SIGNER

Date: _____

Compliance Status: Yes No

Schedule 1 to Compliance Certificate

Financial Covenants of Borrower

In the event of a conflict between this Schedule and the Loan Agreement, the terms of the Loan Agreement shall govern.

Dated: _____

I. Liquidity Coverage (Section 6.7(a))

Required: 1.15:1.00

Actual:

- | | | |
|----|--|----------|
| A. | Unrestricted cash and Cash Equivalents of Borrowers | \$ _____ |
| B. | Accounts of Borrowers | \$ _____ |
| C. | Liquidity (line A plus line B) | \$ _____ |
| D. | Current liabilities of Borrowers calculated in accordance with GAAP, less deferred revenue <i>plus</i> (ii) the aggregate amount of Liquidity Obligations outstanding. | \$ _____ |

Is line C at least 1.15 times greater than line D?

_____ No, not in compliance _____ Yes, in compliance

II. EBITDA (Section 6.7(b))

Required:

Fiscal Quarter End	Minimum EBITDA
September 27, 2013	(\$6,500,000)
December 27, 2013	(\$8,000,000)
March 28, 2014	\$1,000,000
June 27, 2014	\$2,500,000
September 26, 2014 and each fiscal quarter thereafter (measured on a trailing two fiscal quarter basis)	\$8,000,000

Actual:

A. Consolidated Net Income	\$ _____
To the extent deducted in the calculation of Net Income (Line A):	\$ _____
(i) Consolidated Interest Charges	\$ _____
(ii) Income tax expense	\$ _____
(iii) Depreciation and amortization expense	\$ _____
(iv) Non-cash charges, non-cash restructuring charges and other such charges, in each case, as agreed to by Bank in writing	\$ _____
(v) Non-cash stock-based compensation expense	\$ _____
(vi) Non-cash charges for customer inventory due to downward revaluation	\$ _____
(vii) Non-cash charges related to discontinued operations occurring prior to the Effective Date	\$ _____
(viii) Transaction fees and costs related to acquisitions made pursuant to item (k) of the definition of Permitted Investments	\$ _____
(ix) Other non-recurring non-cash expenses	\$ _____
B. Sum of (i) through (ix)	\$ _____
To the extent included in calculating Consolidated Net Income (Line A):	\$ _____
(i) Income tax credits	\$ _____
(ii) Other non-cash items increasing Consolidated Net Income	\$ _____
C. Sum of Line (i) through (ii)	\$ _____
D. EBITDA (Line A + Line B - Line C)	\$ _____

Is Line D at least the amount required (see chart above)? _____ No, not in compliance _____ Yes, in compliance

III. Consolidated Leverage Ratio (Section 2.4(c), "LIBOR Rate Margin," "Prime Rate Margin")

Actual:

A. Consolidated Funded Indebtedness	
(i) outstanding principal amount of all obligations (current or long-term) for borrowed money (including borrowings under the Loan Agreement, but excluding undrawn Letters of Credit) and all debt obligations evidenced by bonds, debentures, notes, loan agreements or other similar instruments	\$ _____
(ii) purchase money Indebtedness	\$ _____
(iii) direct, non-contingent obligations arising under drawn letters of credit (including standby and commercial), bankers' acceptances, bank guaranties, surety bonds and similar instruments	\$ _____
(iv) all obligations in respect of the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business)	\$ _____
(v) attributable Indebtedness in respect of capital leases and synthetic lease obligations	\$ _____
(vi) all Indebtedness of the types referred to in clauses (i) through (v) above of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which a Borrower or a Subsidiary is a general partner or joint venturer, unless such Indebtedness is expressly made non-recourse to such Borrower or such Subsidiary; <i>provided</i> that the amount of Indebtedness included under this section (vi) shall be restricted to the amount of Indebtedness attributable to such Borrower or Subsidiary as a general partner or joint venturer	\$ _____
B. Sum of (A)(i) through (A)(vi)	\$ _____
C. Cash collateral posted for any of A(i) through A(vi)	\$ _____
D. EBITDA for the previous twelve month period	\$ _____

Consolidated Leverage Ratio (Line B minus Line C to Line D): _____ : _____