

FARO TECHNOLOGIES INC
Form 8-K
March 05, 2019

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 27, 2019

FARO TECHNOLOGIES, INC.
(Exact name of registrant as specified in its charter)

Florida 0-23081 59-3157093
(State or other jurisdiction (Commission (IRS Employer
of incorporation) File Number) Identification No.)
250 Technology Park, Lake Mary, Florida 32746
(Address of principal executive offices) (Zip Code)
Registrant's telephone number, including area code: (407) 333-9911
N/A
(Former name or former address, if changed since last report)

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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the

Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement.

On February 27, 2019, FARO Technologies, Inc. (the “Company”) entered into a Second Amendment to Office Flex Lease (the “Second Amendment”) with RCS - Tech Park, LLC (“Landlord”) with respect to the Company’s facility located at 250 Technology Park, Lake Mary, Florida (the “Building”). Pursuant to the Second Amendment, the Company has agreed to, among other items, extend the initial term of the lease for the approximately 46,500 square feet of sales, marketing, and administration in the Building leased under the original First Amendment to Lease Agreement, dated October 1, 2009, from September 30, 2019 to March 31, 2025. Under the terms of the Second Amendment, from October 1, 2019 and continuing until March 31, 2025, the Company will pay the Landlord fixed rent for the Building as follows:

DATES:	\$/RENTABLE SQUARE FOOT:	MONTHLY RENT:	RENT FOR APPLICABLE PERIOD*:
10/1/2019 - 12/31/2019	\$0.00	\$0.00	\$0.00
1/1/2020 - 9/30/2020	\$12.88	\$49,889.61	\$449,006.46
10/1/2020 - 9/30/2021	\$13.27	\$51,400.24	\$616,802.87
10/1/2021 - 9/30/2022	\$13.66	\$52,910.87	\$634,930.46
10/1/2022 - 9/30/2023	\$14.07	\$54,498.97	\$653,987.67
10/1/2023 - 9/30/2024	\$14.50	\$56,164.54	\$673,974.50
10/1/2024 - 3/31/2025	\$14.93	\$57,830.11	\$346,980.67

* Plus, applicable Florida sales tax (currently 6.8%)

The Second Amendment also provides the Company with a tenant improvement allowance of up to \$325,367 toward the design and construction of certain tenant improvements made to the Building on a reimbursement basis subject to the satisfaction of certain conditions. If the tenant improvements are not completed within 18 months after the effective date of the Second Amendment the reimbursement allowance will be deemed forfeited by the Company. In addition, the Company has a one-time right under the Second Amendment to terminate the lease on January 1, 2023 by giving the Landlord at least 12 months prior notice of its election to terminate. In the event the Company elects this early-termination right, it will be obligated to pay the Landlord a termination payment in the amount of \$406,407.82. The foregoing description of the Second Amendment does not purport to be complete and is qualified in its entirety by reference to the Second Amendment, a copy of which is filed as Exhibit 10.1 hereto and is incorporated by reference herein.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

EXHIBIT INDEX

Exhibit
Number Description

10.1 Second Amendment to Office Flex Lease between RCS - Tech Park, LLC and FARO Technologies, Inc., dated as of February 27, 2019

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

FARO Technologies, Inc.

March 5, 2019 /s/ Jody S. Gale
By: Jody S. Gale
Its: Senior Vice President, General Counsel & Secretary