

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): December 9, 2019

CAPSTONE TURBINE CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-15957
(Commission File Number)

95-4180883
(IRS Employer
Identification No.)

16640 Stagg Street,
Van Nuys, California
(Address of principal executive offices)

91406
(Zip Code)

(818) 734-5300
(Registrant's telephone number, including area code)

Former name or former address, if changed since last report: N/A

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))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$.001 per share	CPST	NASDAQ Capital Market
Series B Junior Participating Preferred Stock Purchase Rights		

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2). 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**Second Amendment to the Note Purchase Agreement**

On December 9, 2019, Capstone Turbine Corporation (the “Company”), certain subsidiaries of the company and Goldman Sachs Specialty Lending Group, L.P. (as successor in interest to Goldman Sachs Specialty Lending Holdings, Inc.) (the “Purchaser” and collectively, the “Parties”) entered into a Second Amendment (the “Second Amendment”) to the Note Purchase Agreement, dated February 4, 2019, by and among the Parties thereto (as amended, the “Note Purchase Agreement”) in connection with the sale of senior secured notes of the Company in a private placement exempt from registration under the Securities Act of 1933, as amended (the “Securities Act”). Under the Second Amendment, the Parties agreed to amend Section 6.21 of the Note Purchase Agreement to increase the Section 382 Ownership Shift threshold to not exceed 40.0%. All other provisions, terms and conditions of the Note Purchase Agreement remain in effect, as previously reported in the Current Report on Form 8-K filed on February 5, 2019, which is incorporated herein by reference.

The foregoing summary does not purport to be complete and is qualified in its entirety by reference to the Second Amendment, which is filed as Exhibit 4.1 to this Current Report on Form 8-K, and incorporated herein by reference.

Purchase Warrant for Common Shares

On December 9, 2019, the Company entered into an Amendment No. 1 to the Purchase Warrant for Common Shares (the “Amendment No. 1”) with Special Situations Investing Group II, LLC (as successor in interest to Goldman Sachs & Co. LLC) (the “Warrant Holder”) that amends that certain Purchase Warrant for Common Shares originally issued by the Company to Goldman Sachs & Co. LLC, dated February 4, 2019 (the “Warrant”).

The Amendment No. 1 amends the first paragraph of the Warrant to increase the number of Warrant Shares issuable under the Warrant (on a post-reverse split basis) and to decrease the exercise price from \$8.859 per share (on a post-reverse split basis) to \$3.80 per share (the “Per Share Warrant Exercise Price”). The Company would receive aggregate gross proceeds of approximately \$1,650,294.40 if the outstanding Warrant is exercised at the new Per Share Warrant Exercise Price.

The Amendment No. 1 also amends Section 2.1 of the Warrant such that the Per Share Anti-Dilution Price is equal to the Per Share Warrant Exercise Price as provided in the Amendment No. 1 to the Warrant. All other terms and provisions in the Warrant remain in effect, as previously reported in the Current Report on Form 8-K filed on February 5, 2019, which is incorporated herein by reference.

The foregoing summary does not purport to be complete and is qualified in its entirety by reference to the Amendment No. 1, which is filed as Exhibit 4.2 to this Current Report on Form 8-K, and incorporated herein by reference

Item 9.01. Financial Statements and Exhibits**(d) Exhibits**

<u>Exhibit Number</u>	<u>Description</u>
4.1	<u>Second Amendment to the Note Purchase Agreement, dated as of December 9, 2019, by and among Capstone Turbine Corporation, certain subsidiaries of the company and Goldman Sachs Specialty Lending Group, L.P. (as successor in interest to Goldman Sachs Specialty Lending Holdings, Inc.)</u>
4.2	<u>Amendment No. 1 to the Purchase Warrant for Common Shares issued in favor of Special Situations Investing Group II, LLC (as successor in interest to Goldman Sachs & Co. LLC), dated December 9, 2019</u>

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.

CAPSTONE TURBINE CORPORATION

Date: December 9, 2019

By: /s/ Darren R. Jamison
Name: Darren R. Jamison
Title: President and Chief Executive Officer

This SECOND AMENDMENT to the Note Purchase Agreement dated as of December 9, 2019 (this "Amendment"), is made and entered into by and among Capstone Turbine Corporation, a Delaware corporation (the "Issuer"), certain subsidiaries of the Issuer and Goldman Sachs Specialty Lending Group, L.P. (as successor in interest to Goldman Sachs Specialty Lending Holdings, Inc.) (the "Purchaser").

WHEREAS, reference is made to that certain Note Purchase Agreement dated as of February 4, 2019 (as amended by the First Amendment dated as of July 23, 2019, the "NPA"), by and among the Issuer, certain subsidiaries of the Issuer party thereto as guarantors, the Purchaser and Goldman Sachs Specialty Lending Group, L.P. (as successor in interest to Goldman Sachs Specialty Lending Holdings, Inc.) as collateral agent;

WHEREAS, capitalized terms used and not defined herein shall have the meanings assigned to such terms in the NPA;

WHEREAS, the Issuer has requested an amendment to the NPA and, subject to the terms and conditions set forth herein, the Purchaser (being the sole Purchaser under the NPA) is willing to do so;

NOW, THEREFORE, in consideration of the mutual agreements herein contained and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. Amendment. The parties hereto agree that Section 6.21 of the NPA is hereby amended by replacing it in its entirety with the following:

6.21. Equity Issuances. No Note Party shall, nor shall it permit any of its Subsidiaries to, issue any Capital Stock (other than any issuance the proceeds of which are used for the Payment in Full of the Obligations (including any Yield Maintenance Premium) and other than in connection with the exercise of the Warrants) if such issuance would cause the Section 382 Ownership Shift to exceed 40.0%; provided that such threshold shall be increased to 45.0% if Company amends its Organizational Documents to the satisfaction of Requisite Purchasers such that (i) any transfer of Capital Stock of Company by a "5% shareholder" (as defined under Section 382 of the Code) that would create an "ownership change" within the meaning of Section 382(g)(2) of the Code shall be null and void *ab initio* unless specifically approved in writing by Company's Board of Directors, and (ii) so long as any Obligations are outstanding (other than indemnification and reimbursement claims for which no claims been asserted), Company's Board of Directors may not provide such approval without the prior written approval of Requisite Purchasers.

SECTION 2. Representations. To induce the Purchaser to enter into this Amendment, each Note Party hereby represents and warrants to the Purchaser that:

(a) the execution, delivery and performance by such Note Party of this Amendment (i) are within each Note Party's corporate or limited liability company power; (ii) have been duly authorized by all necessary corporate, limited liability company and/or shareholder action, as applicable; (iii) are not in contravention of any provision of any Note Party's certificate of incorporation or formation, or bylaws or other organizational documents; (iv) do not violate any law or regulation, or any order or decree of any Governmental Authority; (v) do not conflict with or result in the breach or termination of, constitute a default under or accelerate any performance required by, any indenture, mortgage, deed of trust, lease, agreement or other instrument to which any Note Party or any of its Subsidiaries is a party or by which any

Note Party or any such Subsidiary or any of their respective property is bound; (vi) do not result in the creation or imposition of any Lien upon any of the property of any Note Party or any of its Subsidiaries; and (vii) do not require the consent or approval of any Governmental Authority or any other person; and

(b) this Amendment has been duly executed and delivered for the benefit of or on behalf of each Note Party and constitutes a legal, valid and binding obligation of each Note Party, enforceable against such Note Party in accordance with its terms except as the enforceability hereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws affecting purchasers' rights and remedies in general.

SECTION 3. Conditions to Effectiveness.

(a) Notwithstanding any other provision of this Amendment and without affecting in any manner the rights of the Purchaser hereunder, it is understood and agreed that this Amendment shall not become effective, until the following conditions are satisfied:

(i) this Amendment has been duly executed by the Issuer, each other Note Party and the Purchaser;

(ii) the representations and warranties contained in Section 2 hereof and each of the Note Documents are true, correct and complete in all respects on and as of the date hereof to the same extent as though made on and as of the date hereof, except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties are true, correct and complete in all respects on and as of such earlier date; provided that, in each case, such materiality qualifier shall not apply to any representations and warranties to the extent already qualified or modified by materiality or similar concept in the text thereof; and

(iii) as of the date hereof, no event has occurred and is continuing that would constitute an Event of Default or a Default.

SECTION 4. Miscellaneous.

(a) Reaffirmation of Obligations. Each Note Party hereby (i) reaffirms all of its obligations owing to the Purchaser under each Note Document and (ii) covenants and agrees that until payment in full of all Obligations, each Note Party shall perform, and shall cause each of its Subsidiaries to perform, all obligations under the NPA, as amended hereby, and the other Note Documents.

(b) Continuing Effectiveness of Note Documents. As amended hereby, all terms of the NPA and the other Note Documents shall be and remain in full force and effect and shall constitute the legal, valid, binding and enforceable obligations of the Note Parties party thereto and each Note Party reaffirms and ratifies all terms of the NPA, as amended hereby, and the other Note Documents.

(c) Effect of Agreement. Except as set forth expressly herein, all terms of the NPA, as amended hereby, and the other Note Documents shall be and remain in full force and effect and shall constitute the legal, valid, binding and enforceable obligations of the Note Parties to the Purchaser and Collateral Agent. Except as expressly provided herein, the execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of the Purchaser under the NPA, nor constitute a waiver of any provision of the NPA. This Amendment shall constitute a Note Document for all purposes of the NPA.

(d) GOVERNING LAW. THIS AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

(e) No Novation. This Amendment is not intended by the parties to be, and shall not be construed to be, a novation of the NPA and the other Note Documents or an accord and satisfaction in regard thereto.

(f) Costs and Expenses. The Issuer agrees to pay on demand all costs and expenses of the Purchaser in connection with the preparation, execution and delivery of this Amendment, including, without limitation, the reasonable fees and out-of-pocket expenses of outside counsel for the Purchaser with respect thereto.

(g) Counterparts. This Amendment may be executed by one or more of the parties hereto in any number of separate counterparts, each of which shall be deemed an original and all of which, taken together, shall be deemed to constitute one and the same instrument. Delivery of an executed counterpart of this Amendment by facsimile transmission, electronic transmission (including delivery of an executed counterpart in .pdf format) shall be as effective as delivery of a manually executed counterpart hereof.

(h) Entire Understanding. This Amendment sets forth the entire understanding of the parties with respect to the matters set forth herein, and shall supersede any prior negotiations or agreements, whether written or oral, with respect thereto.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective authorized signatories as of the day and year first above written.

ISSUER:

CAPSTONE TURBINE CORPORATION

By: /s/ Darren Jamison_____
Name: Darren Jamison
Title: President & CEO

GUARANTORS:

CAPSTONE TURBINE INTERNATIONAL, INC.

By: /s/ Darren Jamison_____
Name: Darren Jamison
Title: President & CEO

CAPSTONE TURBINE FINANCIAL SERVICES, LLC

By: /s/ Darren Jamison_____
Name: Darren Jamison
Title: President & CEO

PURCHASER:

GOLDMAN SACHS SPECIALTY LENDING GROUP, L.P. (as successor in interest
to Goldman Sachs Specialty Lending Holdings, Inc.)

By:

Name: Milton R. Millman III
Title: Managing Director

/s/ Milton R. Millman III _____

CAPSTONE TURBINE CORPORATION
AMENDMENT NO. 1
TO
PURCHASE WARRANT FOR COMMON SHARES

This Amendment No. 1 to Purchase Warrant for Common Shares, dated as of December 9, 2019 (this "Amendment"), amends that certain Purchase Warrant for Common Shares, dated as of February 4, 2019 (the "Warrant"), issued by Capstone Turbine Corporation, a Delaware corporation (the "Company").

WHEREAS, Goldman Sachs & Co. LLC has transferred the Warrant to Special Situations Investing Group II, LLC (the "Purchaser");

WHEREAS, the Purchaser is the sole Holder of the Warrant; and

WHEREAS, subject to the terms and conditions set forth herein, the Company and the Purchaser desire to amend the Per Share Warrant Exercise Price (as defined below).

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. **Defined Terms.** Capitalized terms used but not defined herein will have the meanings given to them in the Warrant.

2. **Current Number of Warrant Shares.** The Company hereby represents and warrants to the Purchaser that, immediately prior to giving effect to the Amendment and after giving effect to all adjustments required by Section 2 of the Warrant, the number of Warrant Shares issuable upon exercise of the Warrant in full is 434,288.

3. **Amendments.**

(a) The first paragraph of the Warrant is hereby amended and restated in its entirety as follows:

“CAPSTONE TURBINE CORPORATION, a Delaware corporation (the “Company”), for payment of \$150,000 received on the date hereof, hereby certifies that Special Situations Investing Group II, LLC (the “Purchaser”) and the other Holders (if any), are entitled to purchase from the Company (i) up to 434,288 Warrant Shares (as defined below) (the “Aggregate Warrant Shares”), (ii) at an exercise price per share equal to \$3.80 (the “Per Share Warrant Exercise Price”), (iii) at any time on or after August 4, 2019 and on or before 5:00 P.M., New York, New York time on February 4, 2024 (the “Expiration Date”). Certain capitalized terms used herein are defined in Section 13.”

(b) Section 2.1 of the Warrant is hereby amended and restated in its entirety as follows:

“**Anti-Dilution Ratio.** The number of Warrant Shares issuable to the Holder upon exercise of this Warrant at the Per Share Warrant Exercise Price shall be adjusted, from time to time, by multiplying the (a) the number of Warrant Shares by (b) the Anti-

Dilution Ratio (as defined below) in effect at the time of such adjustment. The Anti-Dilution Ratio shall be a fraction, the numerator of which shall be the Per Share Warrant Exercise Price and the denominator of which shall be the Per Share Anti-Dilution Price (calculated and adjusted as set forth below) in effect at the time of such adjustment (the “Anti-Dilution Ratio”); provided that the Per Share Anti-Dilution Price in effect on the date of execution of the Amendment shall be deemed to be equal to the Per Share Warrant Exercise Price; provided further that the Per Share Anti-Dilution Price shall be provided to Holder, calculated in accordance with the provision of Section 2.2(a) below, by the Company on a quarterly basis. Notwithstanding anything to the contrary in this Warrant, while the aggregate number of Warrant Shares issuable upon the exercise of this Warrant may increase, the aggregate purchase price for all Warrant Shares issuable upon exercise of this Warrant shall not be increased.”

4. **All Other Terms Unchanged.** Except as expressly provided in this Amendment, all of the provisions, terms and conditions of the Warrant remain in full force and effect.

5. **Conflicting Provisions.** Should any of the provisions of this Amendment conflict with any of the provisions of the Warrant, then the provisions of this Amendment shall apply.

6. **Counterparts.** This Amendment may be executed in one or more counterparts, any one of which need not contain the signatures of more than one party, but all such counterparts taken together will constitute one and the same instrument.

7. **Effectiveness.** This Amendment will become effective immediately upon execution thereof by the Company and the Purchaser.

[Signature page follows.]

IN WITNESS WHEREOF, each of the undersigned has caused this Amendment No. 1 to Purchase Warrant for Common Shares to be signed by its duly authorized officer.

CAPSTONE TURBINE CORPORATION

By: /s/ Darren Jamison
Name: Darren Jamison
Title: President & CEO

SPECIAL SITUATIONS INVESTING GROUP II, LLC

By: /s/ Milton R. Millman III
Name: Milton R. Millman III
Title: Managing Director
