UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 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): May 31, 2019

Vivint Solar, Inc.
(Exact name of registrant as specified in its charter)

Delaware	001-36642	45-5605880
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

1800 West Ashton Blvd. Lehi, UT	84043
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code: (877) 404-4129

Not Applicable
(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))

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value $0.01 per share	VSLR	New York Stock Exchange

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 May 31, 2019 (the "Closing Date"), Vivint Solar, Inc. (the "Company") and certain of its subsidiaries entered into the transactions described in the press release noted in Item 7.01 below and attached hereto as Exhibit 99.1. As part of such transactions, Vivint Solar Asset 2 Project Company, LLC (the "Borrower"), which is indirectly owned by the Company and certain investors, entered into a loan agreement (the "Loan Agreement") pursuant to which it may borrow up to an aggregate principal amount of $150 million from certain financial institutions for which Wells Fargo Bank, National Association is acting as administrative agent, collateral agent and depositary agent.

The Borrower may make multiple borrowings under the Loan Agreement during the availability period, commencing on the Closing Date and continuing until late 2020 (the "Availability Period"). Proceeds of the loans will be used to (1) purchase residential solar projects from a wholly owned subsidiary of the Company, (2) fund certain reserve accounts, and (3) pay transaction costs and fees in connection with the transactions. After the Availability Period, all outstanding loans under the Loan Agreement will be aggregated into a single term loan (the "Term Loan") with a maturity date 20 years after the date of aggregation or the date of acceleration of the loans. During the first 10 years after the date of aggregation (the "Sweep Period"), principal payments will be determined in accordance with a target debt balance schedule to be generated based on the projected cash flows from the solar energy systems owned by the Borrower on the date of aggregation. Failure to make principal payments during the Sweep Period will not result in a default under the Loan Agreement. Instead, such principal payments that remain unpaid at the end of the Sweep Period will remain payable by the Borrower in accordance with a payment waterfall. After the Sweep Period, the Borrower will make mandatory payments of principal in accordance with an amortization schedule to be determined based on the projected cash flows from the solar energy systems owned by the Borrower on the date of aggregation. On any anniversary of the date of aggregation occurring from and after the sixth such anniversary, upon notice to the lenders, the Borrower may borrow additional loans under the Loan Agreement if the Borrower is projected to have sufficient net cash flow to service such additional debt. If any lender declines to fund such additional loans, the Borrower will have the right to prepay outstanding loans from such lender in amount equal to 102.5% of such loans, plus accrued and unpaid interest, without any make-whole amount.

Interest on each loan under the Loan Agreement will accrue at an annual rate equal to the U.S. Treasury rate for the weighted-average life of such loan, plus an applicable margin equal to 2.35%. Scheduled principal payments are due on a quarterly basis, at the end of January, April, July and October of each year. Upon the occurrence of certain events, the Borrower will be required to prepay outstanding loans, including a make-whole amount in certain circumstances.

The Loan Agreement includes customary events of default, conditions to borrowing and covenants, including negative covenants that restrict, subject to certain exceptions, the Borrower's ability to incur indebtedness, incur liens, make fundamental changes to its business, make certain types of restricted payments and investments or enter into certain transactions with affiliates. The Borrower will fund a debt service reserve account on the Closing Date in an amount equal to the scheduled principal and interest payments over the succeeding six months. The Borrower's ability to make distributions to the investors and the Company is subject to certain distribution conditions, including maintenance of a debt service coverage ratio of 1.15 to 1.00, no defaults, and funding of certain reserves.

The obligations of the Borrower are secured by a pledge of the class B membership interests in the Borrower's parent entity, a pledge of the membership interests in the Borrower, substantially all of the Borrower's assets, and contracts (and the rights thereunder) held by the Borrower relating to the purchase and sale of projects and maintenance and administrative services with respect to the projects owned by the Borrower.

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

The information related to the Loan Agreement described under Item 1.01 above is hereby incorporated by reference under this Item 2.03.

Item 7.01 Regulation FD Disclosure.

On June 4, 2019, the Company issued a press release announcing the closing of certain transactions described therein, including the Loan Agreement. A copy of that press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference. This information, including the information contained in the press release, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not incorporated by reference into any of the Company's filings, whether made before or after the date hereof, regardless of any general incorporation language in any such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits .

Exhibit Number	Description
99.1	Press Release issued by Vivint Solar, Inc., dated June 4, 2019

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 thereunto duly authorized.

	Vivint Solar, Inc.
Date: June 4, 2019	By: /s/ Dana Russell
	Dana Russell
	Chief Financial Officer and Executive Vice President

Exhibit 99.1

Vivint Solar Closes $360 Million Forward Flow Financing Arrangement

LEHI, Utah, June 4, 2019 — Vivint Solar, Inc. (NYSE: VSLR), a leading full-service residential solar provider, today announced it closed a multi-party forward flow funding arrangement that includes project-level debt, a levered tax equity partnership, and a cash equity investment. The transaction provides up to $360 million in total funding commitments. It is structured to generate upfront cash margin for the company for approximately 95 to 100 megawatts of future solar energy systems. The financing incorporates a multi-party forward purchase commitment anchored by a levered tax equity partnership, a financing structure used last year by Vivint Solar for the first time in the residential solar industry.

Bank of America Merrill Lynch (NYSE: BAC) acted as sole structuring and placement agent for the cash equity and multi-draw term loan as well as the sole tax equity investor. Hannon Armstrong (NYSE:HASI) participated as the structured cash equity investor.

"This transaction demonstrates investors’ confidence in the continuing success of our business model, and its pricing reflects the ongoing growth in revenue generated by our systems," said Vivint Solar CEO David Bywater. "Investors are seeing the trajectory of our unit economics, and we appreciate the ongoing support of Bank of America Merrill Lynch along with Hannon Armstrong's continued programmatic investment."

"The innovative forward flow funding structure gives Vivint Solar financial flexibility through the cash margin provided by this vehicle for a portion of our future PPA and lease assets," said Vivint Solar's Chief Commercial Officer and Executive Vice President of Capital Markets, Thomas Plagemann. "While our focus is always on providing the best suited products for each homeowner, it is equally important to develop a sustainable funding model so we can continue growing."

"Hannon Armstrong is pleased to continue to be a part of Vivint Solar’s growth story by supporting it with the capital needed for its ongoing expansion," said Hannon Armstrong President & CEO Jeffrey Eckel.

About Vivint Solar

Vivint Solar is a leading full-service residential solar provider in the United States. With Vivint Solar, customers can power their homes with clean, renewable energy and typically achieve significant financial savings over time. Vivint Solar designs and installs solar energy systems for its customers and offers monitoring and maintenance services.

In addition to being able to purchase a solar energy system outright, customers may benefit from Vivint Solar's affordable, flexible financing options, including power purchase agreements, or lease agreements, where available. Vivint Solar also offers solar plus storage systems with LG home batteries. For more information, visit www.vivintsolar.com or follow @VivintSolar on Twitter.

About Hannon Armstrong

Hannon Armstrong (NYSE: HASI) focuses on making investments in climate change solutions by providing capital to the leading companies in the energy efficiency, renewable energy and other sustainable infrastructure markets. Our goal is to generate attractive returns for our stockholders by investing in a diversified portfolio of investments that generate long-term, recurring and predictable cash flows from proven commercial technologies. Based in Annapolis, Maryland, Hannon Armstrong is proud to be the first U.S. public company solely dedicated to investments that reduce carbon emissions or increase resilience to climate change. For more information, please visit www.hannonarmstrong.com. Follow Hannon Armstrong on LinkedIn and Twitter @HannonArmstrong.

Note on Forward-looking Statements

This press release contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995, including statements regarding Vivint Solar's installation capacity remaining in tax equity funds, estimated retained value, and estimated retained value per watt, including the assumptions related to the calculation of the foregoing metrics. Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. Forward-looking statements should not be read as a guarantee of future performance or results, and they will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved, if at all. These statements are based on current expectations and assumptions regarding future events and business performance as of the date of this press release, and they are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that the future results, levels of activity, performance or events and circumstances reflected in those statements will be achieved or will occur, and actual results could differ materially from those anticipated or implied in the forward-looking statements. Except as required by law, Vivint Solar does not undertake and expressly disclaims any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise. You should read the documents Vivint Solar has filed with the Securities and Exchange Commission, or SEC, for more complete information about the company. These documents are available on both the EDGAR section of the SEC's website at www.sec.gov and the Investor Relations section of the company's website at investors.vivintsolar.com/.

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