

**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): **February 26, 2016**

WILLDAN GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State of other jurisdiction
of incorporation)

001-33076
(Commission File Number)

14-1951112
(IRS Employer
Identification No.)

2401 East Katella Avenue, Suite 300, Anaheim, California 92806
(Address of Principal Executive Offices)

Registrant's telephone number, including area code: **(800) 424-9144**

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:

- 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))

Item 1.01. Entry into a Material Definitive Agreement.

Acquisition of Genesys Engineering P.C.

On February 26, 2016, Willdan Group, Inc. (the "Company") and its wholly-owned subsidiary, Willdan Energy Solutions ("WES"), agreed to, subject to the satisfaction or waiver of certain customary conditions to closing, acquire substantially all of the assets of Genesys Engineering P.C. ("Genesys") and assume certain specified liabilities of Genesys (collectively, the "Purchase") pursuant to an Asset Purchase and Merger Agreement, dated as of February 26, 2016 (the "Agreement"), by and among the Company, WES, WESGEN (as defined below), Genesys and Ronald W. Mineo ("Mineo") and Robert J. Braun ("Braun" and, together with Mineo, the "Genesys Shareholders"). Pursuant to the terms of the Agreement, immediately after the Purchase, WESGEN, Inc., a non-affiliated professional corporation ("WESGEN"), will merge (the "Merger" and, together with the Purchase, the "Acquisition") with Genesys, with Genesys remaining as the surviving corporation.

Pursuant to the terms of the Agreement, WES or WESGEN, as applicable, will pay the Genesys Shareholders an aggregate purchase price (the "Purchase Price") of approximately \$12.6 million, subject to post closing working capital and tax adjustments. The Purchase Price consists of (i) \$6.0 million in cash, payable at closing, (ii) 255,808 shares of Common Stock, par value \$0.01 per share, of the Company (the "Common Stock"), equaling \$2.0 million based on the volume-weighted average price of shares of the Common Stock for the ten trading days immediately prior to, but not including, February 26, 2016, and (iii) \$4.6 million in cash, payable in twenty-four (24) equal monthly installments beginning on March 26, 2016 (the "Installment Payments"). Until the third anniversary of the Closing Date (the "Closing Date"), the Genesys Shareholders will be prohibited from transferring or disposing of any Common Stock received in connection with the Acquisition.

The Agreement contains customary representations and warranties regarding the Company, WES, WESGEN, Genesys and the Genesys Shareholders, indemnification provisions and other provisions customary for transactions of this nature. Pursuant to the terms of the Agreement, the Company and WES will also provide guarantees to the Genesys Shareholders which will guarantee certain of WESGEN's and Genesys' obligations under the Agreement,

including the Installment Payments. The consummation of the Acquisition is subject to the satisfaction or waiver of certain customary and other closing conditions. In addition to certain customary termination events, the Agreement may be terminated by any party if the Purchase has not been consummated on or prior to March 30, 2016.

The Company intends to use cash on hand to pay the \$6.0 million initial purchase price.

From and after the Closing Date, Genesys will continue to be a professional corporation organized under the laws of the State of New York, wholly-owned by one or more licensed engineers. Pursuant to New York law, the Company will not own capital stock of Genesys. The Company has entered into an agreement with the post-Closing Date owners of Genesys pursuant to which such owners will be prohibited from selling, transferring or encumbering their ownership interest in Genesys without the Company's consent. Notwithstanding the Company's rights regarding the transfer of Genesys' stock, the Company does not have control over the professional decision making of Genesys. The Company has entered into an administrative services agreement with Genesys pursuant to which WES will provide Genesys with ongoing administrative, operational and other non-professional support services.

Third Amendment to Credit Agreement

On February 26, 2016, the Company and its subsidiaries, as guarantors, entered into the Third Amendment (the "Third Amendment") to the Credit Agreement and Consent (as amended, the "BMO Credit Agreement"), dated as of March 24, 2014, by and between the Company, the guarantors listed therein, and BMO Harris Bank National Association ("BMO Harris"). The BMO Credit Agreement governs the Company's credit facility that includes a revolving line of credit and a delayed draw term loan facility.

The Third Amendment revised the BMO Credit Agreement to, among other things, extend the maturity date of the BMO Credit Agreement from March 24, 2016 to March 24, 2017, to permit the Acquisition and the Installment Payments and to add Genesys as a guarantor under the BMO Credit Agreement upon the closing of the Merger.

The Third Amendment also permits the Company to repurchase up to \$7.0 million of shares of Common Stock under certain conditions, including that, at the time of any such repurchase, (a) the Company have at least \$7.0 million of unrestricted cash (or undrawn availability under the Company's revolving credit facility), (b) the aggregate amount of all repurchases to the date of such repurchase be less than \$7.0 million and (c) no default exists or would arise under the BMO Credit Agreement after giving effect to such repurchase.

The Third Amendment also revised certain covenants in the BMO Credit Agreement. As a result of the Third Amendment, the Company must maintain a minimum tangible net worth (as defined in the Third Amendment) of at least the sum of (a) the Company's tangible net worth as of December 31, 2015, *plus* (b) 50% of net income (only if positive) for each fiscal quarter ending after the effectiveness of the Third Amendment, *plus* (c) the aggregate proceeds received by the Company from the issuance or sale of equity interests in the Company after the effectiveness of the Third Amendment, *minus* (d) the aggregate dollar amount of stock repurchases after the effectiveness of the Third Amendment, *plus or minus*, as applicable, (e) 80% of any adjustments to tangible net worth of the Company arising as a result of the consummation of the Acquisition or certain other acquisitions identified to BMO Harris. Pursuant to the terms of the Third Amendment, the Company's ability to incur permitted indebtedness was also (i) decreased for notes to sellers of acquired businesses from \$4.25 million to \$4.15 million and (ii) increased for cash earn out, performance payments or similar obligations relating to acquisitions permitted by the BMO Credit Agreement from \$7.9 million to \$10.5 million. The Third Amendment also allows the Company to incur permitted indebtedness relating to the Installment Payments up to a maximum of \$4.6 million and subject to other conditions.

There are no outstanding borrowings under the revolving line of credit and all \$7.5 million remain available for borrowing.

The foregoing description of the Third Amendment does not purport to be complete and is qualified in its entirety by reference to the Third Amendment, which is filed as Exhibit 10.1 hereto and is incorporated herein by reference.

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

The information set forth above under Item 1.01 under the heading "—Third Amendment to Credit Agreement" is hereby incorporated by reference in its entirety in this Item 2.03.

Item 3.02 Unregistered Sale of Equity Securities.

Upon the consummation of the Acquisition, the Company will issue 127,904 shares of Common Stock to Mr. Mineo and 127,904 shares of Common Stock to Mr. Braun (collectively, the "Stock Issuances").

The issuances of Common Stock in the Stock Issuances will not be registered under the Securities Act of 1933, as amended (the "Securities Act"). Such shares will be issued in a private placement exempt from the registration requirements of the Securities Act, in reliance on the exemptions set forth in Section 4(a)(2) of the Securities Act.

The information set forth above under Item 1.01 under the heading "—Acquisition of Genesys Engineering P.C." is hereby incorporated by reference in its entirety in this Item 3.02.

Item 7.01 Regulation FD Disclosure

On February 29, 2016, the Company issued a press release announcing the Acquisition. A copy of the press release is furnished on this 8-K as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

The following exhibits are being filed as part of this report:

- 10.1 Third Amendment to the Credit Agreement and Consent, dated as of February 26, 2016, by and between Willdan Group, Inc. and BMO Harris Bank National Association
- 99.1 Press Release of Willdan Group, Inc., dated February 29, 2016

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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 hereunto duly authorized.

WILLDAN GROUP, INC.

Date: March 2, 2016

By: /s/ Stacy B. McLaughlin
Stacy B. McLaughlin
Chief Financial Officer

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EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Document</u>
10.1	Third Amendment to the Credit Agreement and Consent, dated as of February 26, 2016, by and between Willdan Group, Inc. and BMO Harris Bank National Association
99.1	Press Release of Willdan Group, Inc., dated February 29, 2016

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THIRD AMENDMENT TO CREDIT AGREEMENT AND CONSENT

This Third Amendment to Credit Agreement and Consent (herein, the “*Amendment*”) is entered into as of February 26, 2016, among Willdan Group, Inc., a Delaware corporation (the “*Borrower*”), the direct and indirect Subsidiaries of the Borrower from time to time party to the hereinafter defined Credit Agreement (the “*Guarantors*”), and BMO Harris Bank N.A. (the “*Bank*”).

PRELIMINARY STATEMENTS

A. The Borrower, the Guarantors and the Bank entered into a certain Credit Agreement, dated as of March 24, 2014 (as amended, restated, supplemented or otherwise modified from time to time, the “*Credit Agreement*”). All capitalized terms used herein without definition shall have the same meanings herein as such terms have in the Credit Agreement.

B. The Borrower has requested that the Bank consent to certain Acquisitions as described herein and make certain other amendments to the Credit Agreement, and the Bank is willing to do so under the terms and conditions set forth in this Amendment.

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

SECTION 1. AMENDMENT.

Subject to the satisfaction of the conditions precedent set forth in Section 3 below, effective as of the date hereof, the Credit Agreement shall be amended as follows:

1.1. Section 1.1 of the Credit Agreement shall be amended by inserting new defined terms therein in their appropriate alphabetical order, each such defined term to read in its entirety as follows:

“*Liquidity*” means, with reference to any period, the aggregate amount of Unrestricted Cash of the Loan Parties and undrawn availability under any revolving credit facilities, including the Revolving Facility.

“*Minimum Liquidity*” means Liquidity of not less than \$7,000,000.

“*Repurchase Conditions*” means with respect to any purchase, redemption or other acquisition or retiring any of the Borrower’s capital stock or other equity interests (as contemplated by Section 8.12 hereof) (each a “*Share Repurchase*”), the following conditions:

(i) after giving effect to such Share Repurchase, the Borrower shall demonstrate pro forma compliance with Section 8.23 of the Credit Agreement and the then prevailing financial covenant compliance levels permitted as of the last day of the most recently ended fiscal quarter for which financial statements were required to be delivered under the Credit Agreement;

(ii) after giving effect to such Share Repurchase, the Borrower shall demonstrate Liquidity in an amount no less than the Minimum Liquidity;

(iii) the aggregate amount of all such Share Repurchases under Section 8.12 made following the Third Amendment Date shall not exceed \$7,000,000; and

(iv) no Default or Event of Default exists or would arise after giving effect to such Share Repurchase.

“*Share Repurchase*” is defined in the definition of “*Repurchase Conditions*”.

“*Third Amendment*” means that certain Third Amendment to Credit Agreement and Consent dated as of the Third Amendment Date, among the Borrower, the Guarantors and the Bank.

“*Third Amendment Date*” means February 26, 2016.

“*Third Amendment Date Acquisitions*” has the meaning set forth in the Third Amendment.

“*Unrestricted Cash*” means, at any time the same is to be determined, all cash and cash equivalents of the Loan Parties on deposit with a financial institution and readily accessible by a Loan Party.

1.2. The following definitions appearing in Section 1.1 of the Credit Agreement shall be amended and restated in their entirety to read as follows:

“*Delayed Draw Term Loan Maturity Date*” means March 24, 2017.

“*Revolving Credit Termination Date*” means March 24, 2017, or such earlier date on which the Revolving Credit Commitment is terminated in whole pursuant to Section 2.11, 9.2 or 9.3.

1.3. Section 8.7(l) and (m) of the Credit Agreement shall be amended and restated in their entireties to read as follows:

(l) indebtedness arising from Seller Notes; *provided that* (x) all Indebtedness arising from any such Seller Notes shall be unsecured and subordinated to the Secured Obligations pursuant to subordination provisions or subordination agreements satisfactory to the Bank, and (y) the aggregate principal amount of all Indebtedness outstanding from any such Seller Notes shall not at any time exceed \$4,150,000;

(m) indebtedness arising from Earn Out Obligations; *provided that* (x) all Indebtedness arising from any such Earn Out Obligations shall be unsecured, and (y) the aggregate principal amount of all Indebtedness outstanding from any such Earn Out Obligations shall not at any time exceed \$10,500,000;

1.4. Section 8.7 of the Credit Agreement shall be further amended by replacing the period at the end of clause (n) with “; and”, and adding a new clause (o) as follows:

(o) installment payments that constitute partial consideration for the First Acquisition (as defined in the Third Amendment); *provided that* (x) all such installment payments shall be unsecured, and (y) the aggregate principal amount of all such installment payments shall not at any time exceed \$4,600,000 *minus* any and all installments payments (or any portion thereof) paid prior to the date of determination.

1.5. Section 8.12 of the Credit Agreement shall be amended in its entirety, and as so amended shall be restated to read as follows:

Section 8.12. Dividends and Certain Other Restricted Payments. No Loan Party shall, nor shall it permit any of its Subsidiaries to, (a) declare or pay any dividends on or make any other distributions in respect of any class or series of its capital stock or other equity interests (other than dividends or distributions payable solely in its capital stock or other equity interests), or (b) directly or indirectly purchase, redeem, or otherwise acquire or retire any of its capital stock or other equity interests or any warrants, options, or similar instruments to acquire the same (collectively referred to herein as “*Restricted Payments*”); *provided, however,* that the foregoing shall not operate to prevent the making of (i) dividends or distributions by any Subsidiary to any Borrower or (ii) Share Repurchases by the Borrower, following the Borrower’s delivery of a compliance certificate in the form of Exhibit G attached hereto (or in such other form acceptable to the

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Bank) to the Bank certifying that the Repurchase Conditions have been satisfied in connection with any such share redemption or purchase.

1.6. Effective as of December 31, 2015, Section 8.23(b) shall be amended in its entirety, and as so amended shall be restated to read as follows:

(b) *Tangible Net Worth.* The Borrower shall at all times maintain Tangible Net Worth of the Borrower and its Subsidiaries determined on a consolidated basis in an amount not less than (i) the Tangible Net Worth of the Borrower and its Subsidiaries as of December 31, 2015; *plus* (ii) for each Fiscal Quarter ending after the Third Amendment Date, 50% of Net Income if such Net Income is a positive amount (i.e., there shall be no reduction to the minimum amount of Tangible Net Worth required to be maintained hereunder for any Fiscal Quarter in which Net Income is less than zero); *plus* (iii) the aggregate amount of proceeds received by the Borrower related to the issuance, assignment, sale or transfer of any shares of capital stock or other equity interests of the Borrower made after the Third Amendment Date; *minus* (iv) the aggregate dollar amount of expenditures for Share Repurchases made by the Borrower after the Third Amendment Date, *plus* or *minus*, as applicable, (v) 80% of any adjustments to Tangible Net Worth of the Borrower and its Subsidiaries arising as a result of the consummation of any Third Amendment Date Acquisition (such adjustments to be subject to the review and approval of the Bank).

1.7. Exhibit E of the Credit Agreement shall be amended and restated in its entirety, such Exhibit E to read in the form attached hereto under Annex I hereof.

1.8. The Exhibits to the Credit Agreement shall be amended by inserting a new Exhibit G therein in its appropriate alphabetical order, such Exhibit G to read in its entirety in the form attached hereto under Annex II hereof.

SECTION 2. CONSENT.

Notwithstanding any term or provision of the Credit Agreement to the contrary, including, without limitation, the definition of Permitted Acquisition and Section 8.9 thereof, the Bank does hereby consent to (i) the Acquisition by the Borrower or a Wholly-owned Subsidiary of the Borrower of substantially all of the assets of, and subsequent merger with, a certain professional service corporation, as previously discussed with the Bank and identified in writing in connection with this Amendment, within the first ninety (90) days following the Third Amendment Date (the “*First Acquisition*”) and (ii) the Acquisition by the Borrower or a Wholly-owned Subsidiary of the Borrower of substantially all of the assets or the equity interests of a certain limited liability company, as previously discussed with the Bank and identified in writing in connection with this Amendment, within the first one hundred eighty (180) days following the

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Third Amendment Date (the “*Second Acquisition*”) and together with the First Acquisition, collectively, the “*Third Amendment Date Acquisitions*”), and hereby waives any Default or Event of Default under, or other violation of, the Credit Agreement that will directly and solely result from use of proceeds under the Credit Agreement for one or more of the Third Amendment Date Acquisitions. The Bank affirms that the total consideration paid or payable (including all transaction costs, assumed Indebtedness and liabilities incurred, assumed or reflected on a consolidated balance sheet of the Loan Parties and their Subsidiaries after giving effect to such Acquisition) in connection with the Third Amendment Date Acquisitions shall not be included for purposes of calculating the aggregate limits set forth in clause (d) of the definition of Permitted Acquisition. Furthermore, the Bank affirms, without limiting the foregoing sentence, that each Third Amendment Date Acquisition shall be deemed a “Permitted Acquisition” under the Credit Agreement.

This consent shall be limited specifically as written herein and shall not constitute a consent to any other transactions prohibited by the Credit Agreement. This consent shall not be a waiver of any Default or Event of Default, except as expressly set forth herein.

SECTION 3. CONDITIONS PRECEDENT.

The effectiveness of this Amendment is subject to the satisfaction of all of the following conditions precedent:

3.1. The Loan Parties and the Bank shall have executed and delivered this Amendment.

3.2. The Bank shall have received a duly completed pro forma Compliance Certificate signed by a Responsible Officer of the Borrower demonstrating that after giving effect to the Third Amendment Date Acquisition, the Total Leverage Ratio shall be no greater than 1.75 to 1.00 and the Borrower is otherwise in compliance with Sections 8.23(b) and (c) of the Credit Agreement.

3.3. The Bank shall have received copies (executed or certified, as may be appropriate) of all legal documents or proceedings taken in connection with the execution and delivery of this Amendment to the extent the Bank or its counsel may reasonably request.

3.4. Legal matters incident to the execution and delivery of this Amendment shall be satisfactory to the Bank and its counsel.

SECTION 4. POST-CLOSING COVENANTS.

On the date on which each Third Amendment Date Acquisition occurs but immediately prior to each such Third Amendment Date Acquisition's effectiveness:

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4.1. On the date of consummation of the applicable Third Amendment Date Acquisition, the Bank, the sellers under such Third Amendment Date Acquisition and the Loan Parties shall have executed and delivered subordination agreements with respect to any Seller Notes issued in connection with such Third Amendment Date Acquisition, which subordination agreements shall be in form and substance satisfactory to the Bank.

4.2. On the date of consummation of the applicable Third Amendment Date Acquisition, the Bank shall have received a certificate of a Responsible Officer of each Loan Party certifying that (i) after giving effect to such Third Amendment Date Acquisition, no Default or Event of Default shall exist, (ii) such Third Amendment Date Acquisition satisfies clauses (a), (b), (c), (h) and (i) of the definition of Permitted Acquisition, and (iii) attached thereto are true, correct and complete copies of: (A) all agreements in connection with such Third Amendment Date Acquisition, (B) all Seller Notes issued in connection with such Third Amendment Date Acquisition, and (C) any guaranty agreements that guarantee any Indebtedness under any Seller Note entered into in connection with such Third Amendment Date Acquisition.

4.3. On the date of consummation of the applicable Third Amendment Date Acquisition, the Bank shall have received with respect to the Acquired Business or any Subsidiary created as a result of such Third Amendment Date Acquisition (as applicable, the "Additional Guarantor"):

(i) UCC-1 financing statements, stock or other appropriate certificates along with undated, blank equity powers executed with respect thereto, if applicable, for all equity interests of the Additional Guarantor owned by a Loan Party, and executed counterparts of the Additional Guaranty Supplement and the Assumption and Supplement to Security Agreement (in each case in form and substance satisfactory to the Bank);

(ii) any deposit account control agreements and landlord waivers, to the extent requested by the Bank to perfect its Lien on the Property of the Additional Guarantor;

(iii) certificates showing the existence of all insurance policies required by Section 8.4 of the Credit Agreement, naming the Bank, as mortgage/lender's loss payee and additional insured;

(iv) such certificates of resolutions or other similar action, incumbency certificates and/or other certificates of Responsible Officers of the Additional Guarantor as the Bank may require evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Amendment and the other Loan Documents to which the Additional Guarantor is a party;

(v) such documents and certifications as the Bank may require to evidence that the Additional Guarantor is duly organized or formed, and that the

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Additional Guarantor is validly existing, in good standing and qualified to engage in business in each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect;

(vi) tax and judgment lien search results against the Additional Guarantor, and the Property of the Additional Guarantor evidencing the absence of Liens on its assets, except for Liens permitted by Section 8.8 of the Credit Agreement;

(vii) pay-off and lien release letters from secured creditors, if applicable, (other than holders of Permitted Liens) of the Additional Guarantor and containing an undertaking to cause to be delivered to the Bank UCC termination statements, mortgage releases and any other lien release instruments reasonably necessary to release Liens on the assets of the Additional Guarantor, in form and substance acceptable to the Bank;

(viii) an opinion of counsel to the Additional Guarantor, in form and substance satisfactory to the Bank; and

(ix) all documentation and other information required by bank regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including the Patriot Act; and a fully executed IRS Form W-9 (or its equivalent) for the Additional Guarantor.

SECTION 5. REPRESENTATIONS.

In order to induce the Bank to execute and deliver this Amendment, the Borrower hereby represents to the Bank that as of the date hereof (a) the representations and warranties set forth in Section 6 of the Credit Agreement are and shall be and remain true and correct (except that the representations contained in Section 6.5 shall be deemed to refer to the most recent financial statements of the Borrower delivered to the Bank) and (b) the Borrower is in compliance with the terms and conditions of the Credit Agreement and no Default or Event of Default has occurred and is continuing under the Credit Agreement or shall result after giving effect to this Amendment.

SECTION 6. MISCELLANEOUS.

6.1. The Borrower heretofore executed and delivered to the Bank the Security Agreement and certain other Collateral Documents. The Borrower hereby acknowledges and agrees that the Liens created and provided for by the Collateral Documents continue to secure, among other things, the Secured Obligations arising under the Credit Agreement as amended hereby; and the Collateral Documents and the rights and remedies of the Bank thereunder, the obligations of the Borrower thereunder, and the Liens created and provided for thereunder remain

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in full force and effect and shall not be affected, impaired or discharged hereby. Nothing herein contained shall in any manner affect or impair the priority of the liens and security interests created and provided for by the Collateral Documents as to the indebtedness which would be secured thereby prior to giving effect to this Amendment.

6.2. Except as specifically amended herein, the Credit Agreement shall continue in full force and effect in accordance with its original terms. Reference to this specific Amendment need not be made in the Credit Agreement, the Notes, or any other instrument or document executed in connection therewith, or in any certificate, letter or communication issued or made pursuant to or with respect to the Credit Agreement, any reference in any of such items to the Credit Agreement being sufficient to refer to the Credit Agreement as amended hereby.

6.3. The Borrower agrees to pay on demand all costs and expenses of or incurred by the Bank in connection with the negotiation, preparation, execution and delivery of this Amendment, including the fees and expenses of counsel for the Bank.

6.4. This Amendment may be executed in any number of counterparts, and by the different parties on different counterpart signature pages, all of which taken together shall constitute one and the same agreement. Any of the parties hereto may execute this Amendment by signing any such counterpart and each of such counterparts shall for all purposes be deemed to be an original. Delivery of a counterpart hereof by facsimile transmission or by e-mail transmission of an Adobe portable document format file (also known as a “PDF” file) shall be effective as delivery of a manually executed counterpart hereof. This Amendment shall be governed by, and construed in accordance with, the internal laws of the State of Illinois.

[SIGNATURE PAGES TO FOLLOW]

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This Third Amendment to Credit Agreement and Consent is entered into as of the date and year first above written.

“BORROWER”

WILLDAN GROUP, INC.

By /s/ Thomas D. Brisbin
Name Thomas D. Brisbin
Title President and Chief Executive Officer

“GUARANTORS”

ABACUS RESOURCE MANAGEMENT COMPANY
ELECTROTEC OF NY ELECTRICAL INC.
PUBLIC AGENCY RESOURCES
WILLDAN ENERGY SOLUTIONS
WILLDAN ENGINEERING
WILLDAN ENGINEERS AND CONSTRUCTORS
WILLDAN FINANCIAL SERVICES
WILLDAN HOMELAND SOLUTIONS
WILLDAN INFRASTRUCTURE
WILLDAN LIGHTING & ELECTRIC, INC.
WILLDAN LIGHTING & ELECTRIC OF CALIFORNIA
WILLDAN LIGHTING & ELECTRIC OF WASHINGTON, INC.

By /s/ Thomas D. Brisbin

Name	Thomas D. Brisbin
Title	Chairman of the Board

[Signature Page to Third Amendment to Credit Agreement and Consent]

Accepted and agreed to.

BMO HARRIS BANK N.A.

By /s/ Michael Gift

Name Michael Gift

Title Director

[Signature Page to Third Amendment to Credit Agreement and Consent]



FOR IMMEDIATE RELEASE

**Willdan Acquires New York Based Power Engineering Company
Genesys Engineering**

ANAHEIM, Calif.— February 29, 2016 — Willdan Group, Inc. (NASDAQ:WLDN) today announced that it has signed a definitive agreement to acquire Genesys Engineering (Genesys), a mechanical and electrical consulting and engineering company located in New York. Genesys had revenue of approximately \$30 million in 2015, and its major customers include universities, hospitals, utilities and private industries located in eastern New York State. The transaction is expected to close in early March.

“We have frequently partnered with Genesys Engineering on projects and we have first-hand knowledge of their engineering expertise and the unique combination of skills that our two companies offer customers,” commented Tom Brisbin, President and CEO of Willdan. “In addition to complementary technical skills, Genesys brings to Willdan a new group of long-term university and industrial customers, while Willdan brings to Genesys strong utilities experience and broader national reach. As America’s power systems evolve toward distributed generation and microgrids, our combined technical solutions should become more valuable. We welcome all of the employees of Genesys to Willdan.”

The transaction is expected to add more than \$30 million of revenue to the remainder of 2016, and is expected to be accretive to 2016 earnings. As part of the transaction, Willdan has amended its credit facility with its lender, BMO Harris Bank.

About Genesys

Genesys Engineering, P.C. is a power engineering firm that provides planning, design, project management, and commissioning services for the energy and utility infrastructure of major facilities and large building complexes — including large commercial and institutional buildings, commercial and industrial parks, manufacturing facilities, university campuses, hospitals, and military facilities.
www.genesysengineering.net

About Willdan

Willdan provides professional consulting and technical services to utilities, public agencies and private industry throughout the United States. The Company’s service offerings span a broad set of complementary disciplines that include energy efficiency and sustainability, engineering and planning, financial and economic consulting, and national preparedness. Willdan provides integrated technical solutions to extend the reach and resources of its clients, and provides all services through its subsidiaries specialized in each segment.
www.willdan.com

Forward Looking Statements

Statements in this press release that are not purely historical, such as statements regarding Willdan’s intentions, hopes, beliefs, expectations, representations, projections, estimates, plans or predictions of the future are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including expectations relating to the additional revenue to be contributed by Genesys in 2016 and the expectation that the acquisition will be accretive to 2016 earnings. The forward-looking statements involve risks and uncertainties including, but not limited to, the risk that Willdan will not be able to expand its services or meet the needs of customers in markets in which it operates. It is important to note that Willdan’s actual results could differ materially from those in any such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, a slowdown in the local and regional economies of the states where Willdan conducts business and the loss of or inability to hire additional qualified professionals. Willdan’s business could be affected by a number of other factors, including the risk factors listed from time to time in Willdan’s SEC reports including, but not limited to, the Annual Report on Form 10-K filed for the year ended January 2, 2015. Willdan cautions investors not to place undue reliance on the forward-looking statements contained in this press release. Willdan disclaims any obligation to, and does not undertake to, update or revise any forward looking statements in this press release.

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Willdan Contact

Stacy McLaughlin
Chief Financial Officer
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or
Financial Profiles, Inc.
Moirra Conlon
Tel: 310-478-2700
